San Diego Community Power (SDCP)

Meeting of the Board of Directors
December 9, 2019, 10:00 am
City of Encinitas Council Chambers
505 S. Vulcan Avenue, Encinitas, California 92024

San Diego Community Power (SDCP) Board meetings comply with the protections and prohibitions of the Americans with Disabilities Act and are accessible to people with disabilities. 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 RegionalEnergy@sandiego.gov or (858) 492-6005. Requests for disability-related modifications or accomodations require different lead times. Please keep this in mind and provide as much advance notice as possible in order to ensure availability.

Late-Arriving Materials: Late arriving documents related to a SDCP Board meeting item which are distributed to the legislative body prior to and during the Board meeting are available for public review. Until SDCP obtains offices, the Board has designated the City of San Diego Sustainability Department, located at 1200 Third Avenue, Suite 1400, San Diego, CA 92101, for the purpose of making those public records available for inspection. The documents will also be also available on SDCP's temporary website located at: https://www.sandiego.gov/sustainability/clean-and-renewable-energy/ccea. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Late-arriving materials received during the meeting are available for review by making a verbal request of the Interim Clerk located in the meeting room.

If you have anything that you wish to be distributed to the Board please hand it to a SDCP interim staff member at the meeting who will distribute the information to the Board members and other staff.

1. **Welcome**

2. **Board Roll Call**

3. **Public Comment For Items Not on the Agenda**
   NOTE: Persons speaking during Public Comments may address the Board on any subject matter within the Board's jurisdiction that is not listed as an item on the agenda. State law generally prohibits the Board from discussing or taking action on any issue not included on the agenda, but, if appropriate, the Board may schedule the topic for future discussion or refer the matter to staff. Comments are <u>limited to three minutes</u> but an adjustment can be made at the discretion of the Chair.

<u>CONSENT AGENDA</u>

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

REGULAR AGENDA

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

   Receive and file the operations and administration report.

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

   Provide direction to staff on the formation of SDCP Standing Committees.

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

   Provide direction to staff to finalize negotiations with River City Bank.

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

   Requested Actions:

   a) Receive San Diego Community Power Implementation Plan and Statement of Intent Summary Report.

   b) Conduct a Public Hearing regarding the adoption of San Diego Community Power Implementation Plan and Statement of Intent.

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

   Provide direction for the 2020 staffing plan and authorize the Interim Executive Officer to solicit bids for an executive recruitment firm.

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

    Adopt a resolution establishing a 2020 Board meeting schedule.

11. **Board Member and Staff Announcements**

12. **Adjournment**

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY
BOARD OF DIRECTORS
Dempsey Holder Center
950 Ocean Lane
Imperial Beach, CA 91932

MINUTES

November 16, 2019

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

The Agenda Items were considered in the order presented.

1. Welcome

Interim Chair Mosca called the Board meeting to order at 9:04 a.m.

Serge Dedina, Mayor, City of Imperial Beach, provided opening comments and welcomed everyone to the City of Imperial Beach.

2. Board Roll Call

PRESENT: Interim Chair Mosca, Boardmember Baber, Boardmember Montgomery, Boardmember Padilla, and Boardmember West

Also Present: Alternate Boardmember Campbell, Alternate Boardmember Humora, Interim Executive Officer Hooven, La Mesa City Clerk Wiegelman

3. Public Comment for Items Not on the Agenda

Lane Sharman, San Diego Energy District, thanked everyone for their efforts in bringing clean energy to the community.

Micah Mitrosky, International Brotherhood of Electrical Workers (IBEW) Local Union 569, spoke on the need for the San Diego Regional Community Choice Energy Authority to offer a product that is 100% renewable energy versus 100% carbon free.

Jay Powell spoke on program phasing and provided recommended guiding principles.

CONSENT AGENDA

There were no consent agenda items.

REGULAR AGENDA

4. Energy Briefing Workshop

Interim Executive Officer Hooven provided opening comments and introduced Scott Anders, Director, Energy Policy Initiatives (EPIC), University of San Diego (USD) School of Law, who provided a PowerPoint presentation on the basics and trends of the electric Industry highlighting California's energy agencies and organizations, the electric power system, electric supply sources, characteristics of electricity generation technologies, transmission and distribution system, energy end use, electric rate components, utility ratemaking process, and general and regional trends in the electric industry.

Board questions and comments ensued.

Interim Chair Mosca called a recess at 11:15 a.m. and reconvened the meeting at 11:21 a.m. with Interim Chair Mosca, Boardmember Baber, Boardmember Montgomery, and Boardmember West present.

Interim Executive Officer Hooven introduced Beth Vaughan, Executive Director, CalCCA, who provided a PowerPoint presentation on Community Choice Energy highlighting CalCCA's role and structure, regulatory and legal challenges, regulatory and legislative engagement, 2020 anticipated legislative priorities, key legislative topics for 2020, Community Choice Aggregation (CCA) compliance requirements, new Integrated Resource Plan requirements, compliance timeline, comparison of CCAs, Publicly-Owned Utilities, Investor-Owned Utilities, and Energy Service Providers, and CCA distributed energy resources programs.

Board questions and comments ensued.

Interim Chair Mosca called a recess at 11:55 a.m. and reconvened the meeting at 12:03 p.m. with Interim Chair Mosca, Boardmember Baber, Boardmember Montgomery, and Boardmember West present.

Interim Executive Officer Hooven introduced Matt Langer, Chief Operating Officer, Clean Power Alliance (CPA), who provided a PowerPoint presentation on CPA highlighting the communities CPA serves, CPA's power service offerings, the power service default selections of the CPA communities, CPA's power sources, process and evaluation criteria for long-term requests for offers, CPA's local programs, and CPA's relationship with Southern California Edison.

Board questions and comments ensued.

An expert panel consisting of the following members answered questions of the Boardmembers: Matt Langer, Chief Operating Officer, Clean Power Alliance; Greg Wade, City Manager, City of Solana Beach; Ty Tosdal, Attorney, Tosdal Law; Beth Vaughn, Executive Director, CalCCA; and Scott Anders, Director, EPIC, USD School of Law.

5. Board Member and Staff Announcements

Interim Executive Officer Hooven announced the next San Diego Regional Community Choice Energy Authority Board of Directors meeting would be held on Thursday, November 21, 2019 at 2:00 p.m. in the City of Chula Vista.

6. Adjournment

Interim Chair Mosca adjourned the meeting at 1:06 p.m.

Megan Wiegelman, CMC
City Clerk, City of La Mesa

SAN DIEGO COMMUNITY POWER

Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Cody Hooven, San Diego Community Power Interim Executive Officer

Subject: Operations and Administration Report – Informational Only

Date: December 9, 2019

Recommendation

Receive update on various start up activities described in this report.

Background

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

A) Chair and Vice Chair Selection and Rotation

Section 5.2 of the JPA Agreement specifies "for each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall perform duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall perform all of the Chair's duties." The first Chair (Joe Mosca – Encinitas) and Vice Chair (Steve Padilla – Chula Vista) were elected at the Board meeting on November 21, 2019. As this appointment was made in the middle of a fiscal year, this appointment will remain through the FY 2021.

In researching best practices of other community choice joint powers authorities, the Chair and Vice Chair may rotate or be reelected to serve more than a one-year term. This is at the direction of the Board and is determined by the both the performance and significant learning curve in an officer's role during program launch and early operations, amongst other factors. Should the Board choose to rotate every year once SDCP is operational, a schedule based alphabetally by city name is recommended, with each Board member cycling first to Vice Chair then to Chair. For example, the Board member from Imperial Beach would be next in line for Vice Chair, with La Mesa and San Diego following. This rotational schedule should be reaffirmed each year with the election of officers as new cities may have joined, and it is not compulsory unless the Board so desires to set a policy requiring annual Board rotation.

B) Authority Policies

Policies of the Board will need to be developed and adopted as another important activity of our new organization. SDCP policies will range from Authority operations such as personnel matters and a Code of Conduct, to fiscal policies, customer policies and procurement policies. Staff and General Counsel will develop and present policy recommendations and a schedule for adoption by the Board beginning in the first quarter of 2020.

C) Vendor RFPs

On November 27, 2019, SDCP released its wholesale energy services RFP which includes power resource planning, procurement assistance, rate design, scheduling and long-term procurement planning. Bids are due back by December 19th and staff expects to have a recommendation for Board approval at its January Board meeting. Upcoming RFPs include data management/call center and marketing services, both of which will be developed and released in Q1 2020.

D) MOUs with City of San Diego and City of La Mesa for Administrative and Support Services.

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

SAN DIEGO COMMUNITY POWER

Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Cody Hooven, San Diego Community Power Interim Executive Officer

Subject: Approve Staff Recommendation for Standing Committee Formation

Date: December 9, 2019

Recommendation

Approve staff recommendation for standing committee formation.

Background

Section 5.10 of the SDCP JPA agreement specifies advisory committees of the Board, some of which are required ("shall establish") and others that are discretionary ("may establish"). The agreement also states that to the extent possible, the commissions, boards, and committees should have equal representation from each Party. Over time and based on operational need, the Board may also identify additional committes of benefit the organization. The mandatory committees specified in the JPA Agreement include a Finance and Risk Management Committee and a Community Advisory Committee. Those that are discretionary include an Executive Committee and a Technical Advisory Committee.

Based on research and best practices of other community choice programs, some considerations regarding Committee selection and implementation are below:

- Organizational Need/Staff Capacity – recommend starting with fewer committees early in the organization's life cycle in order to see what's truly needed as the organization matures into operations, and to avoid overburdening limited staff capacity during Agency formation.
- Board Capacity – as SDCP is a relatively small board, consider fewer committees with a broader scope until the Board grows or a greater need for a specific committee is identified
- Inclusion of Alternate Board Members – consider participation of alternate Board members on Committees, including in committee leadership roles (with the exception of an Executive Committee, if formed).

Discussion and Analysis

Based on these considerations and the requirements of the JPA agreement, the following Board committes are recommended in 2020 with others to follow once SDCP has hired staff and become operational:

- Q1 2020
  - Finance and Risk Management Committee (required) – consisting of a subset of Directors
    - Primary purpose – to review and recommend to the Board a funding plan, a fiscal year budget, financial policies and procedures, and other duties as needed such as advising the Chief Executive Officer on fiscal and risk management policies.
    - Recommended structure – The Board should elect two Directors to participate on this committee annually, and include the Chief Executive Officer or other executive-level staff at each meeting.
- Q2 2020
  - Community Advisory Committee (required) – comprised of non-Board members
    - Primary purpose - to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.
    - Structure described in JPA agreement - Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.

Staff is aware that other Committees of the Board have been mentioned by Directors including a legislative and regulatory committee. At this time, staff suggests that these matters become part of the scope of the Finance and Risk Management Committee until such time that a separate committee is established or it becomes a function of a future Executive Committee. Please note that SDCP has recently retained Tosdal APC to handle the Agency's regulatory monitoring and engagement and is also a member of Cal-CCA which takes the lead on regulatory and legislative issues of import to CCAs statewide.

If this direction is supported by the Board, staff will present a scope of work and process for nominations (for non-Board members only) for each of the two required committees at an upcoming Board meeting.

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To: San Diego Community Power Board of Directors

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

Cc: Rolando Charvel, Chief Financial Officer, City of San Diego

Subject: Direction on San Diego Community Power Credit and Banking Services

Date: 12/3/2019

Recommendation

Direct staff to finalize negotiations with River City Bank for credit and banking services in relation to the start-up financing and immediate banking needs of San Diego Community Power (SDCP).

Background

In February 2019, the City of San Diego solicited proposals from its pool of Municipal Advisors and Financial and Economic Consultants for assistance with the procurement of start-up financing for the, then to-be-formed Community Choice Aggregation (CCA) Joint Powers Authority. Proposals were received from two of the eighteen firms and reviewed by Debt Management Staff. In March it was determined that PFM Financial Advisors, LLC (PFM) had the strongest proposal in terms of their discussion of the approach to the scope of services and their extensive advisory experience in the CCA marketplace.

In collaboration with City of San Diego staff and on behalf of SDCP, PFM prepared and distributed a Request for Proposals (RFP) for credit and banking services to over 300 recipients at various institutions including national, regional and local banks, and others. The RFP included background information about SDCP, program specifics, estimated start-up costs, pro forma cashflows and overall scope of services being requested to meet the needs of the program. Five (5) responses were received by the November 1 deadline. Of the five proposals listed below, only River City and JP Morgan submitted proposals for both credit and banking services.

- Barclays (credit only);
- Citigroup (credit only);
- JP Morgan (credit and banking);
- River City Bank (credit and banking);
- Wells Fargo (banking services only).

Credit & Banking Services RFP

The scope of services in the RFP had two components – credit and banking services – in which bidders were requested to provide stand-alone offers if they couldn't provide joint bids for both. The request for credit included a Line of Credit and Letter of Credit feature for a total facility amount up to $40 million to cover a portion of the estimated start-up costs ($5 million), Resource Adequacy requirements, initial power contracts and support for longer-term operations ($35 million). Bidders were encouraged to provide offers for less than requested if they are unable to meet the maximum, and provide multiple term sheets or scenarios of terms/conditions they might be able to offer. The request for banking services included comprehensive management of the CCA's bank accounts, lockbox(es), and related depository and cash operations.

Analysis and Discussion

PFM reviewed and discussed the proposals with City of San Diego staff, including Debt Management, Office of the City Attorney, Department of Finance, Sustainability Department staff serving as interim staff for SDCP, and Office of City Treasurer – Investments Division. A summary of the proposals received were also shared with the staff of SDCP member cities. The review and discussion mainly focused on considerations relating to experience, cost, and ability to meet desired terms as main drivers for selection. PFM noted that the offers received were some of the most aggressive that have been seen to date, especially in light of the pre-launch request. PFM determined (see Attachment) that River City Bank offers the most cost effective and suitable terms for credit [and banking] services. River City Bank has the most extensive experience currently providing credit and/or banking services for 15 programs in California.

Staff seeks authorization from the Board to finalize terms of the credit [and banking] facility with River City. In addition, Staff recommends to maintain evaluation of other proposals received while in negotiation process with River City before a final decision is made. Staff will return to the Board will a final recommendation and agreement for approval at the January or February Board meeting.

Attachments: PFM's Summary

December 2, 2019

Memorandum

To: San Diego Community Power

From: Mike Berwanger, *PFM Financial Advisors LLC.*

Re: RFP for Credit and Banking Services

PFM on behalf of the San Diego Community Power ("SDCP" or "CCA") recently distributed an RFP for Credit and Banking Services. This memo serves as a summary of the effort, responses received and a recommendation on how to proceed.

The RFP was distributed to over 300 recipients at various institutions including national banks, regional banks, California and San Diego local banks among others. This was the largest distribution for a CCA to date.

Seven different institutions had significant enough early interest to submit questions. To PFM's knowledge, this was the first interest in the CCA space from three of these entities which represents a significant expansion of the financial marketspace for CCAs. Ultimately, given the limited number of banks comfortable and familiar with CCAs only five RFP responses were received:

- Barclays (credit only);
- Citigroup (credit only);
- JP Morgan (credit and banking);
- River City Bank (credit and banking);
- Wells Fargo (banking services only).

PFM reviewed the proposals with City of San Diego staff providing this service to SDCP (including SDCP's Interim Executive Officer) and discussions focused in on a few key areas of consideration for selection: experience, cost, and ability to meet desired terms.

<u>Experience:</u> For banking services, only River City Bank has CCA experience and they have served almost every CCA launched to date. For credit, Barclay's, JP Morgan and River City have worked with CCAs. Citigroup's proposal was contingent on City of San Diego general fund support so while appreciative of the response, PFM does not recommend further consideration of the offer. River City Bank has the most extensive experience having worked with almost all of the CCA programs that have launched while JP Morgan ($75MM SFPUC; $40MM MCE) and Barclays ($50MM EBCE/$12MM PCE/$80MM San Jose/$16MM WCE (pending)) have experience with some of the larger programs and larger facilities.

Cost: The offers received were some of the most aggressive PFM has seen to date especially in light of the pre-launch request. In whole PFM views River City as the most cost competitive.

Terms: The CCA's desired terms were best met by River City who offered the most flexible facility of the three offers received.

PFM recommends that the CCA pursue the credit facility with River City.

At this time, PFM recommends that the banking proposals received be further evaluated by City of San Diego Treasury staff as well as SDCP Interim Executive Officer and other supporting staff before a final decision is made. That said, PFM has reviewed the RFPs and believe that River City is the best offer and ensures the smoothest execution given their extensive experience.

We hope you find this memo useful and would be happy to answer any questions you may have. Thank you.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY

Staff Report – Item 8

To: San Diego Community Power Board of Directors

From: Mark Fulmer, MRW & Associates
Shawn Marshall, LEAN Energy US

Cc: Cody Hooven, SDCP Interim Executive Officer

Subject: Conduct a Public Hearing to Adopt the Implementation Plan and Statement of Intent

Date: December 9, 2019

Recommendation

Conduct a public hearing and adopt SDCP's Implementation Plan and Statement of Intent.

Background

The California Public Utilities Commission (CPUC) requires all new and expanding Community Choice Aggregators (CCAs) to submit an Implementation Plan that describes the key features of their CCA program. The Implementation Plan is a statutory requirement under Public Utilities Code, Section 366.2.(c)(3). The purpose of this agenda item is to conduct a Public Hearing for the adoption of SDCP's Implementation Plan and Statement of Intent. The Plan must be formally approved by the SDCP Board. Once submitted, the CPUC has 90 days to certify the Plan, which is expected in approximately mid-March 2020.

Discussion and Analysis

At SDCP's first Board meeting on October 31, 2019, staff and consultants provided an overview of the contents, key decisions required to draft an Implementation Plan for CPUC certification, and received general direction from the Board. At its meeting on November 21, the Board reviewed the initial draft of the SDCP Implementation Plan and provided feedback and direction to complete the Plan for adoption at its December 9th meeting. The Plan included here as Attachment A is in full conformance with statutory requirements and is responsive to Board direction in the following areas:

1) **Energy Supply.** The Plan states that SDCP will offer two power options at its program launch. The default/base product option will have a power mix that is at least 50%, and up to 60%, renewable portfolio standard (RPS) qualified renewable. The second, voluntary option will be 100% RPS qualified renewable. The Plan also describes the process underway to retain energy service provider support and the timing for power procurement activities.

2) **Customer Phasing.** The Plan specifies that SDCP will offer service to all customers on a phased-in basis, which is expected to begin in March 2021. The proposed phasing schedule is as follows:

   Phase 1 (March 2021) All municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases.

   Phase 2 (July 2021) Remaining commercial, industrial, agriculture, street lighting and traffic control accounts; and

   Phase 3 (November 2021) All residential accounts and any remaining service accounts that may have been omitted during Phase 2.

3) **Rate Strategy.** The Plan indicates that SDCP will match SDG&E's tariff structure, that it will be competitive with SDG&E generation rates and that it is targeting a 2%-4% generation rate discount at the time of launch.

4) **Organizational Structure**. The Plan provides a description of SDCP's planned organizational structure, key vendor contracts that will support implementation and operations, and the interim staff support provided by the City of San Diego and other member agency staff.

5) **Financial Information.** The Plan provides financial information including total projected start-up costs and how they will be funded. The Financing section references the City of San Diego's initial funding, as well as the process underway to obtain a working capital line of credit of up to $40 million.

Attachments:
Attachment A: SDCP Implementation Plan and Statement of Intent dated December 9, 2019

San Diego Community Power

Community Choice Aggregation Implementation Plan and Statement of Intent

December 9, 2019

Contents

1. INTRODUCTION

1.1 Statement of Intent

San Diego Community Power ("SDCP") is a California Joint Powers Agency formed on October 1, 2019 for the purpose of providing a Community Choice Aggregation ("CCA") program through which to serve the retail electric service accounts of five SDCP communities including the Cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego**.**

This Implementation Plan and Statement of Intent ("Implementation Plan") describes SDCP's plans to implement a CCA program for electric accounts in the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego that currently take bundled electric service from San Diego Gas and Electric Company ("SDG&E"). SDCP will provide electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over SDG&E's transmission and distribution systems. The planned start date for the Program is the first business day in March 2021. All current SDG&E customers within SDCP's service area will receive information describing SDCP and will have multiple opportunities to choose to remain bundled customers of SDG&E, in which case they will not be enrolled. Thus, participation in SDCP is completely voluntary; however, customers, as provided by law, will be automatically enrolled according to the anticipated phase-in schedule later described in Chapter 5 unless they affirmatively elect to opt-out.

Implementation of the SDCP will enable member communities of the joint powers agency to take advantage of the opportunities granted by Assembly Bill 117 ("AB 117"), California's Community Choice Aggregation authorizing statute. SDCP's primary objectives in implementing CCA are to provide cost competitive electric services; reduce electric sector greenhouse gas emissions ("GHGs"); stimulate renewable energy development; promote energy efficiency and demand reduction programs; and sustain long-term rate stability for residents and businesses in its service territory. The prospective benefits to consumers include increased renewable and other low-GHG emitting energy supplies, stable and competitive electric rates, and the opportunity for public participation in determining which supply sources and technologies are utilized to meet local electricity needs.

Based on feedback received from the SDCP Board of Directors and its communities, SDCP's CCA will operate under the following guiding framework:

- ***Rates:*** SDCP will offer rates that are competitive with SDG&E's electric generation rates, striving for generation rates that are below that of the incumbent utility.
- ***Power Mix:*** SDCP plans to launch with two power options, one that is a minimum 50%-60% renewable content and a second which is a voluntary, opt-up option that is 100% renewable.
- ***Programs:*** SDCP intends to offer a variety of energy-related programs, which could include energy efficiency and demand response, net energy metering, electric vehicle incentives, advanced energy technologies, and the like.

- ***Community Input:*** Community input is a priority for SDCP through participation in SDCP Board meetings, public comment through the Agency's website, or participation one of SDCP's Advisory Committees.
- ***General Fund Impact:*** SDCP is formed as a CA Joint Powers Authority and does not anticipate any impact on the General Funds of its member agencies.

To ensure successful operation of its program, SDCP will solicit services from energy suppliers and power marketers through a competitive process and will negotiate with one or more qualified energy service providers in early 2020. Final selection of SDCP's initial energy provider(s) will be made by SDCP following administration of the solicitation process and related contract negotiations. Information regarding the anticipated solicitation process for SDCP's initial energy services provider(s) is contained in Chapter 10.

The California Public Utilities Code provides the relevant legal authority for SDCP to become a Community Choice Aggregator and invests the California Public Utilities Commission ("CPUC" or "Commission") with the responsibility for establishing the cost recovery mechanism that must be in place before communities can begin receiving electrical service through SDCP. The CPUC also has responsibility for registering SDCP as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the CCA in order to prevent shifting of costs to bundled customers of San Diego Gas & Electric, the incumbent utility.

On December 9, 2019, the SDCP Board of Directors, at a duly noticed public hearing, considered and adopted this Implementation Plan, by Resolution, a copy of which is included in the packet presented to the CPUC. The Commission has established the methodology that will be used to determine the cost recovery mechanism, and SDG&E has approved tariffs for imposition of the cost recovery mechanism. Following the CPUC's certification of its receipt of this Implementation Plan and resolution of any outstanding issues, SDCP will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

1.2 Organization of the Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by California Public Utilities Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides SDCP's statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

The requirements of AB 117 are cross-referenced to individual chapters of this Implementation Plan in the following table.

Table 1: AB 117 Requirement Cross-References to Implementation Plan

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

2. AGGREGATION PROCESS

2.1 Introduction

This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

SDCP city members began investigating formation of a CCA several years prior to adoption, pursuant to California state law, with the following objectives:

- ***Rates:*** Competitive rates with those offered by the incumbent utility
- ***Power Mix:*** A power supply mix that meets or exceeds California's Renewable Portfolio Standard (RPS) requirements and achieves GHG reduction targets of the members
- ***Programs:*** A variety of locally administered energy programs to serve the communities and customers of the CCA service territory
- ***Community Input:*** Place a high priority on community engagement and feedback
- ***General Fund Impact:*** Avoid general fund impact and future general fund liabilities through the establishment of a joint powers authority to operate the CCA program.

This framework serves as the foundation of this Plan. A technical feasibility study for a CCA serving the largest member of the CCA, the City of San Diego, was completed in April 2017 and validated through a peer review study in May 2017. A business plan was completed in October 2018. Several of the other member agencies also completed feasibility studies and/or business plans.

After many years of collaborative work by representatives of SDCP member jurisdictions, independent consultants, and stakeholders, SDCP authorized CCA formation on October 1, 2019. SDCP released a draft CCA Implementation Plan in November 2019 which described the planned organization, governance and operation of the CCA Program. Following consideration of comments related to the draft document, a final Implementation Plan was prepared and duly adopted by the SDCP Board of Directors on December 9, 2019.

The CCA represents a culmination of planning efforts that are responsive to the expressed needs and priorities of participating communities and local stakeholders. SDCP plans to offer choices to eligible customers through creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, energy efficiency, demand responsiveness to promote reductions in peak demand, customized pricing options for large energy users, and support of local renewable energy projects.

2.2 Process of Aggregation

Before they are enrolled in SDCP's CCA, all customers within the five communities not otherwise served by Direct Access will receive two written notices in the mail, from SDCP that will provide information needed to understand program terms and conditions of service and explain how customers can opt-out of SDCP service, if desired. All customers that do not elect the opt-out process specified in the customer notices will be automatically enrolled in SDCP, with service to begin at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the first phase of customers in March 2021. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by SDCP. Two additional notices will be sent to enrolled customers within 60 days post enrollment, as per statutory requirement.

Customers enrolled in SDCP will continue to have their electric meters read and billed for electric service by the distribution utility (SDG&E). The electric bill for SDCP customers will show separate charges for electric generation procured by SDCP as well as other charges related to electricity delivery and other utility charges assessed by SDG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of SDCP without penalty and return to SDG&E bundled service. SDCP customers will be advised of these opportunities via the delivery of two additional enrollment notices provided within the first two months of service. Consistent with statutory requirements, there will be a total of four notices - in the two months prior and in the two months after SDCP service commencement. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by SDCP but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to remain a participant in SDCP and to have agreed to SDCP’s terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

2.3 Consequences of Aggregation

2.3.1 Rate Impacts

SDCP communities will pay the generation charges set by SDCP and no longer pay the costs of SDG&E generation. Communities enrolled in SDCP’s CCA will be subject to the Program’s terms and conditions, including responsibility for payment of all SDCP charges as described in Chapter 9.

SDCP’s rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by SDG&E. SDCP will establish rates sufficient to recover all costs related to its operation and actual rates will be adopted by the SDCP Board of Directors at a publicly noticed meeting.

Initial SDCP rates will be established following approval of SDCP’s inaugural program budget, reflecting final costs from the SDCP CCA’s energy supplier(s). SDCP’s rate policies and procedures are detailed in Chapter 7. Information regarding final SDCP rates will be disclosed along with other terms and conditions of service in the pre‐and post‐enrollment notices sent to potential customers.

Under existing statutory requirements, once SDCP gives definitive notice to SDG&E that it will commence service, SDCP customers will generally not be responsible for costs associated with SDG&E's future electricity procurement contracts or power plant investments. Certain pre‒existing generation costs and new generation costs that are deemed to provide system‒wide benefits will continue to be charged by SDG&E to SDCP customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in SDG&E's electric service tariffs, which can be accessed from the utility's website, and the costs are included in charges paid by both SDG&E bundled customers as well as CCA and Direct Access customers.[1]

2.4 Renewable Energy Impacts

A second impact of the SDCP CCA will be an increase in the proportion of energy generated and supplied by eligible renewable and carbon-free resources. The resource plan includes procurement of renewable energy sufficient to exceed California's prevailing renewable energy procurement mandate ("Renewable Portfolio Standards") for all enrolled customers. SDCP communities may also voluntarily participate in a 100 percent renewable supply option. To the extent that customers choose SDCP's 100 percent renewable energy option, the renewable content of SDCP's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, SDCP may consider independent development of new renewable generation resources to serve its resource needs.

2.5 Energy Efficiency Impacts

A third impact of SDCP will be an anticipated increase in local energy efficiency program investments and activities. The existing energy efficiency programs administered by SDG&E should not change as a result of SDCP implementation. SDCP customers will continue to pay the public benefits surcharges to SDG&E, which will continue funding energy efficiency programs for all customers, regardless of generation supplier. The energy efficiency investments ultimately planned for SDCP, as described in Chapter 6, will follow SDCP's successful application for and administration of requisite program funding (from the CPUC) to independently develop and administer energy efficiency programs within its jurisdiction. Such programs will be in addition to the level of investment that would continue in the absence of SDCP-administered energy efficiency programs. Thus, SDCP has the potential for increased energy savings and a further reduction in GHGs due to expanded energy efficiency programs in its service territory.

[1] For SDG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in SDG&E's tariffs as separate rates/charges paid by all customers (with limited exceptions). The CPUC recently opened a new Rulemaking exploring potential changes to the PCIA (R.17-06-026).

3. ORGANIZATIONAL STRUCTURE

3.1 Introduction

This section provides an overview of the organizational structure of SDCP and its proposed implementation. Specifically, the key agreements, governance, management, and organizational functions of SDCP are outlined and discussed below.

3.2 Organizational Overview

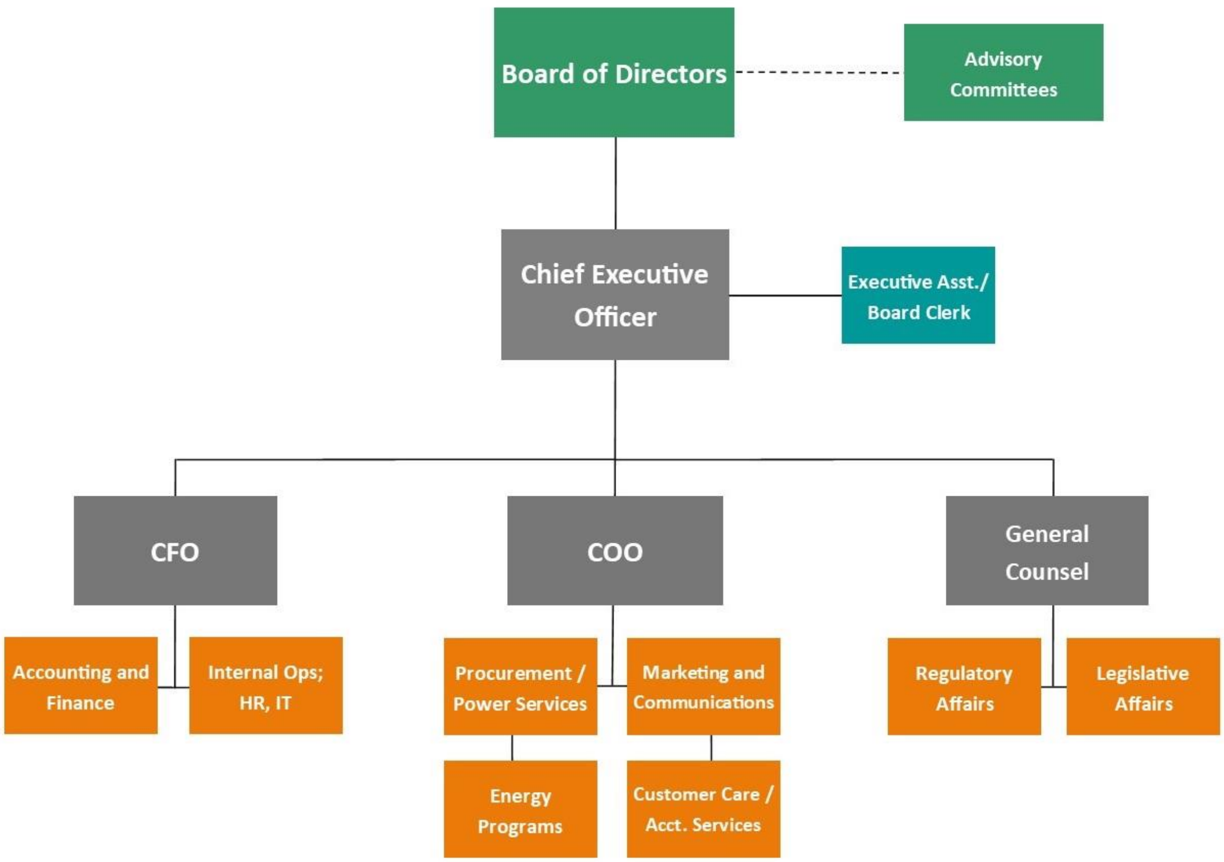
The SDCP Board of Directors is responsible for establishing SDCP's policies and objectives and overseeing SDCP's operations. The SDCP has identified an interim Executive Officer and will commence the search for a permanent Chief Executive in the first quarter of 2020. A permanent CEO is expected to be appointed by the Board of Directors once this Implementation Plan is certified by the CPUC and no later than June 2020.

The Chief Executive Officer will report to the SDCP Board of Directors and manage the daily operation of SDCP in accordance with policies adopted by the Board. The CEO will proceed to hire staff and contractors to manage various activities associated with SDCP operation. These activities include operational support services (administration, finance and information technology), marketing and public affairs (community outreach, key account management and customer advocacy), power supply acquisition (energy procurement, trading, contract negotiation and system development), energy programs, and legal and government affairs.

The following is a proposed SDCP functional organization chart that shows proposed executive management along with key functional areas that will be further expanded and staffed once the permanent CEO is in place. Please note that SDCP assumes a starting staff team of approximately 15-20 growing to approximately 40 staff members once the Agency is fully operational and additional energy programs and customer services are added.

SDCP FUNCTIONAL ORGANIZATION CHART

as of December, 2019



Notes:

1) This chart identifies senior management and key functional areas of SDCP. It will expand over time to include specific roles and positions within each functional area.
2) Most of the functions will be staffed/supported by external vendors until SDCP hires its own staff and transitions into full operations.
3) At the outset, it is assumed that SDCP will hire approximately 15-20 staff members, growing to ~40 once key functions are brought in-house.

3.3 Governance

SDCP will be governed by a Board of Directors which consists of one primary Board member and one alternate Board member from the governing body of each participating jurisdiction in SDCP. The Board's primary duties are to approve regulations and policies, approve rates, and provide policy direction to the Chief Executive Officer, who has responsibility for day-to-day operations, consistent with the policies established by the Board of Directors. The Board has elected a Chair and Vice Chair. In the future, the Board will establish advisory committees and sub-committees, as needed, to address issues that require greater expertise or input in particular areas. SDCP will also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect SDCP and its customers and would provide analytical support and advisory recommendations to the Board of Directors in these regards.

3.4 Management

The SDCP Board of Directors will hire a qualified chief executive officer ("CEO"), who will have management responsibilities over all functional areas of the Agency through an executive management team that includes a Chief Operating Officer, a Chief Financial Officer and General Counsel. In performing his or her obligations to SDCP, the CEO may utilize a combination of internal staff and/or contractors with expertise in specific areas. Certain specialized functions needed for program operations, namely SDCP's electric supply and customer account management functions described below, may be performed initially and over the longer-term by third-party contractors. Major functions of SDCP that will be managed by the CEO and his or her management team are summarized below.

3.5 Administration

SDCP's CEO and Chief Finance Officer and its administrative team will be responsible for managing the organization's operational, human resource, IT, and administrative functions and will coordinate with the Board of Directors or its Executive Committee as necessary. This functional area of administration will include oversight of employee hiring and termination, information technology systems, Board of Director support and meeting preparation, identification and procurement of requisite office space, office management functions, and various other activities.

3.6 Finance

The SDCP CEO, in coordination with the Chief Financial Officer or Finance Director is responsible for managing the accounting function and financial affairs of SDCP, including the development of an annual budget, revenue requirements and rate setting support; managing and maintaining cash flow requirements; arranging working capital loans as necessary; arranging for an Agency credit rating, and other financial tools.

Revenues via rates and other funding sources (such as state grants and reserves) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements that may be set forth in various agreements or bond covenants. The Board of Directors, in consultation with the CEO, will have the responsibility for setting the rates for SDCP customers. SDCP will administer a standardized set of electric rates and may offer optional rates to encourage policy goals such as economic development or low-income subsidy programs, provided that the overall revenue requirements are achieved.

SDCP may also offer customized pricing options such as dynamic pricing or contract‐based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than is currently available.

SDCP's finance function will work with the CEO or other executive-level management to arrange financing necessary for any capital projects, prepare financial reports, and ensure sufficient cash flow for successful operation of SDCP. The finance function will play an important role in risk management by monitoring the credit of energy suppliers and anticipated trends in power supply costs so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition or credit rating are identified, SDCP will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

3.7 Marketing and Public Affairs

The SDCP CEO, in coordination with the Chief Operating Officer is responsible for managing the marketing and public affairs functions as well as customer service and account services. This includes general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. SDCP will conduct program marketing to raise consumer awareness of SDCP and to establish the SDCP "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into SDCP's programs and services. Communications will also be directed at key policy makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance SDCP's ability to differentiate itself as a highly customer‐focused organization that is responsive to the needs of the community. SDCP will also establish a customer call center designed to field customer inquiries and routine interaction with customer account holders.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements, billing‐related activities and management of a customer relationship management (CRM) database. This function processes customer service requests and administers customer enrollments and departures from SDCP, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through SDG&E's billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data between SDG&E and SDCP, tracking of customer payments and accounts receivable, issuance of late payment and service termination notices (which would return affected customers to SDG&E's bundled service), and administration of any required customer deposits in accordance with credit policies of SDCP.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. SDCP will contract with a third-party vendor that has demonstrated the necessary expertise to administer an appropriate customer information system to perform the customer account and billing services functions.

3.8 Power Resources and Energy Programs

The SDCP CEO, in coordination with the Chief Operating Officer, is responsible for managing the Authority's power procurement and power services function and its energy programs function. SDCP must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and regulatory mandates. SDCP's long-term resource plans (addressing the 10 to 20-year planning horizon) will comply with California law and other pertinent requirements of California regulatory bodies. SDCP will develop and administer complementary energy programs that will be offered to SDCP customers, potentially including energy efficiency, net energy metering, and various other programs that will be identified to support the overarching goals and objectives of SDCP.

In accordance with California law and public utility code requirements, SDCP will develop integrated resource plans that meet supply objectives and balance cost, risk, SDCP Board policy, and environmental considerations. The integrated resource plans will conform to applicable requirements imposed by the State of California. Integrated resource planning efforts of SDCP will make maximum use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. Integrated resource plans will be updated and adopted by SDCP on an annual basis and coordinated with regulatory compliance obligations.

3.9 Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- **Electricity Procurement** – assemble a portfolio of electricity resources to supply the electric needs of SDCP customers.
- **Risk Management** – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets and insulate customer rates from sudden changes in wholesale market prices.
- **Load Forecasting** – develop load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.

- **Scheduling Coordination** – scheduling and settling electric supply transactions with the California Independent System Operator (“CAISO”).

SDCP will initially contract with one or more experienced and financially sound third-party energy service providers to perform all of the electric supply operations for SDCP. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting, and day-ahead and real-time electricity trading, and support for associated regulatory submissions.

3.10 Local Energy Programs

A key focus of SDCP will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. These programs are likely to be phased in during the first several years of operations. The implementation of these programs will follow only after the identification of requisite funding sources.

SDCP will eventually administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply resources. SDCP will attempt to consolidate existing demand side programs into this organization and leverage the structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third-party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by SDCP customers.

3.11 Government Affairs and Legal Services

SDCP will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s RPS, and overall representation on issues that will impact SDCP and its customers. SDCP will maintain an active role at the CPUC, the California Energy Commission, the CAISO, the California legislature and, as necessary, the Federal Energy Regulatory Commission (FERC).

In coordination with the CEO and Board of Directors, SDCP has retained outside legal counsel in the areas of general counsel and regulatory advice/engagement to support SDCP’s administrative operations and governance, review contracts, monitor regulatory proceedings and provide overall legal support related to the various activities of SDCP.

4. START-UP PLAN AND FUNDING

4.1 Introduction

This Chapter presents SDCP's plans for its pre-launch, start-up period, anticipated to be January 2020 through March 2021, including necessary expenses and capital outlays. As described in the previous Chapter, SDCP will utilize a mix of staff and contractors for its implementation.

4.2 Start-Up Activities

Initial SDCP start-up activities fall into six functional categories. These include:

1. Operations and Organizational Development
2. Technical and Energy Services
3. Banking and Finance
4. Data Management/Call Center
5. Communications and Marketing
6. Regulatory/Legislative Affairs

The following flow chart provides a summary overview of the key actions within each implementation category which are augmented by hundreds of other supporting tasks that will occur throughout 2020 and 2021.

San Diego Community Power Implementation Timeline (updated October 26, 2019)	Q4 2019			Q1 2020			Q2 2020			Q3 2020			Q4 2020			Q1 2021			Q2 2021			Q3 2021			Q4 2021		
Workplan Timeline by Task Area	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
JPA Administration/Project Management																											
First JPA Board Meeting (meets monthly)			ONGOING															P				P				P	
Register JPA with Sec of State																		H				H				H	
Secure contract for Banking Svcs/Line of Credit																		A				A				A	
Secure contract for Energy Service Provider																		S				S				S	
Secure contract for Data Management and Call Center																		E				E				E	
Secure contract for Marketing/Outreach																		1				2				3	
Secure contract(s) for additional regulatory/legal support services		?	?																								
Prepare and adopt implementation workplan/timeline and budget; update and track																											
Determine City staff support /roles; prepare cooperative services agreement																											
Continue weekly or bi-weekly planning team calls; include program vendors as needed		ONGOING																									
Determine scope/selection process for Board and Advisory Committees							ONGOING																				
CEO Recruitment/Hire																											
Approve staffing plan/initial staff hires and employment policies											ONGOING																
Draft and Adopt Agency policies							ONGOING																				
Secure office space, insurance, and other admin/operations needs																											
Prepare reports, provide updates for Member Agency City Council(s)	ONGOING/AS NEEDED																										
Manage JPA Board and committee meetings, vendor oversight and all aspects of Agency formation/operations		ONGOING																									
Finance/Banking																											
Develop list of potential bank partners and determine financing approach																											
Finalize proforma budget and determine initial credit needs (working capital and credit for power contracts)																											
Issue banking and credit services RFP																											
Select banking partner																											
Secure credit guarantees, if necessary, and establish access to credit line																											
Develo and adopt FY 2020/2021 Budget																											
Coordinate with SDG&E and data management vendor to establish process/testing for deposits and controls																											
Determine plan for internal accounting and annual audits/begin monthly financials																											
Technical/Energy Services																											
Secure contract with technical and energy services firm(s)																											
Review 2018 customer load data; verify load projections and pro forma estimates																											
Prepare resource adequacy procurement plan, RA compliance filings, and Integrated Resource Plan																											
Based on target rate discount, determine power supply mix for 2-3 product options																											
Determine customer phasing strategy based on economic projections and credit capacity																											
Support development of FY 20-21 operating budget																											
Develop and issue power supply RFP(s)																											
Negotiate and finalize terms of initial power contracts																											
Rate design & rate setting (incl. PCIA, NEM and utility cost comparisons)																											
Prepare Utility Service Agreement, Deposit and Bond Posting																											
Develop related energy programs including NEM, EE, DR etc.																											
Complete all regulatory registrations for program compliance (CPUC, CAISO, WREGIS etc)																											
Coordinate with program staff and all other vendors as needed							ONGOING																				
Regulatory/Legislative																											
Secure contract with regulatory and legislative attorney/firm TBD																											
Continue tracking CCE-related regulatory activity and participating in statewide efforts		ONGOING																									
RA Proceeding: Central Procurement Entity		ONGOING																									
PCIA Proceeding: Working Groups 1, 2, and 3		ONGOING																									
DA Proceeding: Expansion		ONGOING																									
Integrated Resource Planning Proceeding		ONGONG																									
Continue tracking CCE-related legislative activity and participating in statewide efforts		ONGOING																									
Register with the CPUC and obtain party status for priority regulatory proceedings																											
Work with technical services vendor to ensure full regulatory/program compliance and reporting								ONGOING																			
Data Management/Call Center																											
Secure Data Mgmt and Call Center Contract																											
Infrastructure and Application configuration																											
EDI certification (utility and bank)																											
Call center training/go live																											
List of Phase 1 customers																											
1st opt-out period (60 days out)																											
2nd opt-out period (30 days out)																											
Program rates and reports																	ONGOING										
Utility account set up (dead period)																											
Account Switches/Customer enrollments																											
1st Full Billing Cycle																											
3rd opt-out period																											
4th opt-out period																											
2nd full billing cycle																											
Communications/Marketing																											
Update FAQs, website and basic program collateral																											
Secure marketing firm; develop public outreach and marketing plan (including multi-lingual, multi cultural)																											
Messaging, branding																											
Develop website 2.0 with translation and opt-out features																											
Community education -- presentations to community groups, public workshops, tabling, stakeholder meetings, etc.								ONGOING																			
Press outreach/earned media (op-eds, feature stories, local radio and TV)									ONGOING																		
Develop and launch advertising campaign (paid media, social media, et al)																											
Develop call center script/Call center live in when first notice drops																											
Prepare/design customer enrollment notices																											
Manage Ph 1 customer enrollment printing and mailing																#1	#2		#3	#4							
Manage subsequent enrollments and develop ongoing community presence																				#1	#2		#3	#4	#2		#3
Develop post launch communications plan																											

4.3 Staff and Contract Services

Personnel in the form of SDCP staff and contractors will be added incrementally to match workloads involved in forming the CCA, managing contracts, and interfacing with SDCP communities and customers during the pre-operations period. During the early startup period, minimal personnel requirements will include an interim Director/CEO and other personnel needed to support regulatory, legal, procurement, finance, and communications activities.

In addition, staff from the City of San Diego and other member agencies have agreed to provide interim staff support in the areas of interim CEO, project management, legal and Board clerk support, financing, and vendor contract support. Following the initial start-up period and once the Implementation Plan is certified, additional staff and contractors will be retained to support full program roll-out and implementation of additional value-added services (e.g., efficiency projects) and programs.

4.4 Capital Requirements

To begin operations, SDCP will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital to support power procurement. Based on SDCP's anticipated start-up activities and phase-in schedule, approximately $40 million will be required to support these functions. The finance plan in Chapter 6 provides some additional detail regarding SDCP's expected capital requirements and general Program finances.

Related to SDCP's initial capital requirement, this amount is expected to cover staffing and contractor costs during startup and pre-startup activities, including direct costs related to organizational development and administration, technical support, legal support and customer outreach and communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by SDCP's power supplier(s)); and 2) requisite deposit with the CAISO prior to commencing market operations.

Operating revenues from sales of electricity will be remitted to SDCP beginning approximately sixty days after the initial customer enrollments. This lag is due to the standard meter reading cycle of 30 days and a 30-day payment/collections cycle. SDCP will need working capital to support electricity procurement and costs related to Agency administration and management, which is included in SDCP's initial $40 million capital requirements.

4.5 Financing Plan

SDCP's initial capital requirement will be funded via conventional financing methods (e.g., bank loans or lines of credit). Subsumed in the initial capital requirement is SDCP's non-power start-up funding ($5 million), plus capitalized interest and fees on start-up funding, which will be provided by River City Bank through a term loan and line of credit which and be repaid by SDCP from energy revenue and/or proceeds from the working capital financing. For the working capital financing, SDCP will make repayments (including any interest, as applicable) over an assumed term or up to 5 years, anticipated to commence within the first year of SDCP operations. SDCP will recover the principal and interest costs associated with the initial funding via retail generation rates charged by SDCP to its customers within the first several years of operations.

5. PROGRAM PHASE-IN

SDCP will offer service to all customers on a phased basis, which is expected to be completed in 2021. SDCP will roll out its service offerings over the course of three phases commencing in March 2021. The proposed phasing schedule is as follows:

Phase 1 (March 2021) All municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases.

Phase 2 (July 2021) Remaining commercial, industrial, agriculture, street lighting and traffic control accounts; and

Phase 3 (November 2021) All residential accounts and any remaining service accounts that may have been omitted during Phase 2.

This approach provides SDCP the ability to initiate its CCA Program with sufficient economic scale and integration of SDG&E's new billing system before building to full operations for an expected customer base of approximately 740,000 accounts, post customer opt-out, which is estimated at 5% across all customer classes, other than municipal accounts which are assumed at a 0% opt-out rate.

Phase 1 of the Program is targeted to begin on or about March 1, 2021, subject to a decision to proceed by SDCP's Board of Directors. During Phase 1, SDCP anticipates serving approximately 7,900 accounts, comprised of all municipal accounts and potentially some large commercial accounts, estimated at ~ 400 GWh of annual energy sales. SDCP will refine the potential composition of Phase 1 accounts in consideration of cost of service and customer load characteristics as well as other operational considerations. Specific accounts to be included in Phase 1 are expected to approximate 5% percent of SDCP's total customer load and will be specifically defined after further analysis and consideration.

Phase 2 of the Program will commence following successful operation of SDCP's Phase 1 launch over an approximate 4-month term, which corresponds with an expected Phase 2 service commencement occurring on or about July 1, 2021. It is anticipated that approximately 83,000 additional customers, comprised of remaining commercial, industrial, agriculture, street lighting and traffic control accounts will be included in Phase 2, with annual energy consumption approximating 4,300 GWh annually, or 58 percent of SDCP's total prospective customer load.

Phase 3 of the Program will commence following successful implementation of Phase 2 enrollments over an approximate 4-month term, which corresponds with an expected Phase 3 service commencement occurring on or about November 1, 2021. It is anticipated that approximately 670,000 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2 will be included in Phase 3, with annual energy consumption approximating 2,700 GWh, or 37 percent of SDCP's total prospective customer load.

To the extent that additional customers require enrollment after the completion of Phase 3, SDCP will evaluate a subsequent phase of CCA enrollment. SDCP may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

6. LOAD FORECAST AND RESOURCE PLAN

6.1 Introduction

This Chapter describes the planned mix of electric resources to meet the energy demands of SDCP communities using a diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- SDCP will increase the use of renewable energy and carbon-free resources and reduce reliance on fossil-fueled electric generation for purposes of reducing electric sector GHG emissions.
- SDCP will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- SDCP will help customers reduce energy costs through administration of enhanced customer energy efficiency, distributed generation, and other demand-reducing programs.
- SDCP will procure storage resources subject to availability, cost, and regulatory requirements.

SDCP's initial resource mix will include a proportion of compliance-required qualified renewables as well as voluntary renewable energy supplies. As SDCP moves forward, incremental renewable supply additions will be made based on resource availability as well as economic and rate goals of the SDCP Program to achieve increased renewable energy content over time. SDCP's commitment to renewable generation resources may involve both direct investment in new renewable generating resources, partnerships with experienced public power developers/operators and purchases of renewable energy from third party suppliers and independent power producers.

The plan described in this section will accomplish the following:

- Energy procurement through short and long-term contracts with experienced, financially stable energy suppliers.
- Continue increasing renewable and carbon-free energy supplies over time, subject to resource availability, economic viability and applicable regulatory compliance mandates.

SDCP will comply with all regulatory obligations applicable to California load serving entities. SDCP will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. SDCP will adhere to resource adequacy requirements established by the CPUC and the CAISO designed to address local, system and flexible capacity requirements for SDCP's load share. These rules also ensure that physical generation capacity is in place to serve SDCP's customers plus a reasonable reserve margin. In addition, SDCP will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide Renewable Portfolio Standard (37 percent renewable energy in 2021, increasing to 60 percent by 2030). SDCP's resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

6.2 Resource Plan Overview

To meet the objectives and satisfy the applicable regulatory requirements pertaining to SDCP's status as a California load serving entity, SDCP's resource plan includes a diverse mix of power purchases, renewable energy, efficiency programs, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of SDCP's resource plan is to reduce electric sector GHG emissions while offering competitive generation rates to participating customers. The planned power supply is initially comprised of power purchases from third party electric suppliers. Within the first 1-3 years, SDCP intends to begin entering into power purchase contracts with specific renewable energy facilities.

Once the SDCP demonstrates it can operate successfully, it may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by SDCP or controlled under long-term power purchase agreements with a proven public power developer, could provide a portion of SDCP's electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement can be more cost-effective than purchasing renewable energy from third party developers, which will allow SDCP to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

As an alternative to direct investment, SDCP may consider partnering with another CCA and/or an experienced public power developer and could enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity in California and/or the San Diego region. Such an arrangement could be structured to reduce SDCP's operational risk associated with capacity ownership while providing its customers with renewable energy generated by the facility under contract. This option may be preferable to SDCP as it works to achieve increasing levels of local renewable energy supply to its customers.

SDCP's indicative resource plan for the years 2021 to 2030 is summarized in the following table. Note that SDCP's projections reflect a portfolio mix based on the minimum renewable portfolio of 50% which increases the renewable energy in the power mix to exceed the baseline power mix offered by SDG&E by approximately 5 percent (SDG&E + 5% Renewable). The SDCP Board of Directors has established a 50% renewable portfolio as a minimum for its initial procurement, but that percentage may increase to up to 60% subject to market pricing and availability.

While not explicitly shown in Table 2, SDCP will consider offering cost-effective incremental energy efficiency programs (i.e., above that included in programs implemented by SDG&E and other providers) and distributed energy generation. SDCP believes that including specific assumptions on these potential programs here to be premature.

Table 2: SDCP Proposed Resource Plan (GWh), 2020-2029

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SDCP Demand										
Retail Demand	3,227	7,407	7,411	7,416	7,408	7,378	7,334	7,291	7,241	7,189
Losses and UFE	6%									
Total Demand	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620
SDCP Supply										
Renewable Resources	1,791	4,306	4,512	4,729	4,947	5,159	5,372	5,592	5,817	6,048
GHG-Free (non-RPS)	815	1,773	1,672	1,566	1,453	1,330	1,201	1,068	929	786
Conventional Resources*	879	1,773	1,672	1,566	1,453	1,330	1,201	1,068	929	786
Total Supply	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620
***includes open position)**										

6.3 Supply Requirements

The starting point for SDCP's resource plan is a projection of customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile." The electric sales forecast and load profile could be affected by SDCP's plan to introduce the program to customers in phases. SDCP's phased roll-out plan and assumptions regarding customer participation rates are discussed below.

6.4 Customer Forecasts

Once customers enroll in each of three phases, they will be switched over to service by SDCP on their regularly scheduled meter read date over an approximately thirty-day period. The number of accounts served by SDCP at the end of each phase is shown in the table below. The tables assumes that no municipal accounts (Phase 1) opt out and that 5% of Phases 2 and Phase 3 opt out. This opt-out assumption is based on opt-out rates of other recently formed CCA programs in the State of California.

Table 3: SDCP Enrolled Retail Service Accounts By Phase-In Period (End of Month)

SDCP Customers	[4/21] Phase 1	[7/21] Phase 2	[11/21] Phase 3
Residential	-	-	662,574
Small Commercial	5,197	61,919	61,919
Large Commercial	552	8,664	8,664
Industrial	-	11	11
Street Lighting & Traffic	237	237	237
Agricultural & Pumping	1,980	1,980	1,980

Table 4: SDCP Retail Service Accounts (End of Year), 2020-2029

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential	662,574	669,200	675,892	682,651	689,477	696,372	703,336	710,369	717,473	724,648
Small Commercial	61,919	62,538	63,164	63,795	64,433	65,078	65,728	66,386	67,050	67,720
Large Commercial	8,664	8,707	8,751	8,795	8,839	8,883	8,927	8,972	9,017	9,062
Industrial	11	11	11	11	11	11	11	11	11	11
Street Lighting & Traffic	237	240	242	245	247	249	252	254	257	260
Agricultural & Pumping	1,980	1,990	2,000	2,010	2,020	2,030	2,040	2,050	2,060	2,071
Total	735,386	742,686	750,060	757,506	765,027	772,623	780,295	788,043	795,868	803,771

SDCP's forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. Annual energy requirements are shown below.

6.5 Sales Forecast

Table 5: SDCP Annual Energy Requirements (GWh), 2020-2029

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Demand	3,227	7,407	7,411	7,416	7,408	7,378	7,334	7,291	7,241	7,189
Losses and UFE	6%									
Total Demand	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620

6.6 Proposed Resources

On November 27, 2019 SDCP issued a request for proposals for: (a) procurement-related project administration and planning; (b) power portfolio management and energy advisory services; California Independent System Operator (CAISO) Scheduling Coordinator and Settlement

Services; (d) Integrated Resource Planning (IRP) and IRP Development; (e) Renewables and Long-Term Planning and Procurement; and (d) Distributed Energy Resource (DER) Assessment and Procurement. Responses to the RFP are due on December 19 and provider(s) will be selected by January 2020. SDCP staff and board will meet with the selected provider(s) to refine the draft procurement plan presented here and in Chapter 10.

6.6.1 Purchased Power

Power purchased from power marketers, public agencies, generators, CCAs, or utilities will be a significant source of supply during the first several years of SDCP's operation. Subject to the responses to the above-referenced energy services RFP, SDCP will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including SDCP's desired quantities of renewable and carbon-free energy, to provide a stable and cost-effective resource portfolio for the Program.

6.6.2 Renewable Resources

Subject to the responses to the above-referenced RFP, SDCP will initially secure renewable power through its contracted energy supplier. When feasible, SDCP will enter into power supply contract(s) with direct, long-term purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned or controlled by SDCP. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by SDCP, unsolicited proposals or discussions with other agencies. Renewable projects that are located anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area. The costs of transmission access and the risk of transmission congestion costs will be considered in the bid evaluation process if the delivery point is outside of SDCP's load zone(s), as defined by the CAISO.

6.6.3 Resource Adequacy

The CPUC requires all retail power providers, including CCAs, to demonstrate that the hold or have contracted with sufficient resources to ensure that the CAISO grid remains reliable. These "resource adequacy" (RA) standards require a demonstration one year in advance that SDCP has secured physical capacity for 90 percent of its assigned load share for each of the five months May through September, plus a minimum 15 percent reserve margin, plus 100 percent of its annual local resource adequacy procurement obligation. On a month-ahead basis, SDCP must demonstrate 100 percent of the peak load share plus a minimum 15 percent reserve margin.

A portion of SDCP's capacity requirements must be procured from power generators in the San Diego Area (as defined by the CAISO). SDCP will be required to demonstrate its local capacity requirement for each month for the following two calendar years plus 50% of the requirement for the third calendar year. The local resource adequacy procurement obligation is based on its share of the coincident monthly peak demand as determined by the CEC based upon SDCP's historical and forecasted peak load.

SDCP is also required to demonstrate that a specified portion of its resource adequacy capacity meets certain operational flexibility requirements under the CPUC and CAISO's capacity requirement to support load variability during the off-peak months.

The estimated forward resource adequacy requirements for 2021 through 2023 are shown in the following tables:

Table 6: SDCP Capacity and Reserve Requirements (MW), 2020-2022

	2021	2022	2023
January		1,203	1,206
February		1,232	1,235
March	55	1,129	1,132
April	59	1,154	1,158
May	53	1,041	1,044
June	62	1,229	1,233
July	828	1,314	1,318
August	844	1,412	1,416
September	1,049	1,717	1,722
October	1,584	1,583	1,588
November	1,228	1,232	1,235
December	1,155	1,159	1,162

SDCP's plan ensures that sufficient reserves will be procured to meet its peak load at all times. SDCP's projected annual capacity requirements are shown in the following table:

Table 7: SDCP Capacity Requirements (MW), 2020-2029

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Net Peak Demand	1,228	1,717	1,722	1,720	1,713	1,703	1,693	1,681	1,669	1,659
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	184	258	258	258	257	255	254	252	250	249
Capacity Requirement Including Reserve	1,412	1,975	1,980	1,978	1,970	1,958	1,947	1,934	1,920	1,908

7. FINANCIAL PLAN

7.1 Introduction

This Chapter examines the cash flows expected during the startup and customer phase-in period of and identifies the anticipated financing requirements. It includes estimates of startup costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

7.2 Description of Cash Flow Analysis

SDCP's cash flow analysis estimates the level of capital that will be required during the startup and phase-in period. The analysis focuses on SDCP's monthly costs and revenues and specifically accounts for the phased enrollment of SDCP communities described in Chapter 5.

7.3 Cost of CCA Operations

The first category of the cash flow analysis is the cost of SDCP operations. To estimate the overall costs associated with SDCP operations, the following components were taken into consideration:

- Electricity Procurement;
    - Ancillary service requirements;
    - Grid management and other CAISO Charges;
    - Scheduling Coordination;
- Exit fees;
- Staffing and professional services;
- Data management costs;
- Administrative overhead;
- Billing costs;
- CCA bond and security deposit;
- Pre-startup cost; and
- Debt service.

7.4 Revenues from SDCP Program Operations

The cash flow analysis also provides estimates for revenues generated from SDCP operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that SDCP offers the following products:

- **50% - 60% Renewable (Base Power Product)**

- **100% Renewable (Voluntary Product)**: SDCP will supply 100 percent of retail load with renewable, GHG-free power.

More detail on rates can be found in Chapter 8.

7.5 Cash Flow Analysis Results

The results of the cash flow analysis provide an estimate of the level of capital required for SDCP to move through startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from SDCP operations minus cost of SDCP operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by SDCP, along with estimates for when customer payments will be received and potential customer non-collections/defaults. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The financing requirements for the startup and phase-in period, including working capital needs associated with all three phases of customer enrollments, is estimated at $40 million. Working capital requirements peak soon after enrollment of the Phase 3 customers.

7.6 SDCP Program Implementation Pro Forma

In addition to developing a cash flow analysis which estimates the level of working capital required to move SDCP through full implementation and phase-in, a summary pro forma analysis that evaluates the financial performance of SDCP during the phase-in period is shown below. The difference between the cash flow analysis and the SDCP pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with SDCP operations and rates charged to customers remain the same. Cash provided by financing activities is not shown in the pro forma analysis, although payments for debt service are included as a cost item.

The results of the pro forma analysis are shown in the following tables. SDCP has also included a summary of reserves, which are expected to accrue over this same period of time.

Table 9: SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030

		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CCA Load, MWh		-	3,164,157	7,302,764	7,306,581	7,311,772	7,303,945	7,273,730	7,231,000	7,187,869	7,139,138	7,087,820
SDG&E average exit fees for CCA load (PCIA)		$0.00	$31.16	$30.43	$32.72	$31.25	$30.95	$29.55	$27.65	$21.64	$12.68	$0.00
SDG&E average gen rate for CCA load, $/MWh		$0.00	$107.47	$106.81	$107.55	$110.45	$110.14	$111.18	$114.22	$117.96	$123.67	$132.66
CCA Load, MWhs		-	3,164,157	7,302,764	7,306,581	7,311,772	7,303,945	7,273,730	7,231,000	7,187,869	7,139,138	7,087,820
Rate Discount (%)			4.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Ave CCA Rate, $/MWh		*$0.0*	*$72.0*	*$72.1*	*$70.5*	*$74.8*	*$73.7*	*$76.1*	*$80.9*	*$90.4*	*$104.8*	*$126.0*
Rate Revenue			$247,770,961	$526,250,120	$514,979,361	$546,397,158	$538,185,634	$553,305,997	$584,661,847	$649,935,765	$748,249,492	$893,235,699
Other Revenue (Loans)		$5,000,000	$35,000,000	$0								
Interest income	**1.25%**	$319,826	$1,424,562	$2,000,079	$2,198,411	$2,320,422	$1,984,443	$2,339,617	$2,646,349	$3,063,906	$3,107,999	$3,319,427
Total Revenue		$5,319,826	$284,195,523	$528,250,198	$517,177,772	$548,717,580	$540,170,077	$555,645,614	$587,308,196	$652,999,671	$751,357,491	$896,555,125
Expenses												
Cost of Power		$0	($187,868,853)	($449,057,615)	($457,171,549)	($473,820,738)	($485,658,344)	($506,288,425)	($528,596,976)	($623,699,368)	($708,218,130)	($817,398,187)
O&M/A&G Costs		($3,315,000)	($15,482,812)	($22,514,515)	($23,223,357)	($23,941,060)	($24,323,131)	($24,818,621)	($25,306,637)	($25,772,878)	($26,225,120)	($26,685,972)
Total Expenses		($3,315,000)	($203,351,666)	($471,572,130)	($480,394,906)	($497,761,798)	($509,981,476)	($531,107,047)	($553,903,613)	($649,472,246)	($734,443,250)	($844,084,159)
Unleveraged Free Cash Flow		$2,004,826	$80,843,858	$56,678,068	$36,782,866	$50,955,782	$30,188,602	$24,538,567	$33,404,583	$3,527,425	$16,914,241	$52,470,966
Debt Service (interest and payments)		($234,001)	($1,198,215)	($16,829,014)	($17,108,361)	($12,405,158)	($1,774,749)	$0	$0	$0	$0	$0
Leveraged Free Cash Flow		$1,770,825	$79,645,643	$39,849,054	$19,674,505	$38,550,623	$28,413,853	$24,538,567	$33,404,583	$3,527,425	$16,914,241	$52,470,966
Working cash on hand		$1,770,825	$81,416,467	$110,897,935	$120,204,854	$158,755,477	$187,169,330	$211,707,897	$245,112,480	$248,639,905	$265,554,146	$318,025,112
Target Cash on hand			*$71,048,881*	*$132,062,550*	*$129,294,443*	*$137,179,395*	*$135,042,519*	*$138,911,403*	*$146,827,049*	*$163,249,918*	*$187,839,373*	*$224,138,781*
Cash (to)/From reserve			($10,367,586)	($10,367,586)	($10,367,586)	($21,576,082)	($24,084,593)	($2,902,623)	($3,419,485)	($14,335,295)	($12,745,651)	($16,446,136)
End of Year Cash		**$1,770,825**	**$71,048,881**	**$100,530,349**	**$109,837,267**	**$137,179,395**	**$163,084,737**	**$208,805,274**	**$241,692,995**	**$234,304,610**	**$252,808,495**	**$301,578,976**
Reserve Fund Adjustment		**15%**										
Target		$532,350	$30,682,482	$73,260,172	$74,625,490	$76,525,043	$76,763,434	$79,666,057	$83,085,542	$97,420,837	$110,166,487	$126,612,624
Reserve Fund Adjustment												
Potential Reserve Addition		*$0*	*$30,682,482*	*$62,892,585*	*$53,890,317*	*$45,422,284*	*$24,084,593*	*$2,902,623*	*$3,419,485*	*$14,335,295*	*$12,745,651*	*$16,446,136*
Reserve additions (Subtractions)		$0	$10,367,586	$10,367,586	$10,367,586	$21,576,082	$24,084,593	$2,902,623	$3,419,485	$14,335,295	$12,745,651	$16,446,136
Reserve fund total		**$0**	**$10,367,586**	**$20,735,173**	**$31,102,759**	**$52,678,841**	**$76,763,434**	**$79,666,057**	**$83,085,542**	**$97,420,837**	**$110,166,487**	**$126,612,624**

The surpluses achieved during the phase-in period serve to build SDCP's net financial position and credit profile and to provide operating reserves for SDCP in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. In addition, financial surpluses could be used to increase renewable and GHG-free resources within SDCP's resource mix.

7.7 SDCP Financings

It is anticipated that one or more financings will be necessary to support SDCP's CCA implementation. SDCP has received multiple bids for working capital credit and banking services which are currently under evaluation. Subsequent capital requirements will be self-funded from the SDCP CCA's accrued financial reserves. The anticipated financing approach is described below.

7.8 SDCP Start-up and Working Capital

As previously discussed, the anticipated start-up and working capital requirements for SDCP are estimated at $40 million. This amount is dependent upon the electric load served by SDCP, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once SDCP is operational, these costs would be recovered from customers through retail rates.

It is assumed that non-power start-up costs of approximately $5 million will be funded through an unsecured line of credit with a third-party lender and repaid from the working capital financing and/or program revenues. The working capital financing will be primarily secured via a short-term loan, which would allow SDCP to draw cash as required. Requisite financing is expected to be in place by Q1 2020.

7.9 Renewable Resource Project Financing

SDCP may consider project financings for renewable resources, likely local wind, solar, biomass or geothermal as well as storage and energy efficiency projects. These financings would only occur after a sustained period of successful SDCP operation and after appropriate project opportunities are identified and subjected to appropriate environmental and other reviews. SDCP's ability to directly finance projects will likely require a track record of five to ten years of successful operations demonstrating strong underlying credit to support the financing; direct financing undertaken by SDCP would not be expected to occur sooner than 2030.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20- to 30-year term.

8. RATE SETTING, PROGRAM TERMS AND CONDITIONS

8.1 Introduction

This chapter describes the initial policies proposed for SDCP in setting its rates for electric services. These include policies regarding rate design, rate objectives, and provision for due process in setting electricity rates. Rates must be approved by the SDCP Board of Directors.

8.2 Rate Policies

SDCP will establish rates sufficient to recover all costs related to its operation, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board of Directors for SDCP uses.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitiveness;
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

8.3 Rate Competitiveness

Competitive rates will be critical to attracting and retaining key customers. For SDCP to be successful, the combination of price and value must be perceived as superior when compared to the bundled utility service alternative. SDCP's primary goal is to offer competitive rates for electric services with a discount target ranging from ~2-4% percent below similar generation rates offered by SDG&E, subject to actual energy product pricing and decisions of the Board of Directors.

As planned, the value provided by SDCP will include a higher proportion of renewable and carbon-free energy and reduced GHG emissions relative to SDG&E, enhanced energy efficiency and customer programs, community focus, local investment and control. As previously discussed, SDCP will increase renewable energy supply to program customers, relative to SDG&E, by offering two distinct rate tariffs. The default tariff for SDCP customers will be the standard tariff, which will increase renewable energy supply to a minimum of 50% -60% at program launch while maintaining generation rates that are generally comparable to and potentially below SDG&E's. The initial renewable energy content provided under SDCP's standard tariff will exceed California's prevailing RPS, and SDCP will endeavor to increase this percentage on a going forward basis, subject to operational and economic constraints. SDCP will also offer its customers a voluntary 100 percent renewable energy tariff, which will supply participating customers with 100 percent renewable energy at rates that reflect SDCP's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy ("CARE") program, will be automatically enrolled in the standard tariff and will continue to receive related discounts on monthly electricity bills through the incumbent utility.

8.4 Rate Stability

SDCP will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. It will also establish risk management policies and reserve policies that include a rate stabilization fund.

8.5 Equity Among Customer Classes

Initial rates will be set based on cost-of-service considerations with reference to the rates customers would have otherwise paid to SDG&E. Rate differences among customer classes will reflect the rates charged by SDG&E as well as differences in the costs of providing service to each class.

8.6 Revenue Sufficiency

SDCP's rates must collect sufficient revenue from participating customers to fully fund SDCP's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of operation subject to the disclosure and due process policies described later in this chapter. To ensure rate stability, funds available in SDCP's rate stabilization fund may be used from time to time to augment operating revenues.

8.7 Rate Design

SDCP will initially match the rate structures of SDG&E's standard rates. SDCP will, over time, transition to rate designs that better reflect its cost of service as well as enhance customer understanding and time of use requirements.

8.8 Custom Pricing Options

8.8.1 Net Energy Metering

As planned, customers with on‑site generation eligible for net metering from SDG&E may be offered a net energy metering rate from SDCP. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The SDG&E net metering tariffs (NEM) requires SDCP to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule NEM.

The objective is that SDCP's net energy metering tariff will apply to the generation component of the bill, and the SDG&E net energy metering tariff will apply to the utility's portion of the bill. SDCP plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by SDCP.

8.9 Disclosure and Due Process in Setting Rates and Allocating Costs Among Participants

Initial rates will be adopted by the SDCP Board of Directors following the establishment of the first year's operating budget and prior to initiating the first phase of service. Subsequently, SDCP will prepare an annual budget and corresponding customer rates. Any proposed rate adjustment will be made to the Board of Directors and ample time will be given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, SDCP will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer's monthly electricity bill. The notice will provide a summary of the proposed rate adjustment and will include a link to the SDCP website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the mailing address of SDCP to which any customer inquiries relative to the proposed adjustment.

9. CUSTOMER RIGHTS AND RESPONSIBILITIES

9.1 Introduction

This chapter discusses customer rights, including the right to opt-out of the SDCP Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the SDCP Program. All customers that do not opt-out within 30 days of the fourth enrollment notice will have implicitly agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the SDCP Board from time to time.

By adopting this Implementation Plan, SDCP will have approved the customer rights and responsibilities policies contained herein to be effective at CCA Program initiation. SDCP retains authority to modify program policies from time to time at its discretion.

9.2 Customer Notices

At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the Program, informing them of their right to opt-out of the program and to remain with incumbent utility bundled generation service, and containing a simple mechanism for exercising their right to opt-out. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. SDCP will use its own mailing service for requisite enrollment notices rather than including the notices in SDG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt-out by notifying SDCP in one of three ways: 1) In writing, via US Post, 2) by using SDCP's designated 1-800 number or 3) by opting-out on SDRCCE's website. Should customers choose to initiate an opt-out request by contacting SDG&E, they would be transferred to the SDCP call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt-out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after SDCP service commences. Opt-out requests made on or before the sixtieth day following start of SDCP Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by SDCP during the time the customer took service from the SDCP Program, but will otherwise not be subject to any penalty or transfer fee from SDCP.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the SDCP Program and will have sixty days from the start of service to opt-out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing

SDCP's privacy policy regarding customer usage information. SDCP will have the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the SDCP Program's customer base.

9.3 Termination Fee

Customers that are automatically enrolled in the SDCP CCA Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a Termination Fee, which SDCP reserves the right to impose, if deemed necessary. Customers that relocate within SDCP's service territory would have SDCP service continued at their new address. If a customer relocating to an address within SDCP's service territory elected to cancel service, the Termination Fee could be applied. Customers that move out of SDCP's service territory would not be subject to the Termination Fee. If deemed applicable by SDCP, SDG&E would collect the Termination Fee from returning customers as part of SDCP's final bill to the customer.

For illustrative purposes, SDCP Termination Fee could vary by customer class as set forth in the table below, subject to a final determination by SDCP.

SDCP Program: Illustrative Schedule of Fees for Service Termination*

Customer Class	Fee
Residential	$5
Non-Residential	$25

* Note that SDCP has yet to adopt a Schedule of Fees for Service Termination. The fees reflected in this table are representative of similar charges adopted by California's Operational CCA Programs

If adopted, the Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by SDCP subject to applicable customer noticing requirements.

Customers electing to terminate service after the initial notification period would be transferred to SDG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by SDG&E and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

9.4 Customer Confidentiality

SDCP will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. SDCP will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of SDCP or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable SDCP to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. SDCP will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at SDCP's discretion.

9.5 Responsibility for Payment

Customers will be obligated to pay SDCP Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, SDCP will not be able to direct that electricity service be shut off for failure to pay SDCP bills. However, SDG&E has the right to shut off electricity to customers for failure to pay electricity bills, and SDG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between SDG&E and SDCP. In most circumstances, customers would eventually be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. SDG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related SDCP Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

9.6 Customer Deposits

Under certain circumstances, SDCP customers may be required to post a deposit equal to the estimated charges for two months of service prior to obtaining service from the SDCP Program. A deposit would be required for an applicant who previously had been a customer of SDG&E or SDCP and whose electric service had been discontinued by SDG&E or SDCP during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in SDG&E Electric Rule 11 (Discontinuance of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether service has been discontinued for such nonpayment. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with SDG&E. A customer whose service is discontinued by SDCP is returned to SDG&E generation service.

10. PROCUREMENT PROCESS

10.1 Introduction

This Chapter describes SDCP's initial approach to power supply procurement. SDCP shall retain the authority to modify this initial approach from time to time at its discretion.

10.2 Procurement Methods

SDCP may enter into agreements for a variety of services needed to support program development, program operations and management. SDCP will generally utilize competitive procurement methods for services but may also utilize direct procurement or sole source procurement, depending on the nature of the services to be procured. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole source procurement is generally to be performed only in the case of emergency or when vendor availability is limited or a competitive process would be an idle act.

10.3 Key Contracts

10.3.1 Electric Supply Contracts

SDCP will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet SDCP customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. SDCP may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. SDCP would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

SDCP will solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet SDCP customer demand. SDCP may designate the primary supplier to be responsible for day-to-day energy supply operations of the SDCP Program and for managing the predominant supply risks for the term of the contract. The primary supplier may also contribute to meeting the Program's renewable energy supply goals. However, additional suppliers may also be identified to supplement requisite renewable energy supplier of the SDCP program. Finally, the primary supplier may be responsible for ensuring SDCP's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

In August 2020, SDCP intends to commence the requisite competitive solicitation process to identify its initial energy portfolio and anticipates executing the electric supply contract(s) for Phase 1 loads in late 2020. The contract for Phase 2 loads will be executed contemporaneously or shortly thereafter.

10.3.2 Data Management Contract

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with SDG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract will likely be separate from the electric supply contract. Separating the data management contract from the energy supply contract gives SDCP greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue. It is anticipated that a single contractor will be selected to perform the data management/call center functions.

The data manager is responsible for the following services:
- Data exchange with SDG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

The data management contract will also require that services be provided consistent with SDCP's customer confidentiality policies as described in Section 9.4, and the contractor will be required to provide, prior to contract award, adequate assurances to SDCP that appropriate data security measures are employed. As this point in time, SDCP has not yet commenced the requisite competitive solicitation process to identify its data management services provider. However, it is anticipated that SDCP will execute a contract for data management/call center services in March or April 2020.

10.4 Electric Supply Procurement Process

SDCP will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet SDCP customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. SDCP may seek the services of a portfolio manager to support electric supply management. SDCP may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. SDCP would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time. SDCP will also solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet SDCP customer demand, and in keeping with CAISO requirements.

On November 27, 2019 SDCP issued an RFP for wholesale energy and power services and will select one or more qualified vendors to support power planning, power contract negotiations, schedule coordination, compliance, DER and integrated resource planning and long-term renewable contracts. It is anticipated that one or more energy service providers will be identified in Q1 2020 and SDCP anticipates executing the electric supply contract for Phase 1 loads in late fall/winter of 2020. The contract(s) for Phase 2 and Phase 3 loads will be executed a few months in advance of each phase's launch.

11. CONTINGENCY PLAN FOR PROGRAM TERMINATION

This Chapter describes the process to be followed in the case of termination. By adopting the original Implementation Plan, SDCP will have approved the general termination process. In the unexpected event that SDCP would terminate supplying electricity and return its customers to SDG&E service, the proposed process is designed to minimize the impacts on its customers and on SDG&E. The proposed termination plan follows the requirements set forth in SDG&E's Tariff Rule 27 governing service to CCAs. SDCP retains discretion to modify program policies from time to time at its discretion.

SDCP will offer services for the long term with no planned Program termination date. In the unanticipated event that SDCP decides to terminate the Program, each of its Member Agencies would be required to adopt a termination ordinance or resolution and provide adequate notice to SDCP consistent with the terms set forth in its JPA Agreement. Following such notice, SDCP's Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In case SDCP affirmatively votes to proceed with JPA termination, SDCP would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to SDG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year in advance notice would be provided to SDG&E and the CPUC before transferring customers, and SDCP would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred en masse on the date of their regularly scheduled meter read date.

SDCP will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees is the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. SDCP will post financial security in the appropriate amount as part of its registration process and will maintain the financial security agreement in the required amount, as necessary.

SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Cody Hooven, SDCP Interim Executive Officer

Subject: Discussion of SDCP 2020 Staffing Plan

Date: December 9, 2019

Recommendation

1. Receive staff report and provide direction and feedback as needed.
2. Authorize Interim Executive Officer to solicit bids from executive recruitment firms in order to begin the CEO search in Q1 2020.

Background

At the SDCP Board meeting on November 21, 2019 staff indicated that they would provide an overview of San Diego Community Power's (SDCP) proposed staffing plan and set out a process for chief executive officer (CEO) recruitment that would commence during the first quarter of 2020 with the goal of having a permanent CEO in place by the Spring of 2020.

Discussion and Analysis

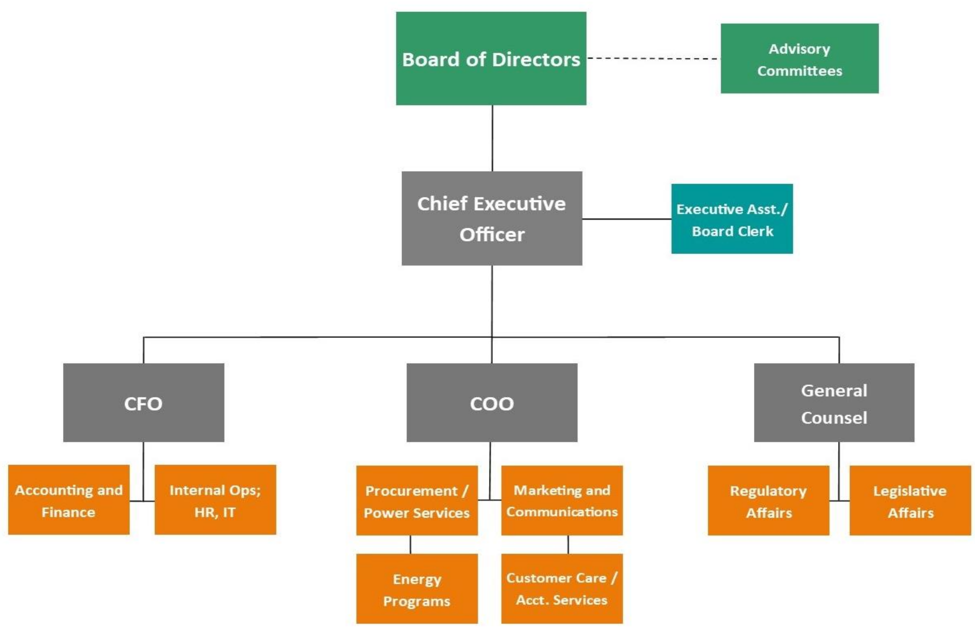
A. **Staffing Plan.** One of the requirements of the Implementation Plan is to provide an overview of the SDCP's anticipated management and staffing arrangements. The organization chart shown on page two of this report provides an conceptual view of how SDCP is proposed to be structured operationally, including the key functions required to run a robust and successful CCA agency. It provides executive level and functional detail but leaves remaining staff and management decisions within the functional areas to be determined by the CEO once hired. The proposed organization chart is based on typical and successful staffing structures used by the larger CCAs across the state. As SDCP will be the second largest CCA in California, it is anticipated that the organization will start out with ~15-20 staff members and expand to a maximum of ~40 in future years as programs and services are added and as operational needs dictate. In-house staff will be supplemented with partnerships and consulting services in order to keep the organization lean.

B. **CEO Recruitement.** As per the implementation timeline and budget approved by the Board at its meeting in October, the schedule indicates that the CEO recruitment and hiring process will be a priority Q1 2020 activity. In order to get the process underway, staff is seeking Board authorization to solicit bids from executive recruitment firms that have expertise in energy/utility and public agency staffing. It is anticipatated that these services will run ~$25,000 but the exact cost is unknown until bids are received. The following is a proposed timeline that outlines the steps in the process:

Month	Activity
December 2019	Solicit bids from 2-3 executive search firms that have been used by other public agencies or CCAs for successful CEO searches
January 2020	Select winning firm and finalize contract
February 2020	Prepare job posting and open recruitment
March 2020	Application period ends; initial candidate review
April/May 2020	Top candidate selection and interviews (anticipate 2-3 rounds); Board approvals/hiring process

SDCP FUNCTIONAL ORGANIZATION CHART

as of December, 2019



Notes:
1) This chart identifies senior management and key functional areas of SDCP. It will expand over time to include specific roles and positions within each functional area.
2) Most of the functions will be staffed/supported by external vendors until SDCP hires its own staff and transitions into full operations.
3) At the outset, it is assumed that SDCP will hire approximately 15-20 staff members, growing to ~40 once key functions are brought in-house.

Fiscal Impact: To be determined

SAN DIEGO COMMUNITY POWER
Staff Report – Item 10

To: San Diego Community Power Board of Directors

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

Subject: Adoption of 2020 Board Meeting Schedule by Resolution

Date: December 4, 2019

Recommendation
Adopt a resolution to establish a regular day, time and location for San Diego Community Power (SDCP) Board Meetings for the year 2020.

Background
Section 4.8 of the Joint Powers Authority (JPA) Agreement states that the date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.

Analysis and Discussion
Based on research and feedback received, the best time and date for SDCP Board Meetings are the fourth Thursdays of each month except for a few dates such as holidays. Regarding location, staff recommends having the first meeting in January at the Civic San Diego space located at the Wells Fargo building in Downtown San Diego on the fifth Thursday. This is to ensure the location and confirmed availability. Thereafter, the meetings are expected to be held at the City of San Diego, either at the Council Chambers or Committee Room.

It should be noted that the City of San Diego location is tentative but likely to occur. This is because they will be voting on their own legislative calendar on December 9th and are not able to schedule any rooms until that occurs. Staff chose these two locations due to their central location in the region as well as their proximity to transit.

Here is the list of dates with all starting at 5 pm:

- January 30th (Fifth Thursday)
- February 27th
- March 26th
- April 23rd
- May 28th
- June 25th
- July 23rd

- August 27th
- September 24th
- October 22nd
- November 19th (Third Thursday)
- December 17th (Third Thursday)

Fiscal Impact

If moved forward, the use of the Civic SD and City of San Diego space is expected to be around $300 per meeting, including use of the equipment plus any staff that is needed since the board meeting times are after-hours for these locations.

Attachments:

Attachment A: Resolution establishing a 2020 Board Meeting Schedule

RESOLUTION NUMBER 2020-02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF SAN DIEGO COMMUNITY POWER
ESTABLISHING ITS REGULAR MEETING SCHEDULE
FOR CALENDAR YEAR 2020

A. San Diego Community Power ("SDCP") is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 ("JPA Agreement").

B. The Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, provides that the legislative body of each local agency shall provide, by ordinance, resolution, bylaws, or other rule, the time and place for holding its regular meetings.

C. Section 4.8 of the JPA Agreement provides that the "date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board.".

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Diego Community Power as follows:

Section 1. For calendar year 2020, regular meetings of the Board of Directors shall take place on the dates set forth below and shall begin at 5:00 P.M. All regular meetings shall take place on the 12th Floor of the San Diego City Administration Building, 202 "C" Street, San Diego, CA 92101; provided, however, that the January meeting shall take place in the Board Room of Civic San Diego, 401 B Street, Suite 400, San Diego, CA 92101.

Regular Meeting Dates

January 30, 2020*
February 27, 2020
March 26, 2020
April 23, 2020
May 28, 2020
June 25, 2020
July 23, 2020
August 27, 2020
September 24, 2020
October 22, 2020
November 19, 2020
December 17, 2020

**meeting location at Civic San Diego*

Section 2. Special and adjourned meetings of the Board of Directors may be called and held in the manner authorized in the Ralph M. Brown Act, Cal. Gov. Code § 54950, *et seq.*, as may be amended from time to time.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on December 9, 2019.

____________________________	____________________________
Joe Mosca, Chair	Megan Wiegelman, Interim Board Secretary
San Diego Community Power	San Diego Community Power

Approved as to form:

____
Ryan M. F. Baron
General Counsel

AYES: _______ NAYS: _______ ABSENT: _______ ABSTAIN: _______