



Board of Directors

Special Meeting

January 15th , 2021



Special Meeting Agenda

Welcome

Call to Order

Pledge of Allegiance

Roll Call

**Items to be Added, Withdrawn, or Reordered on the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

Public Comment for Items Not on the Agenda

1. Approval of the Energy Risk Management Policy Update
2. Approval of 2021 Rates

Director Comments

Reports by Management and General Counsel

Adjournment



Item 1

Approval of the Energy Risk Management Policy Update

Recommendation:

1. Amend Section 6.5 “Delegation of Authority per Transaction by Position/Title” to allow the Chief Executive Officer to make collateral and security deposit payment to CAISO; and
2. Adopt the “Managing Congestion Risk” addendum to the Energy Risk Management Policy.

Item 2

Approval of 2021 Rates

Recommendation:

Approve the rates contained in Attachment A to be effective as of March 1, 2021.



Approval of 2021 Rates

SDCP Board Meeting

Item #2

January 15, 2021



Key Considerations

- DETERMINE COSTS - Develop projections of costs (pro forma revenue requirement)
- DEVELOP RATES - Produce revenues sufficient to meet revenue requirement; design rates for SDCP customers
- TIMING - Initial rates approved with sufficient lead time to provide notice to customers prior to initiation of service
- COMPARE RATES – Compare rates with other CCAs and SDG&E

Determine Costs – Pro Forma

Year Type	Fiscal					
Annual Pro Forma Projections San Diego Community Power 31-Dec-20						
	Year Ending:	2021	2022	2023	2024	2025
I. Revenue		23,114,008	274,840,664	410,201,167	410,981,215	413,036,121
II. Operating Expenses						
Power Supply		26,965,777	243,836,448	368,945,415	354,726,299	349,478,402
Staff		1,500,000	4,500,000	4,635,000	4,774,050	4,917,272
Professional/Technical services		630,010	830,335	909,753	932,573	956,491
Legal		240,000	300,000	309,000	318,270	327,818
Communications, Mktg, Enrollment		687,998	3,301,253	1,660,276	1,677,597	1,698,317
Other General and Administrative		365,000	420,000	432,600	445,578	458,945
Regulatory and CalCCA Fees		410,000	895,000	921,850	949,506	977,991
Data Management		-	1,531,297	8,190,524	8,771,773	8,902,686
Utility Service Fees		23,664	733,527	3,046,375	3,145,725	3,256,294
Uncollectibles/Other		64,454	1,281,739	1,945,254	1,878,707	1,854,871
Subtotal Operating Expenses		30,886,903	257,629,598	390,996,046	377,620,077	372,829,087
Operating Margin		(7,772,894)	17,211,066	19,205,120	33,361,138	40,207,034
III. Financing						
Interest		375,000	857,820	715,471	545,067	370,354
Principal		-	2,752,650	6,724,411	6,894,461	7,068,812
Subtotal Financing		375,000	3,610,470	7,439,883	7,439,528	7,439,165
Operating Margin Less Financing		(8,147,894)	13,600,595	11,765,238	25,921,609	32,767,869
IV. Cash From Financing		35,000,000	-	-	-	-
V. Other Uses						
CPUC and CAISO Deposits		1,275,000	-	-	-	-
Collateral Deposits		5,000,000	-	-	-	-
Subtotal Other Uses		6,275,000	-	-	-	-
VI. Net Surplus/(Deficit)		20,577,106	13,600,595	11,765,238	25,921,609	32,767,869
VII. Cumulative Net Surplus		19,874,606	33,475,201	45,240,439	71,162,048	103,929,917
VIII. Program Average Rate (\$/MWh)		98.9	79.0	76.0	75.9	75.9
IX. Power Supply (\$/MWh)		115.4	70.1	68.3	65.5	64.3
X. Program Average Cost (\$/MWh)		160.6	75.1	73.8	71.1	69.9
XI. Annual Sales (MWh)		233,670	3,477,830	5,399,104	5,411,981	5,439,041

Determine Costs - Develop Projections of Costs

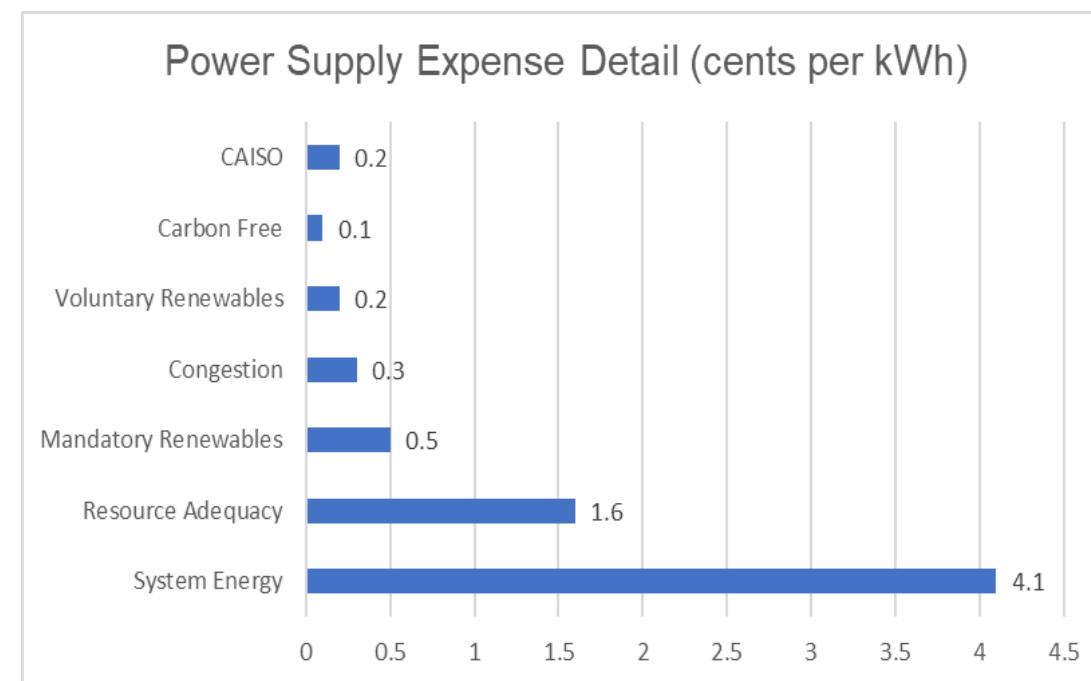
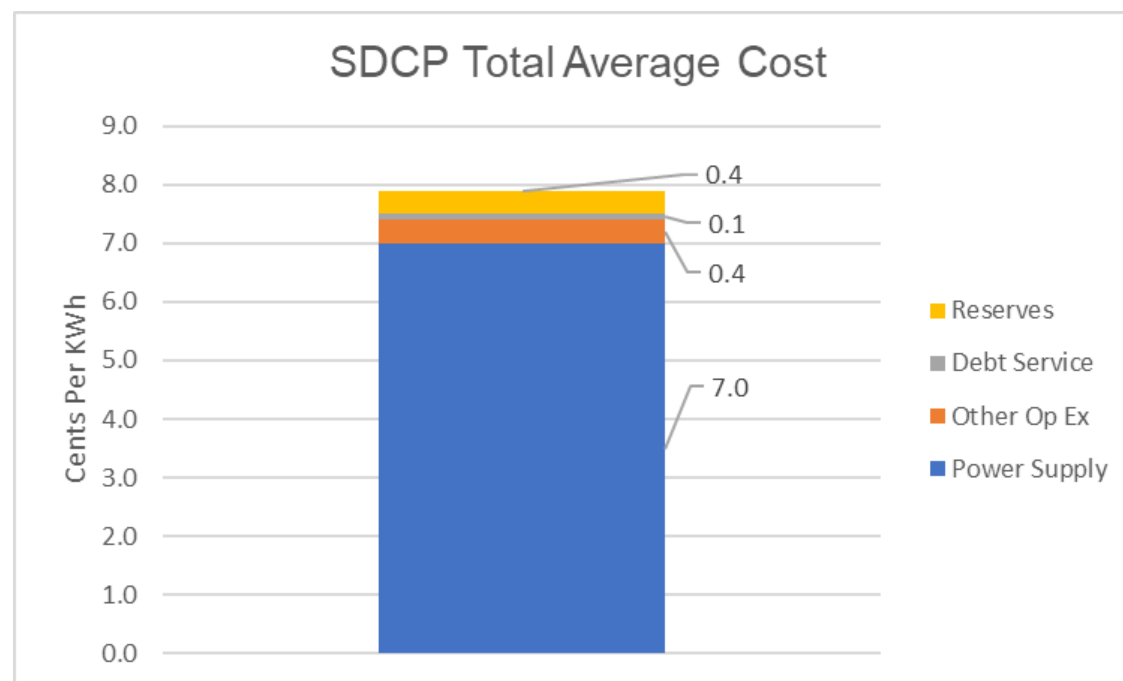
Revenue Requirement (FY 2022 Test Year Forecast)

Line Item	Amount (millions)
Power Supply Expenses	\$243.8
Other Operating Expenses	\$13.8
Debt Service	\$3.6
Reserve Contribution*	\$13.6
Total Revenue Requirement	\$274.8
Retail Sales (GWh)	3,478
System Average Rate (cents per kWh)	7.9

* Minimum required to meet covenants in River City Bank credit agreement.

Develop Rates

Breakdown of Costs



Timing

Customer notices required within 60 days before service begins

- **January 15: Board approval of rates**
- January 15-Mar 1: Calpine builds out rates in billing system
- January 19-21: First customer notices mailed
- February 8-9: Second customer notices mailed
- **March 1: Phase One service begins**

Develop Rates – Design for SDCP Customers

Proposed SDCP rates have same structure as SDG&E rates

- Dozens of rate schedules to align with SDG&E service offerings; same time-of-use periods, mix of energy and demand charges
- Ensures rate comparability and compatibility with SDG&E's billing process
- Equal scaling to recover targeted revenue requirement
- Power100 (100% renewable energy) rate would include a cost-based premium of 0.75 cents per kWh

Compare Rates

Comparison to SDG&E current and future rates

- SDCP PowerOn generation rates below current SDG&E generation rates – where we compete, SDCP is cost effective
- Accurate rate comparison to SDG&E 2021 rates not yet available
- SDG&E rates are expected to increase Feb 1, again March 1
- Staff will provide comparisons when rates become available

Compare Rates

Difficult to make comparisons since offerings are different

- 31.3% Renewable*
- 7.8% unbundled RECs*



*Per 2019 Power Content Label

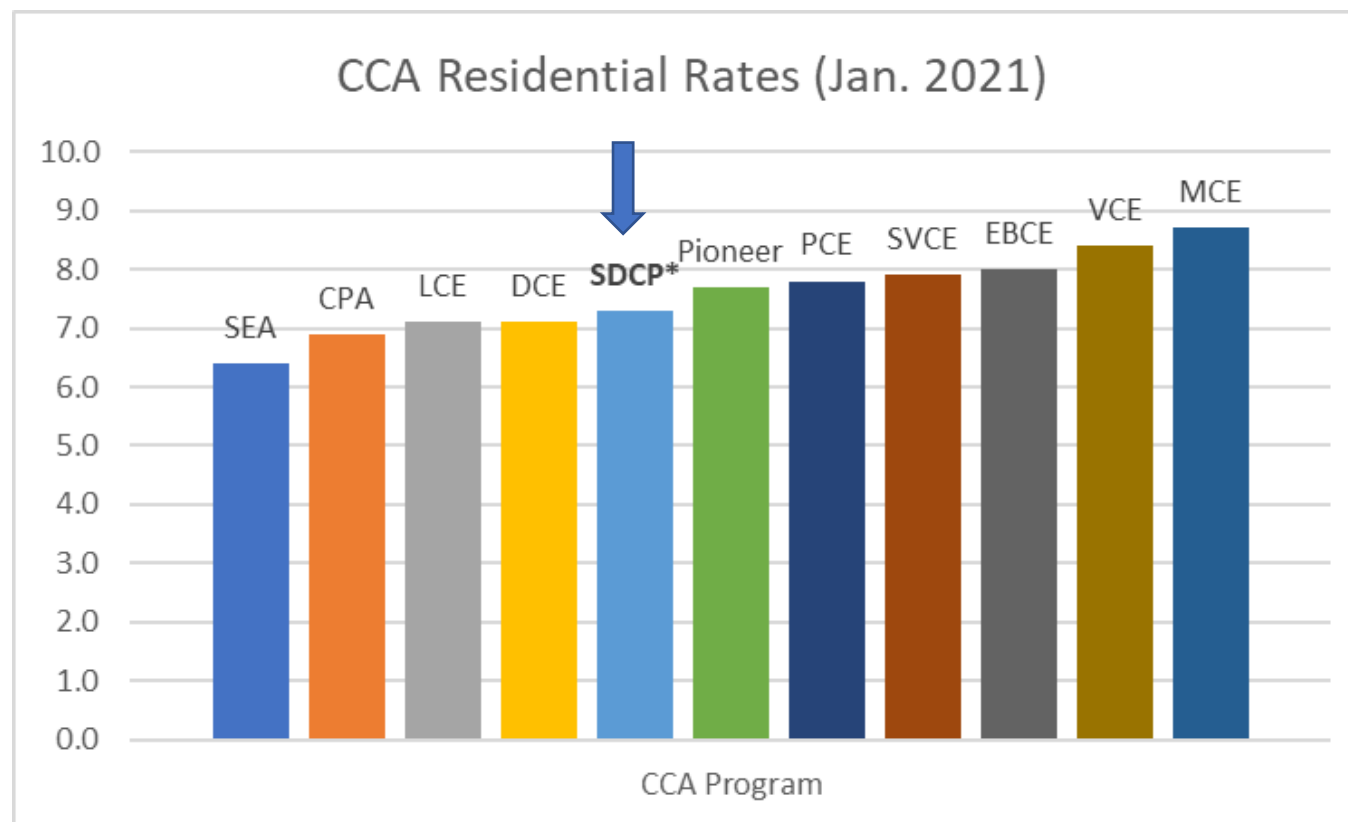
- 50% Renewable
- 5% greenhouse gas free**



**Total = 55% Carbon free base portfolio

Compare Rates – CCA Peers

Proposed SDCP rates are in line with other CCA programs



* Proposed SDCP default residential rate (Schedule DR)

Recommendation

Adopt Initial Rates for San Diego Community Power

- Proposed rates contained in Attachment A of staff report, effective March 1, 2021



Thank You

January 15, 2021

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Director Comments

**Reports by Management and
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Adjournment



Board of Directors

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