



# Board of Directors

Regular Meeting

March 27, 2025





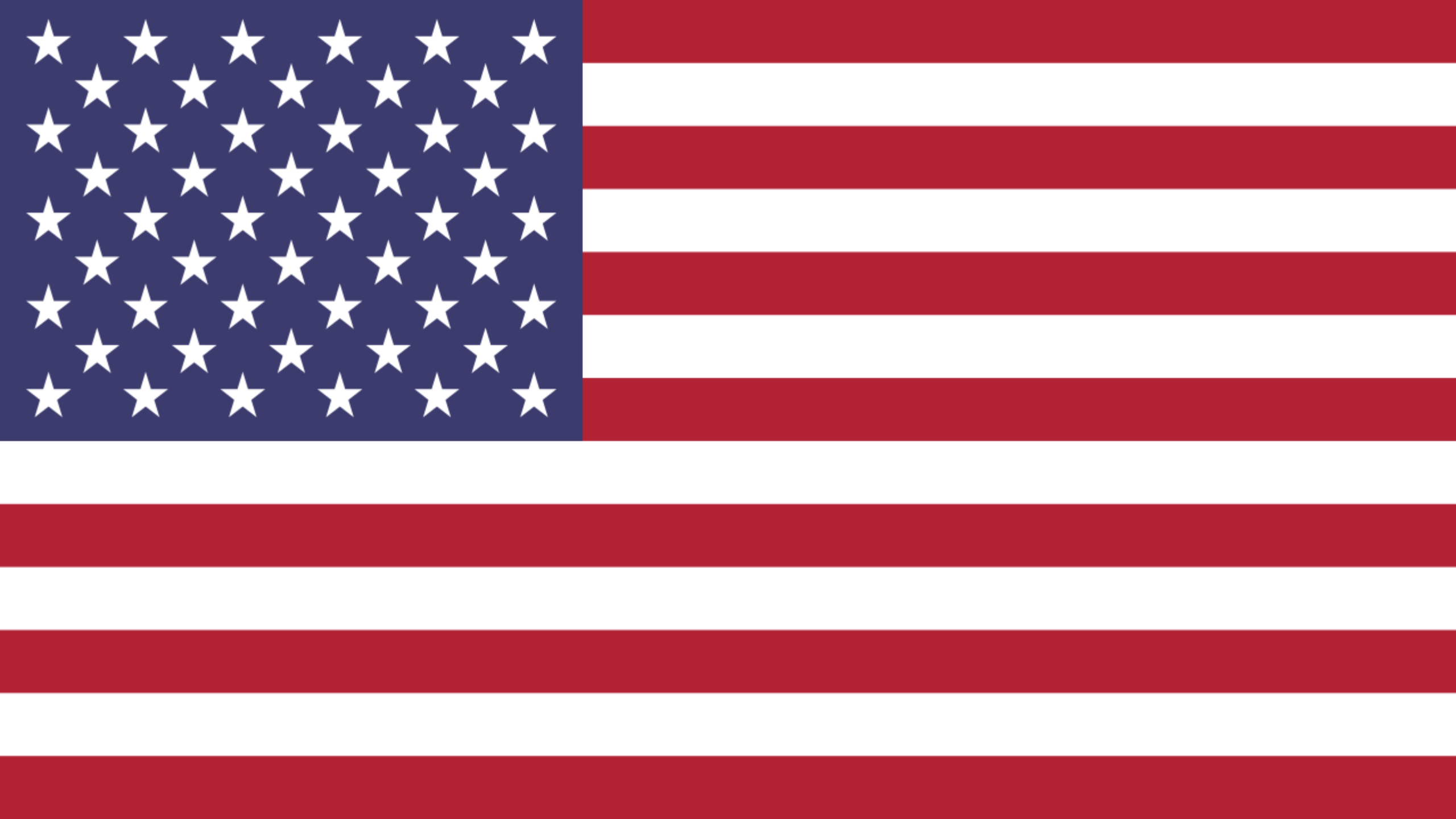


**Welcome  
and  
Call to  
Order**



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# Roll Call







# **Land Acknowledgement**

# Finance and Risk Management Committee



**Chair Ditas Yamane**  
City of National City  
Vice Mayor




**Vice Chair Genevieve Suzuki**  
City of La Mesa  
Councilmember



**Director Michael Inzunza**  
City of Chula Vista  
Councilmember





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Withdrawn or  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





# **Non- Agenda Public Comment**



# Consent Calendar

1. **Approve February 27, 2025, Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending January 31, 2025**
3. **Receive and File Update on Programs**
4. **Receive and File Update on Power Services**
5. **Receive and File Update on Customer Operations**
6. **Receive and File Update on Human Resources**
7. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
8. **Receive and File Update on Regulatory and Legislative Affairs**
9. **Receive and File Community Advisory Update**
10. **Approve Strategic Plan Goals for FY2026-2028**



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# **Public Comment on Consent Calendar**



# Regular Agenda

- 11. Approve Community Advisory Committee Member for the City of La Mesa**
- 12. Approve Contract with Power Settlements Consulting and Software, LLC for Professional Services for Energy Trading Risk Management in a not-to-exceed amount of \$4,115,956**
- 13. Approve Resource Adequacy and TB4 Agreement with Athos Storage, LLC**
- 14. Approve Amended and Restated Renewable Power Purchase Agreement with Yellow Pine Solar III, LLC**
- 15. Approve Amendments to Long-Term Resource Adequacy Agreements with EnerSmart**
- 16. Approve Energy Consulting Services Agreement with Pacific Energy Advisors, Inc. up to \$775,000 for Energy Consulting Services through March 31, 2029**



# Item No. 11

**Approve Community Advisory Committee Member for the City of La Mesa**

## **Recommendation:**

**Approve the Appointment of Shaun Sumner to the Community Advisory Committee for the City of La Mesa.**

Presenter:

Jack Clark, Chief Operating Officer

# Membership Criteria & Selection Process

- The Community Advisory Committee (CAC) includes 2 members from each member agency.
- Appointments are to prioritize residents from diverse social, economic, and racial backgrounds that are representative of all residents within Community Power's service territory.
- A CAC vacancy opened for the City of La Mesa in December 2024. Staff promoted the vacancy via social media, the Board of Directors, the CAC and directly engaging with member agency staff and the public; and worked with Director Suzuki to review the process and determine a nomination for appointment based on Membership Terms & Criteria.
- Director Suzuki has nominated Shaun Sumner.





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# **Public Comment for Item No. 11**

# Item No. 12

**Approve Contract with Power Settlements Consulting and Software, LLC for Professional Services for Energy Trading Risk Management in a not-to-exceed amount of \$4,115,956**

## **Recommendation:**

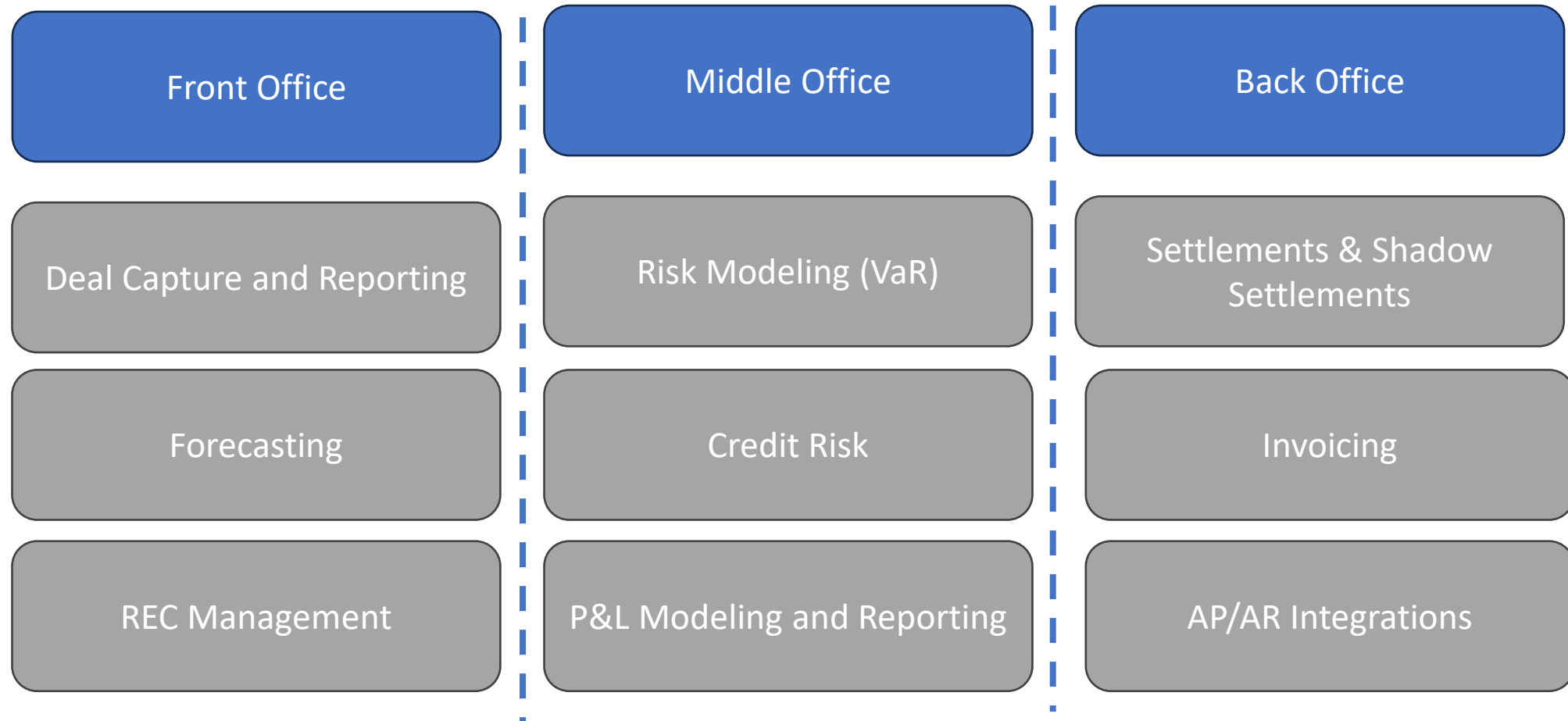
**Approve a contract with Power Settlements Consulting and Software, LLC (“Power Settlements”) with a not-to-exceed amount of \$4,115,956 over the initial term of five years, and a yearly automatic renewal after the initial term, until San Diego Community Power (Community Power) provides a notice of termination, for Energy Trading Risk Management Subscription Software, Update and Support Services, and Hosting Services, and authorize the Chief Executive Officer to execute the contract.**

Presenter:

Kenny Key, Director of Power Contracts



# What is an Energy Trading Risk Management (ETRM) system?



# ETRM: Why / What / How

## **Why** Community Power needs an ETRM system?

- *Critical to manage contracts and portfolio, settle invoices, report on positions, and to gauge and evaluate risk*

## **What** the new ETRM system will accomplish?

- *Power service strategic goal “Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training”*
- *Allow SDCP to have direct access to its data, reporting, and risk models*

## **How** the new ETRM system will reduce risk?

- *Advanced stochastic and simulation-based modeling at the project and portfolio level*
- *Reduce reliance on third party contractors*



# ETRM: RFP Background

- Community Power staff ran ETRM Request For Proposals (RFP) in 2024
- Shortlisted 2 finalists:
  - Took primary vendor contract to Community Power Board for approval in Aug 2024
  - One vendor was left on waitlist
- Challenges on delivery with Primary, Community Power staff is recommending to move to the waitlisted finalist

# Power Settlements: Overview

- Software and services company dedicated to the power industry
- Headquartered in Glendora, CA
- Founded in 2007
- Privately owned, stable & secure
  - Wholly owned subsidiary of Yes Energy, LLC
- Organically developed software
- Approximately 40 employees & growing
- Approximately 50 customers
- 100% of Power Settlements customers are referenceable



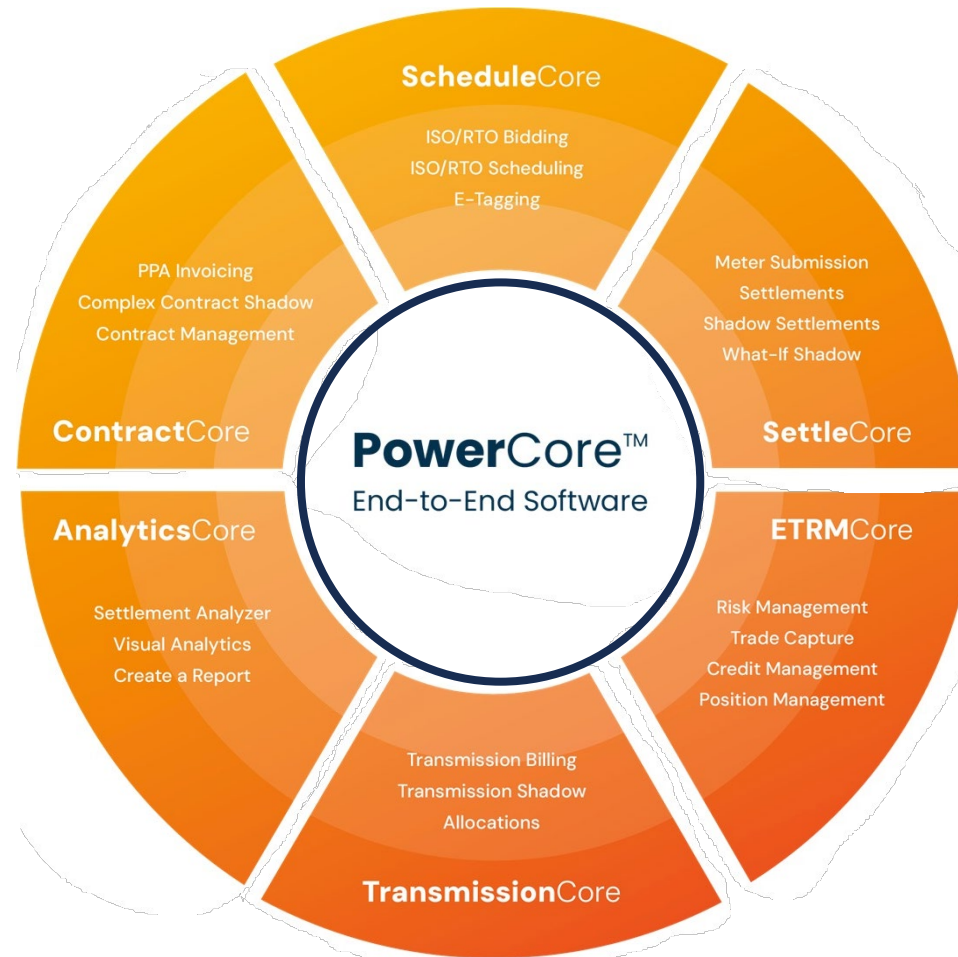
# Power Settlements: Overview

## Vision

- PowerCore bridges the gap between the Markets, SCADA and the General Ledger

## Features

- Best-in-class support
- Cloud capable
- Direct & API data access
- Daily processing



## Capabilities

- End-to-end solution for structured and non-structured markets
- Advance bidding
- Scheduling inside and outside of markets with integrated e-tagging
- Best-in-class settlements for markets, complex contracts & transmission
- Direct data access & visualization

# Power Settlements: Partial Customer List

| IOU   | Public Power & Cooperatives  | Other  |
|---|--|--|
| <br><br><br><br><br><br><br> | <br><br><br><br><br><br><br> | <br><br><br><br><br><br> |



# Staff Recommendation

- Approve contract with Power Settlements
- Budget Impacts:
  - Do Not Exceed limits: \$4,115,956 over 5 years
  - The proposed costs for ETRM vendor was included in the FY 2024-25 operating budget approved by the Board on June 27, 2024, as well as the budget update approved on February 27, 2025
  - Community Power expects these contracts to be cost neutral to the approved operating budget based on the approved ETRM vendor budget and savings in other budget items that will result from bringing these services in-house

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# **Public Comment for Item No. 12**



# Item No. 13

**Approve Resource Adequacy and TB4 Agreement with Athos Storage, LLC**

## **Recommendation:**

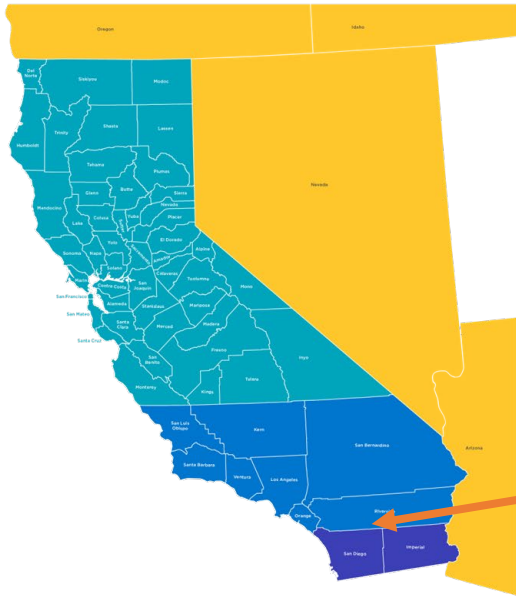
**Approve the proposed 15-year Resource Adequacy and TB4 Agreement with Athos Storage, LLC in substantially final form for a 200 MW (4-hour) battery energy storage facility and authorize the Chief Executive Officer to execute the agreement.**

Presenter:

Andrea Torres, Associate Director of Origination

# Athos Storage: Project Summary

- The Athos Storage LLC (Athos) project is a stand-alone battery storage project being developed by SB Energy (SBE)
- 200/800 MWh (4-hour) lithium-ion battery
- Location: Riverside



# Athos: Key Terms

- **Product:** 200 MW/4-hr Resource Adequacy (RA) and TB4 hedge
- **Source:** Replaces prior contract approved in January 2024 for a 5-year RA-only contract
- **Pricing:** Fixed for a 15-year term
- **Timeline:** Guaranteed Commercial Operation Date is January 1, 2027
- **TB4 (top-bottom 4):** fixed monthly energy settlement rate from Community Power (Buyer) to Athos (Seller) netted against a daily energy settlement rate paid by Athos to Community Power based on the sum of the 4 highest hourly locational marginal prices (LMPs) at CAISO trading hub SP15 in the Day-Ahead Market for such day, minus the sum of the 4 lowest hourly SP15 LMPs
- **Performance:** Community Power would receive financial compensation in the event of Seller's failure to successfully achieve certain development milestones as well as Seller's failure to deliver guaranteed RA amounts once operational



# SB Energy Developer Experience

- Founded in 2019, SBE is backed by SoftBank Group Corp. and Ares Climate Infrastructure, allowing SBE to finance 100% of the projects it develops, owns, and operates
- SBE is a California-based solar and storage developer, owning and operating 1.4 GWac of solar projects in US, including 450 MWac of solar projects operating in California with 3 GWac of solar and 4.5 GWac of storage in its California pipeline, including the Pelicans Jaw project
- In December 2023, SBE received "Renewables Deal of the Year" award from Project Finance International (PFI) for reaching financial close on 1.3 GWs of solar projects and being among the first to take advantage of the domestic content adder, a provision in the IRA designed to strengthen America's manufacturing base

# Athos: Staff Analysis

- Commencing in 2027, Athos will contribute 200 MW towards Community Power's resource adequacy obligations
- TB4 hedge agreements maximize the energy arbitrage value over 4 hours of each day as well relieve Community Power of bidding and scheduling responsibilities, which is required for standard energy toll agreements
- Pricing is competitive with comparable product offerings received from Community Power's 2024 All-Source RFO
- The long-term purchase of capacity and energy arbitrage value will provide cost certainty over the term of this agreement

# Athos: Workforce Development and Community Benefits

- SBE is committed to using union labor at the project and has committed to entering into a **Project Labor Agreement**
- Project development will bring approximately **45-50 clean-energy jobs** during construction and approximately 2 full-time equivalent jobs during operations
- SBE will be providing a **\$200,000 contribution** to the community benefits fund within 60 days of commercial operation





# **Public Comment for Item No. 13**

# Item No. 14

**Approve Amended and Restated Renewable Power Purchase Agreement with Yellow Pine Solar III, LLC**

## **Recommendation:**

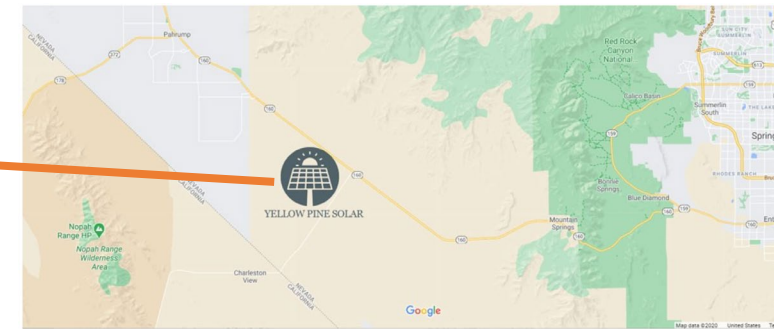
**Approve the proposed Amended and Restated Renewable Power Purchase Agreement with Yellow Pine Solar III, LLC and authorize the Chief Executive Officer to execute the agreement.**

Presenter:

Kenny Key, Director of Power Contracts

# Yellow Pine 3: Background

- Shortlisted from Community Power's October 2022 Renewable + Storage RFP
- Approved by Community Power BOD June 2023
- Project Details:
  - Co-located 35 MWac solar + 35 MWac 4-hour battery energy
  - **Developer:** NextEra
  - **Location:** Clark County, NV
  - **GCOD:** 10/1/2025
- Due to delays in network upgrades, viable COD is no longer in 2025



Map is representative of project location but is not to scale and the icon does not indicate actual project boundaries.



# Yellow Pine 3: Key Terms

- **Product:** Energy, RECs, Capacity, Ancillary Services and Resource Adequacy benefits
- **Pricing:** Fixed for a 20-year term
- **Timeline:**
  - Guaranteed Commercial Operation Date is June 1, 2027
  - Guaranteed Resource Adequacy Date is June 1, 2028
- Community Power would receive financial compensation in the event of seller's failure to successfully achieve certain development milestones as well as seller's failure to meet guaranteed generation, storage capacity, availability, and efficiency rates

# Yellow Pine 3: Amendment Scope

- Guaranteed Commercial Operations Date: 2027 vs. 2025
- Pricing reduction based on the modified COD
- Clean up edits for resource availability calculations and slice of day resource adequacy accounting

# Yellow Pine 3: Project Summary – Battery Technology

- **Industry testing:**
  - Batteries used in their facilities undergo rigorous industry testing and certification
  - This ensures that the cell and module designs are robust
- **Safety systems:**
  - Each container is equipped with fire protection and control systems to comply with National Fire Protection Association (NFPA) standards
- **Temperature management:**
  - Each facility is equipped with its own thermal management system to ensure it operates within a prescribed temperature range
- **Detection:**
  - Sensors that alarm when an abnormal condition arises
- **Monitoring:**
  - Typically, each battery energy storage system is equipped with a battery management system, which can automatically shut down an affected unit
- **Engaging first responders:**
  - NextEra works with and trains local first responders and fire officials to coordinate any response, in the unlikely event of a fire.



# Yellow Pine 3: Workforce Development and Community Benefits

- The project will provide **80 construction jobs** and 2 permanent jobs
- The project will use **union labor**. NextEra's primary engineering and procurement contractor will execute a **project labor agreement** for the project
- Benefits to local communities:
  - NextEra provides sole sponsorship of developing solar curriculum and research at University of Nevada Las Vegas, including mentoring the annual senior design project focused on solar energy systems
  - NextEra hosts a Renewable Energy Training (RET) simulation lab at University of Nevada Las Vegas and College of Southern Nevada
  - NextEra provides presentations at local high schools in Southern Nevada that highlight the benefits of renewable energy and growing career opportunities within the state
  - NextEra established an internship program that leads to career opportunities at NextEra solar and storage sites.
  - NextEra has offered Clark County Public Schools to apply for our \$50,000 STEM Classroom Makeover Grant
  - NextEra contributes back-to-school supplies in Clark County Public Schools
  - NextEra contributes to the Three Square Food Bank in Clark County

# Yellow Pine 3: Staff Analysis

- The Yellow Pine 3 project will contribute to Community Power's 100% renewable by 2035 target, providing over 100,000 MWh of renewable energy per year, in addition to energy management and capacity benefits from battery energy storage
- With commercial operations commencing in 2027, and a resource adequacy guarantee in 2028, the Yellow Pine 3 project will contribute to Community Power's compliance requirements for mid-term reliability
- Pricing is competitive with comparable product offerings received from Community Power's recent RFOs
- NextEra is highly experienced developer, owner, operator, among the world's largest renewable generators and battery energy storage developers, with over 28 GWs of renewables in operation and another 18 GWs in development



# **Public Comment for Item No. 14**



# Item No. 15

**Approve Amendments to Long-Term Resource Adequacy Agreements with EnerSmart**

## **Recommendation:**

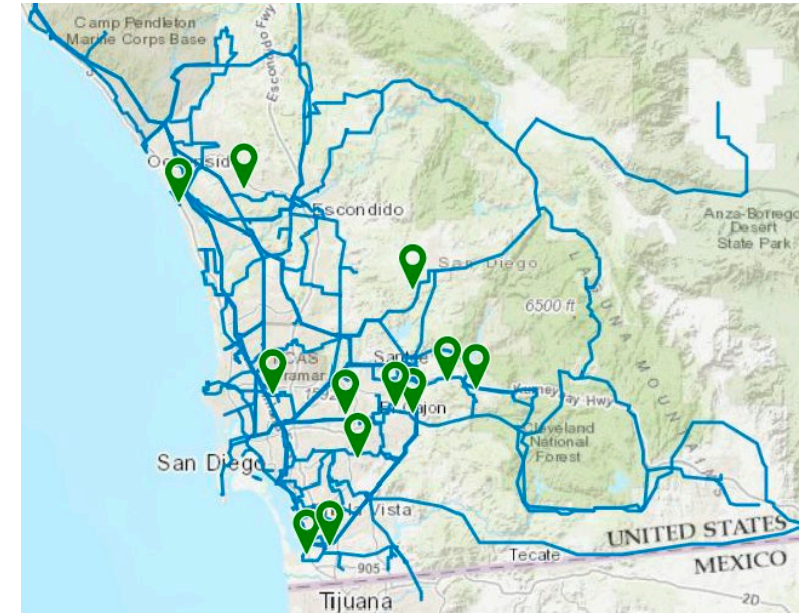
**Approve the four proposed amendments to long-term Resource Adequacy Agreements with EnerSmart's subsidiaries, set up as LLCs for each project, for a total purchase of 10.5 MW of Resource Adequacy (EnerSmart El Cajon BESS LLC 3.0 MW, EnerSmart Imperial Beach BESS LLC 3.0 MW, EnerSmart Mesa Heights BESS LLC 3.0 MW, EnerSmart Chula Vista BESS LLC 1.5 MW), with the amendment to require use of local labor, when possible, and union labor on portions of the project for the contracts with EnerSmart El Cajon BESS LLC and EnerSmart Imperial Beach BESS LLC, and authorize the Chief Executive Officer to execute the agreements.**

Presenter:

Kenny Key, Director of Power Contracts

# Background

- Amendments to agreements needed to ensure Community Power meets local procurement targets
  - Community Power has a goal of 600 MW of local capacity by 2035
- EnerSmart has a portfolio of projects in San Diego County
- Community Power's Board approved the four original agreements in Q2 and Q3 of 2023
- Since then, the projects have faced deliverability and network upgrade delays, potentially pushing the project commercial operations into the 2030s
- These amendments are required to keep the projects viable and financeable

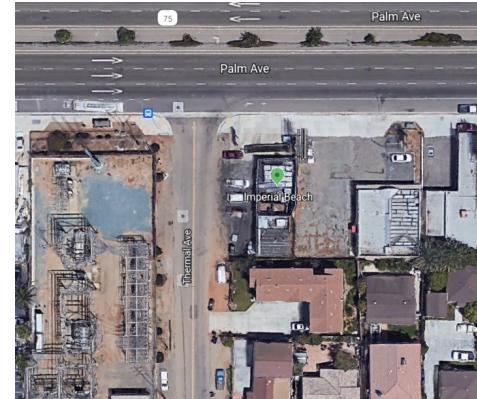


# EnerSmart Resource Adequacy Agreements: Overview

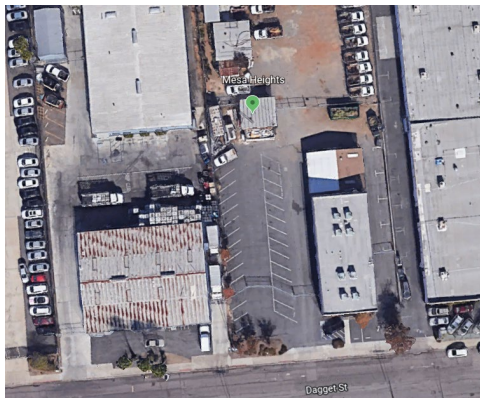
- Total of 10.5 MW NQC from lithium-ion battery energy systems
- Project locations and sizing:



El Cajon  
3 MW



Imperial Beach  
3 MW



Mesa Heights  
3 MW



Chula Vista  
1.5 MW  
\*Online



# EnerSmart Resource Adequacy Agreements: Key Terms

- **Product:** Local Resource Adequacy, 10.5 MW NQC in total
- **Pricing:** Fixed pricing for resource adequacy which adjusts based on the year deliverability is obtained
- **Guaranteed Initial Resource Adequacy Delivery Dates:** Projects range between March 1, 2026, and Q4 2027
- Resource Adequacy would help with Community Power's internal local procurement targets as well as external resource adequacy and mid-term reliability compliance requirements
- Community Power receives financial compensation for failure to meet certain performance requirements

# EnerSmart Resource Adequacy Agreements: Amendment Overview

- Amendments adjust term of Agreement from 10 years to 15 years for three of the four projects
- Amendments allow for interim deliverability status and provide Community Power with pricing protection depending on year deliverability is received
- Amendments include addition of Slice of Day resource adequacy language and protections, pursuant to CPUC's new requirements
- Amendments are required to keep the projects viable, allow for project financing, and will allow EnerSmart to continue to apply for local deliverability

# EnerSmart Resource Adequacy Agreements: Workforce Development and Community Benefits

- EnerSmart plans to use local labor when possible and union labor on portions of the projects
  - Commitments to union-employed electrical contractors with a C-10 license for electrical work on the Imperial Beach and El Cajon projects
  - Commitment on projects that are not yet in construction phase to use 80% local or union labor
- EnerSmart commits to prevailing wages for all projects
- Energy storage systems projects benefit the community by providing clean energy to the grid when it is needed the most, helping to reduce the local risk of brownouts and blackouts
- Energy storage systems projects provide local storage which reduced the need for additional transmission to import necessary energy



# EnerSmart Resource Adequacy Agreements: Battery Technology

- EnerSmart abides by all state and local requirements for BESS projects, and provides full Hazard Mitigation Analysis Reports, along with Emergency Response Plans for each project
  - These reports are coordinated closely with the local fire department and obtain approval from the Fire Authority prior to installation
- All battery systems underwent UL 9540A testing, confirming no external flaming or explosions occurred during thermal runaway scenarios
- All battery systems contain integrated fire detection and suppression systems (smoke, heat, and gas detectors) which are standard and tested to activate during events
- After installation, training is provided by the manufacturer to the local fire department

# EnerSmart: Staff Analysis

- The EnerSmart projects will contribute to Community Power's local capacity goals
- Pricing is competitive with comparable product offerings received from Community Power's recent RFOs
- Supports local projects and infill development



# **Public Comment for Item No. 15**



# Item No. 16

**Approve Energy Consulting Services Agreement with Pacific Energy Advisors, Inc. up to \$775,000 for Energy Consulting Services through March 31, 2029**

## **Recommendation:**

**Approve Energy Consulting Services Agreement with Pacific Energy Advisors, Inc. for up to \$775,000 for Energy Consulting Services through March 31, 2029, and subject to autorenewal at the same monthly rate with 3% annual increases until terminated and authorize the Chief Executive Officer to execute the Agreement in substantially the form attached hereto, with such changes as are approved by the Chief Executive Officer and reviewed and approved as to form by the General Counsel.**

Presenter:

Byron Vosburg, Chief Commercial Officer

# Pacific Energy Advisors (PEA): Background

- Key consultant and contributor to Community Power success since 2020
- Have provided the following consulting services:
  - Project planning
  - Portfolio management
  - Energy Trade and Risk Management (ETRM) platform
  - Renewable energy and Resource Adequacy procurement
  - Rate-making
  - Load forecasting
  - Regulatory compliance
  - Financial modeling
- In 2023, Community Power and PEA revised the scope of services to reflect Community Power staffing and in-housing at the time.
- Given another two years of growth and evolution, it's time to revisit again

# Pacific Energy Advisors (PEA): Discussion

- Community Power expects PEA to remain a long-term partner but for the scope of services to reduce over time.
- The draft Energy Consulting Services Agreement allows for transition
- PEA to provide parallel operations of the following during April through Sept 2025:
  - Energy Trade and Risk Management (ETRM)
  - Financial Modeling
  - Long-term Load Forecasting
  - Resource Adequacy procurement and compliance support
- After Sept 2025, PEA will continue to provide through March 2027:
  - Specialized compliance support
  - Trusted advisor services

# Pacific Energy Advisors (PEA): Discussion

- Sept 2025 step-down in services allows for:
  - Transition from PEA to in-house staff and new ETRM service provider
  - Significant reduction in Community Power fees to PEA
- To ensure continuous business operations, staff have negotiated an optional 3-month extension of critical services to protect against unlikely event of delays in replacement staffing and services
- Note: Do-not-exceed value includes potential exercise of this 3-month option and two potential annual renewals (through March 31, 2029)





# **Public Comment for Item No. 16**



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# **Report by Chief Executive Officer**

# Report by Chief Executive Officer

## Updates

- Successful Festival of Science and Engineering on March 1
- Regional Collaborative presentations in
  - Chula Vista on March 11
  - National City on March 12
  - Imperial Beach on March 21
- Power100 Champion spotlight: Helix Charter High School



*Helix Charter High School Student Office of Sustainability*



# Report by Chief Executive Officer

## Updates

- Record 55 applications submitted to Community Clean Energy Grants
- CEO Presentation to National City Council on March 4
- “Women in Power” panel discussion at North San Diego Business Chamber’s annual Women’s Week conference



*Women's Week panel discussion: "Women in Power"*



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# **Directors' Comments**





**Adjournment**





# Next Regular Board of Directors Meeting

April 24, 2025

