



Board of Directors

Regular Meeting

March 28, 2024



The image features a background of numerous small, vibrant purple flowers, likely lupines, in full bloom. A prominent white diagonal shape, resembling a large arrow pointing from the top-left towards the bottom-right, is superimposed over the scene. Centered within this white area is the text "Welcome & Call to Order" in a bold, dark blue, sans-serif font. The text is arranged in four lines: "Welcome", "&", "Call to", and "Order".

**Welcome
&
Call to
Order**

A field of purple flowers, possibly lupines, with a white diagonal banner across the center. The banner contains the text "Roll Call" in a bold, blue, sans-serif font.

Roll Call



The image features a vibrant field of purple flowers, likely lupines, in the background. A large white diagonal shape, resembling a stylized arrow or a banner, cuts across the center of the image from the top-left to the bottom-right. The text "Land Acknowledgement" is written in a bold, blue, sans-serif font within this white area. The flowers are in various stages of bloom, with some showing distinct yellow centers. The overall composition is clean and modern, with a strong contrast between the white overlay and the colorful background.

Land Acknowledgement


Warm Welcome to our New Hires!



Linda Robertson
IT Manager

The background of the slide features a field of purple flowers, possibly lupines, with a white diagonal overlay that creates a triangular shape on the left side. The text is centered within this white area.

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Withdrawn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

A field of purple flowers, possibly lupines, with a white diagonal overlay on the left side. The text is centered on the white area.

**Public
Comment
for Items
NOT
on the
Agenda**

Consent Agenda

1. **Approve February 22, 2024 Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending January 31, 2024**
3. **Receive and File Update on Programs**
4. **Receive and File Update on Power Services**
5. **Receive and File Update on Human Resources**
6. **Receive and File Update on Customer Operations**
7. **Receive and File Update on Marketing, Public Relations, and Government Affairs**
8. **Receive and File Community Advisory Committee Monthly Report**
9. **Receive and File Update on Regulatory and Legislative Affairs**
10. **Approve Proposed Election to Participate in State Disability Insurance**

The background of the slide features a close-up photograph of numerous small, vibrant purple flowers, likely lupines, with green stems and leaves. A large, white, diagonal triangular shape is superimposed over the image, pointing from the top-left towards the bottom-right. The text is centered within this white area.

Public Comment for Consent Agenda

Regular Meeting Agenda

- 11. Update on Residential Solar + Storage Program**
- 12. Approve Amendments to SDCP Legislative & Regulatory Policy Platform**
- 13. Approve Resource Adequacy (RA) Agreement with 90FI 8me LLC**

Item 11

Update on Residential Solar + Storage Program

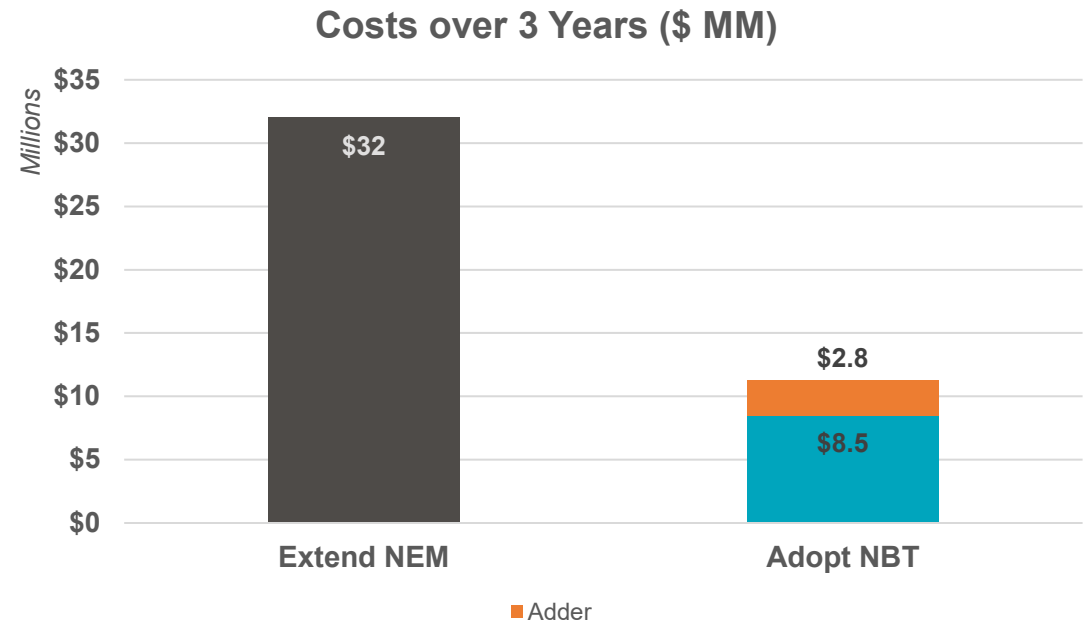
Recommendation:

Receive and file the update on SDCP's Residential Solar and Storage Program.

Background: Analysis of Net Billing Tariff

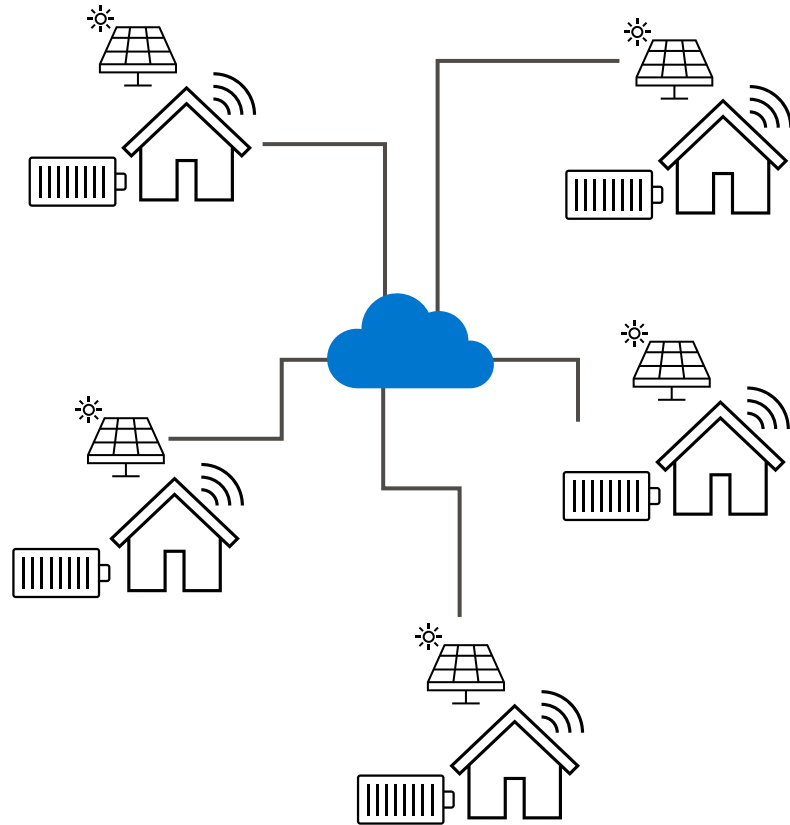
Anticipated costs in millions

- Staff conducted an in-depth analysis and forecast of solar growth to determine options.
- Staff determined that adopting NBT could save all SDCCP customers over \$20.7 million over three years.
- These savings will be passed onto customers through rate savings, adders, and customer programs, such as battery incentives.



NBT provides greater economic value for installing solar + storage, than stand-alone solar.

Flexible Load Strategy & VPPs



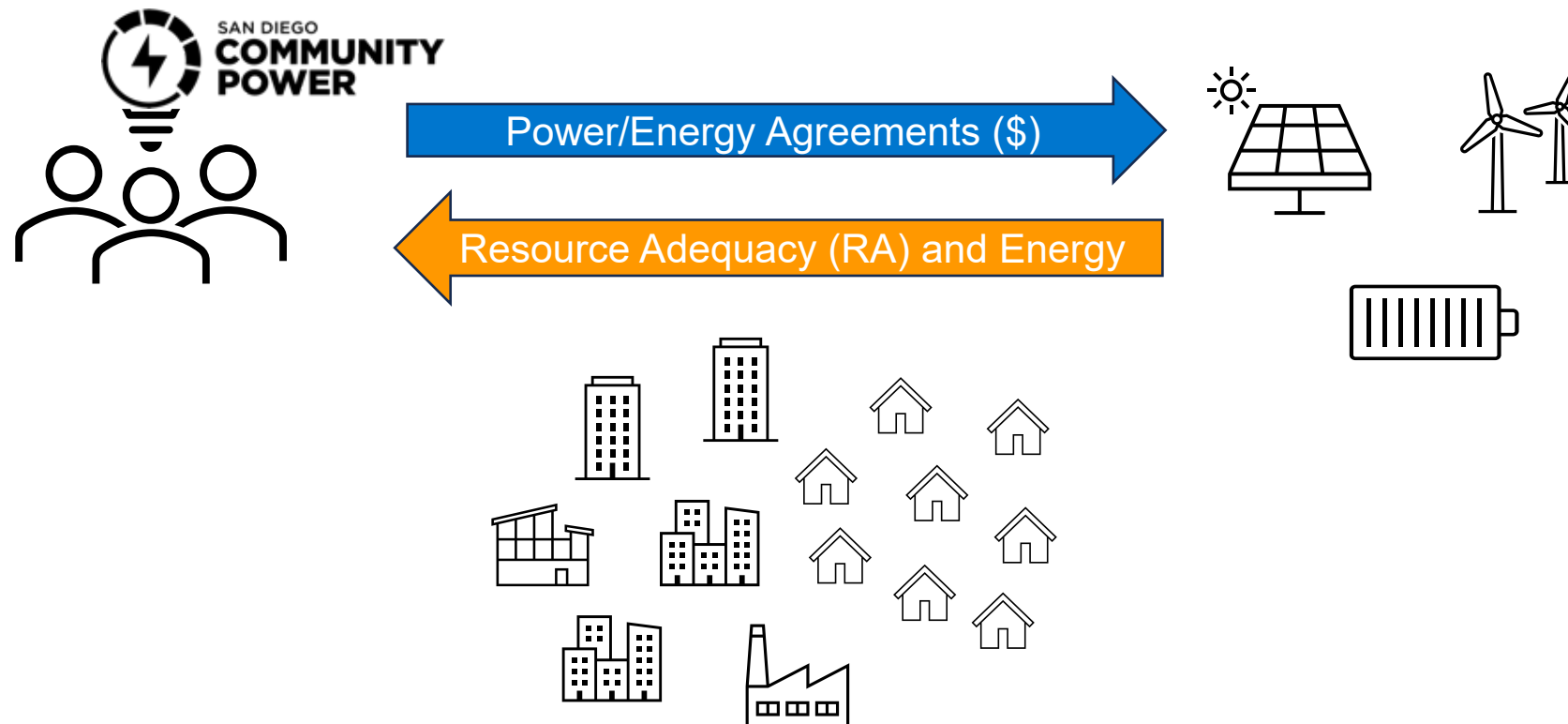
SDCP's flexible load strategy will:

- Enable customer load optimization
- Deliver direct bill savings to participants
- Reduce procurement risks and costs
- Enable lower rates for the broader community.

The flexible load resources will provide grid services that can be considered a virtual power plant (VPP) and enable more clean energy.

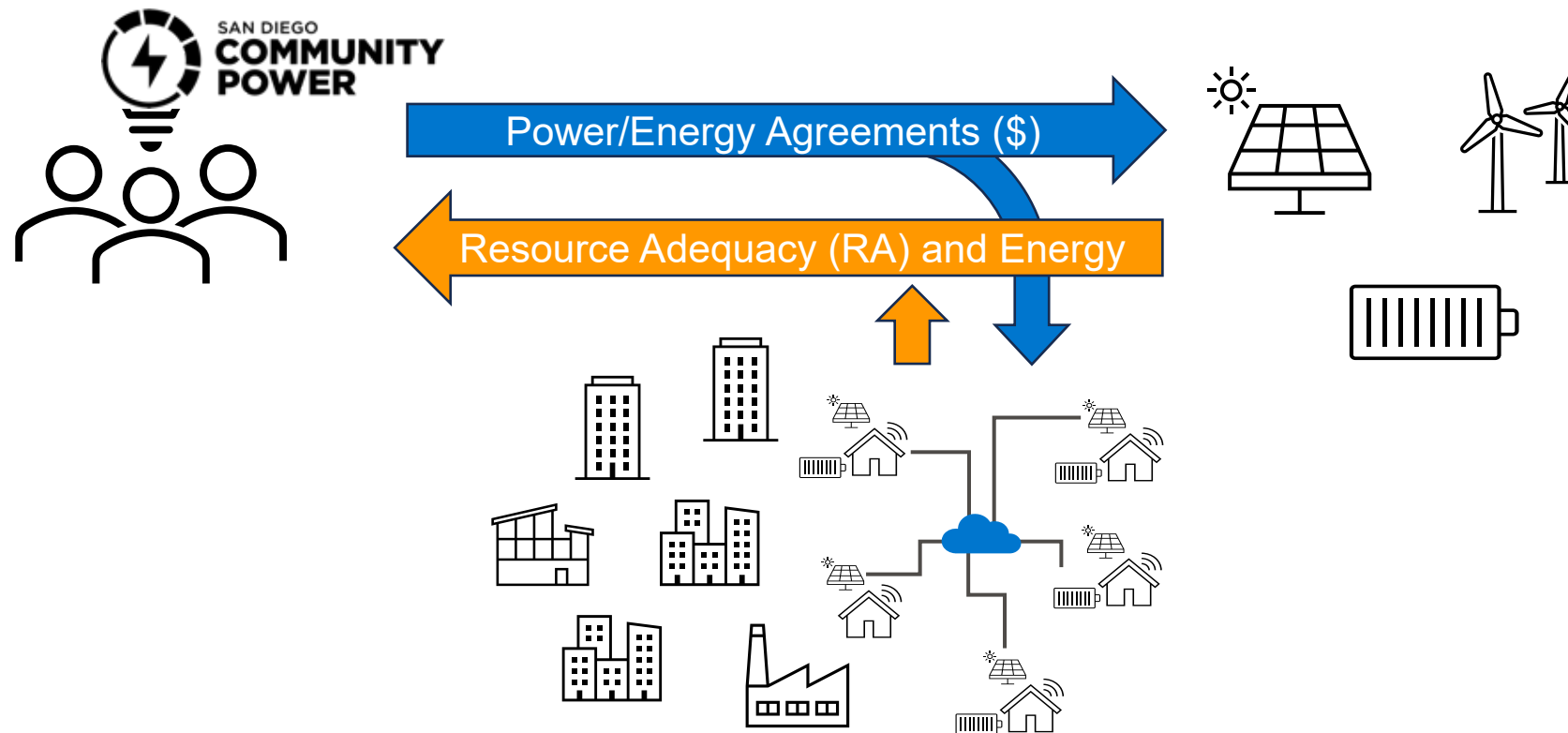
Flexible Load Strategy & VPPs

Typically, the Power Services Department has long-term agreements for energy with large developers for the power our customers use. SDCP receives energy and resource adequacy in return.

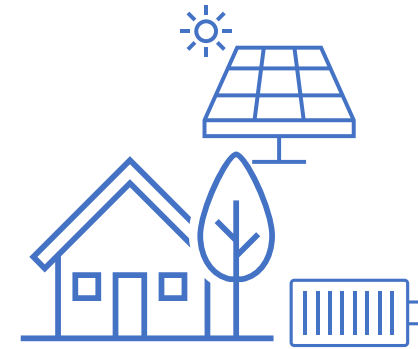


Flexible Load Strategy & VPPs

This Program will compensate our customers for the energy and resource adequacy savings SDCP will receive – keeping it local and providing value back to our customers.



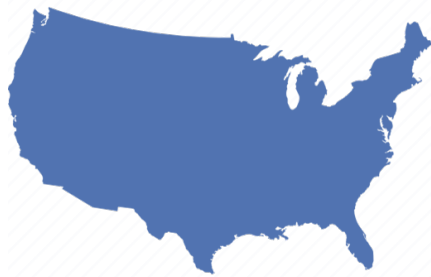
Program Goals



- ✓ Install solar + storage in single-family homes throughout SDCP territory (*50% of incentives to Communities of Concern*)
- ✓ Support clean energy and reliability by leveraging batteries on a daily basis during peak periods
- ✓ Leverage non-SDCP incentives to support customers in overcoming system costs
- ✓ Build strong relationships with the industry and SDCP customers

Research for Program Development

SDCP Staff has engaged in the following tasks to develop the program:



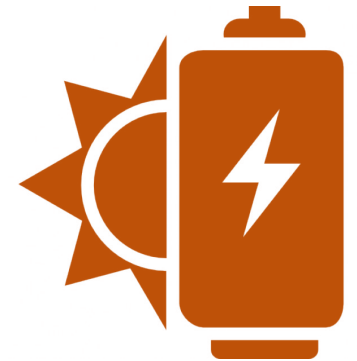
Research on national and statewide programs



Discussions with other CA CCAs about existing or planned programs



Engagement with CALSSA and other industry orgs



Interviews, feedback and workshop with industry

Program Summary

	Market Rate	CARE/FERA & Communities of Concern
Solar Upfront Incentive	N/A	Up to \$450/kW-AC ¹ (~15%)
Storage Upfront Incentive	\$350/kWh Useable nameplate capacity (~20%)	Up to \$500/kWh ² Useable nameplate capacity (~30%)
Storage Performance Payment (based on seasonally enrolled capacity)	\$0.10/kWh Based on actual performance over the dispatch period during on-peak periods.	

*Percentage of estimated total cost covered by the upfront incentive



¹Up to based on if customer is eligible for other solar incentives, i.e., DAC-SASH and City of San Diego Solar Equity Program

²Up to based on if customer is eligible for other upfront storage incentives, i.e., SGIP

Example Customer

This provides two examples of customer incentive methodology, although there are an array of ways incentives could be leveraged for our customers.

	Market Rate		CARE/FERA & Communities of Concern	
	Solar	Storage	Solar	Storage
Implementation Costs				
System Size	7.3 kW-AC	6.8 kW / 13.6 kWh	7.3 kW-AC	6.8 kW / 13.6 kWh
Implementation Costs	\$25,550	\$18,224	\$25,550	\$18,224
Unit Cost	\$3,500/kW	\$1,340/kWh	\$3,500/kW	\$1,340/kWh
Total Cost	\$43,774		\$43,774	
Incentives				
Federal ITC (30%)	(\$7,665)	(\$5,467)	(\$0)	(\$0)
California SGIP	(\$0)	(\$0)	(\$22,630)	(\$14,960)
SGIP Incentive Value	\$0/kW	\$0/kWh	\$3,100/kW	\$1,100/kWh
SDCP Upfront Incentive	(\$0)	(\$3,850)	(\$2,920)	(\$3,264)
Upfront Incentive value	\$0/kW	\$350/kWh	\$450/kW-AC	\$500/kWh
Remaining Out-Of-Pocket Costs*				
Total	\$26,792		\$0	
Assumptions:	<ul style="list-style-type: none"> Avg. System Sizes Fully leverage ITC 60% battery participation 		<ul style="list-style-type: none"> Avg. System Sizes Unable to leverage ITC Eligible for SGIP 80% battery participation 	

* Performance payments will net ~\$2K over 10 years for participating customers

Fiscal Impacts

By leveraging the batteries enrolled in this program, the Power Services Dept. will see savings in the RA obligation – which will fund a portion of the upfront incentive.

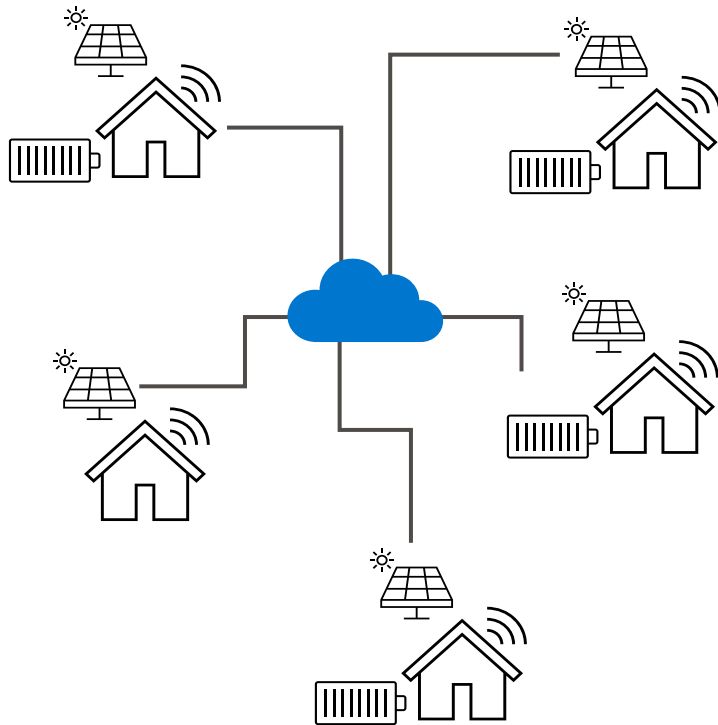
	Departmental Budget	Initial Budget	FY 24-25
Upfront	Programs	\$0.5M	\$6.0M
	Power – RA Savings	\$0.4M	\$4.6M
Total Upfront Incentive Budget		\$0.9M	\$10.6M
(57% Cost Neutral)			
		<i>200-250 customers</i>	<i>2,000-3,000 customers</i>

The performance payment will come from the Power Services Dept. budget with \$0.10/kWh being a reasonable payment for energy – it's equivalent to a reallocated procurement expense.

	Departmental Budget	Initial Budget	FY 24-25
Performance Payment	Power	\$0.4M	\$5.3M
(100% Cost Neutral)			

Fiscal Impacts

Virtual Power Plant (VPP)



	Departmental Budget	Initial Budget	FY 24-25
	Programs	\$0.5M	\$6.0M
Upfront	Power – RA Savings	\$0.4M	\$4.6M
Total Upfront Incentive Budget		\$0.9M	\$10.6M
(57% Cost Neutral)			
		200-250 customers	2,000-3,000 customers

	Departmental Budget	Initial Budget	FY 24-25
Performance Payment	Power	\$0.4M	\$5.3M
(100% Cost Neutral)			

Next Steps

- IT Development
- Legal Review of Program Documentation
- Register contractors and battery manufacturers
- Complete program training with industry
- Program launch expected early summer



Thank You



Item 11

Update on Residential Solar + Storage Program

Recommendation:

Receive and file the update on SDCP's Residential Solar and Storage Program.

Item 12

Approve Amendments to SDCP Legislative & Regulatory Policy Platform

Recommendation:

Approve Amendment to SDCP Legislative & Regulatory Platform.

Presenter:

Patrick Welch, Senior Legislative Manager

Legislative & Regulatory Policy Platform Amendments

First of Two Substantive Amendments

- **Follows up on staff report from the February Board meeting informational presentation on regional grid developments.** Regionalization is a policy discussion about better coordinating across the 38 grid operators in the West to reduce costs and enhance grid reliability.
- **Language allows SDCP to engage in regulatory and legislative discussions about regional grid development.** The language does not prescribe a particular policy outcome but focuses on the key principles of reducing resource costs for SDCP and its customers, maintaining market transparency, and achieving renewable/clean energy goals in the quickest way possible while maintaining grid reliability.
- **Includes language developed in conjunction with stakeholders on in-state clean energy jobs.** The amendment specifies that SDCP's engagement to support regional grid development must maintain a commitment to an inclusive and sustainable workforce for the region, and keep jobs in California and preserve union work opportunities in California's energy sector.

Legislative & Regulatory Policy Platform Amendments

Second Substantive Amendment & Clarifying Changes

- **Allows SDCP to support legislative efforts that seek to facilitate the transparent use of remote public meetings.** SDCP supported two Brown Act bills last year and this year has the opportunity to support AB 817 (Pacheco). It would streamline agenda disclosure requirements for remote participation in meetings of subsidiary bodies like the Community Advisory Committee.
- **Clarifying changes are also proposed to the Platform.** Examples include ensuring consistent terminology is used throughout and clarifying implied intent on deep decarbonization, environmental justice, and educational services.

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Public Comment for Item 12

Item 12

Approve Amendments to SDCP Legislative & Regulatory Policy Platform

Recommendation:

Approve Amendment to SDCP Legislative & Regulatory Platform.

Presenter:

Patrick Welch, Senior Legislative Manager

Item 13

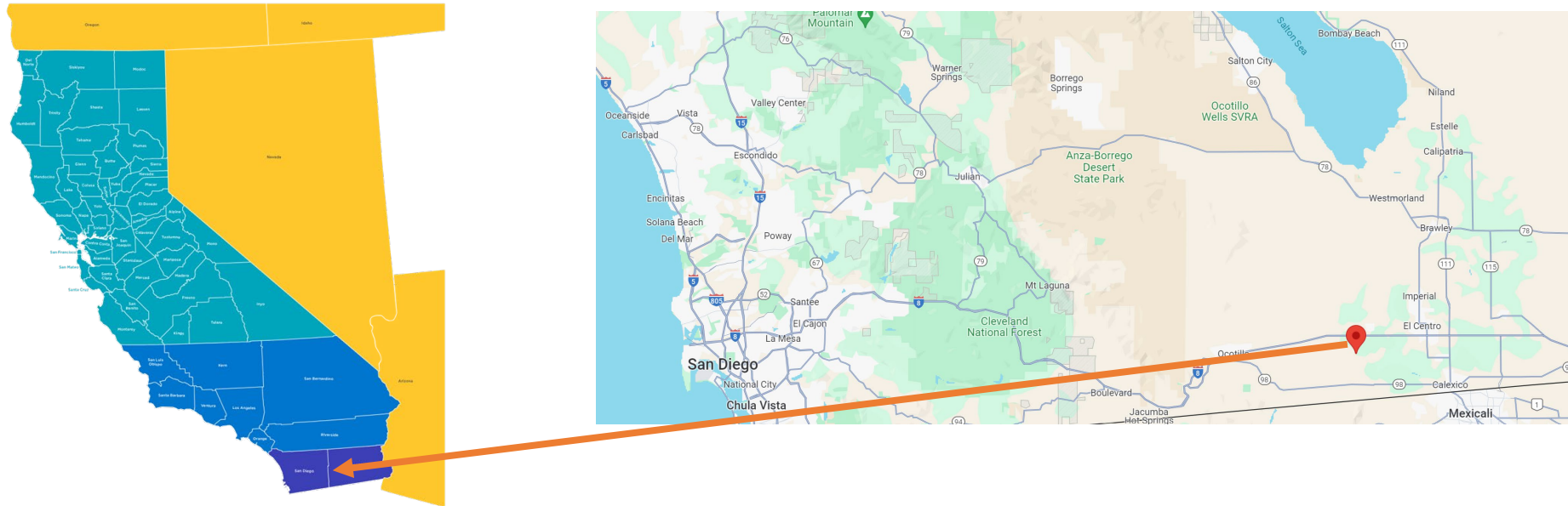
Approve Resource Adequacy (RA) Agreement with 90FI 8me LLC

Recommendation:

Approve the proposed 5-year Resource Adequacy Agreement with 90FI 8me, LLC for up to 74 MW of (4-hour) Battery Energy System Storage (BESS) capacity and authorize the CEO to execute the agreement.

Big Rock 2: Project Summary

- Big Rock 2 is a project being developed by 90FI 8me LLC, a subsidiary of Avantus
- The entire Big Rock 2 Project is expected to be 225 MW solar photovoltaic and 74/296 MWh (4-hour) lithium-ion battery
- SDCP is contracting for Resource Adequacy from the 74 MW battery
- Location: Imperial County



Big Rock 2: Key Terms


- **Product:** Resource Adequacy
- **Pricing:** Fixed for a 5-year term
- **Timeline:** Guaranteed Commercial Operation Date is December 31, 2027
- **Interconnection:** CAISO
- **Deliverability:** Contract is contingent on Avantus obtaining delivery for the Big Rock 2 project via a deliverability transfer request with CAISO
- SDCP 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 resource adequacy guarantees once the project is operational.
- SDCP would receive an option to contract with Avantus for a full Power Purchase Agreement for the Big Rock 2 project for deliveries beginning in 2028 should the project obtain deliverability via the transfer request with CAISO

Big Rock 2: Staff Analysis

- Project is in SDCP's local territory and CAISO interconnected.
- The project would contribute to SDCP's local resource adequacy contracting goals.
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of resource adequacy will provide SDCP with significant value and cost certainty over the term of this agreement.
- Avantus is one of California's top solar developers has developed, financed and constructed over 2,000 megawatts (MWdc) of solar in operation with more than 42,000 MW of solar photovoltaic (PV) and over 78,000 megawatt-hours (MWh) of energy storage currently under development.

Big Rock 2: Workforce Development and Community Benefits

- The Big Rock 2 project will provide **500 peak construction jobs** and 5 permanent jobs.
- Avantis has signed 5-craft PLAs for all California projects, and BR2 will be no different. The project is **committed to executing a Project Labor Agreement** and will identify the unions involved when the agreement is negotiated.

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Public Comment for Item 13

Item 13

Approve Resource Adequacy (RA) Agreement with 90FI 8me LLC

Recommendation:

Approve the proposed 5-year Resource Adequacy Agreement with 90FI 8me, LLC for up to 74 MW of (4-hour) Battery Energy System Storage (BESS) capacity and authorize the CEO to execute the agreement.

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Report by Chief Executive Officer

Recent Speaking Engagements



Women Who Inspire



San Diego Women's Week



AWEE Path to Power Panel



CalCCA Legislative Briefing

SDCP in the Community



Festival of Science, Math, and Engineering



Wave Opener Fan Fest

San Diego Community Power in Your Community

Where should we be next?

xcrespo@sdcommunitypower.org

April 2024

Hosting In-Person Outreach Workshop: Understanding Your Energy Bill & CARE & FERA On-Site Enrollment	4/6
Tabling at South Bay Earth Day (Volunteer!)	4/16
Tabling at Biocom Earth Day Festival	4/18
Tabling at La Mesa Earth Day (Volunteer!)	4/20
Tabling at Illumina Earth Day Festival	4/23
Tabling at Sony Electronics Earth Day Fair	4/23
Tabling at Downtown San Diego Partnership's C Street Goes Green	4/27

CAC Vacancies


- **Chula Vista**
- **Imperial Beach**
- **San Diego County
(Unincorporated)**

We're Hiring!

Interviewing

- Settlements Analyst
- Community Engagement Associate

**Maricela Hernandez,
Clerk of the Board,
starts April 22.**

The image features a background of a field of purple flowers, possibly lupines, with green stems and leaves. A large white diagonal shape, resembling a triangle, is overlaid on the left side of the image. Inside this white shape, the text "Report by General Counsel" is written in a bold, blue, sans-serif font.

Report by General Counsel



Director Comments

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Adjournment



Next Regular Board of Directors Meeting

April 25, 2024

