



# Board of Directors

Regular Meeting

May 22, 2025



The background of the image is a close-up of blue water with small, dark ripples. A large, white, diagonal stripe runs from the top-left corner to the bottom-right corner, creating a split effect. The text is positioned within the white stripe.

**Welcome  
and  
Call to  
Order**

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# Roll Call





# **Land Acknowledgement**

# Warm Welcome!



**Krystal Carranza**  
Procurement Analyst

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Withdrawn  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

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# **Public Comment on non- Agenda Items**

# Consent Calendar

1. **Approve April 24, 2025, Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending March 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 Committee Monthly Report**

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# **Public Comment on Consent Calendar**

# Regular Agenda

- 10. Community Advisory Committee Report**
- 11. Presentation of Draft of FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and FY 2026-2030 Capital Investment Plan**
- 12. Approve Amended and Restated Renewable Power Purchase Agreement with Pelicans Jaw Solar, LLC**
- 13. Approve Amended and Restated Power Purchase Agreement with Noble Solar, LLC**
- 14. Approve EEI Master Agreement, Confirmation and Collateral Annex with Clean Power Alliance of Southern California**

# Item No. 10

## Community Advisory Committee Report

### **Recommendation:**

**Receive and file the Community Advisory Committee (CAC) Quarterly Report.**

Presenter:

Matthew Vasilakis, Community Advisory Committee Chair

# Quarterly Report on Community Advisory Committee (CAC)

February through April 2025

## Topics Discussed

- FY2026-2028 Strategic Planning Goals
- 2025 Rate Adjustments
- Community Clean Energy Grant Program
- Regulatory and Legislative Affairs
- Equitable Building Decarbonization Direct Install Program
- Power Services Overview



*New CAC Members Ross Pike (San Diego County) and Shaun Sumner (La Mesa) during their Oaths of Office*



# **Public Comment on Item No. 10**

# Item No. 11

**Presentation of Draft of FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and FY 2026-2030 Capital Investment Plan**

## **Recommendation:**

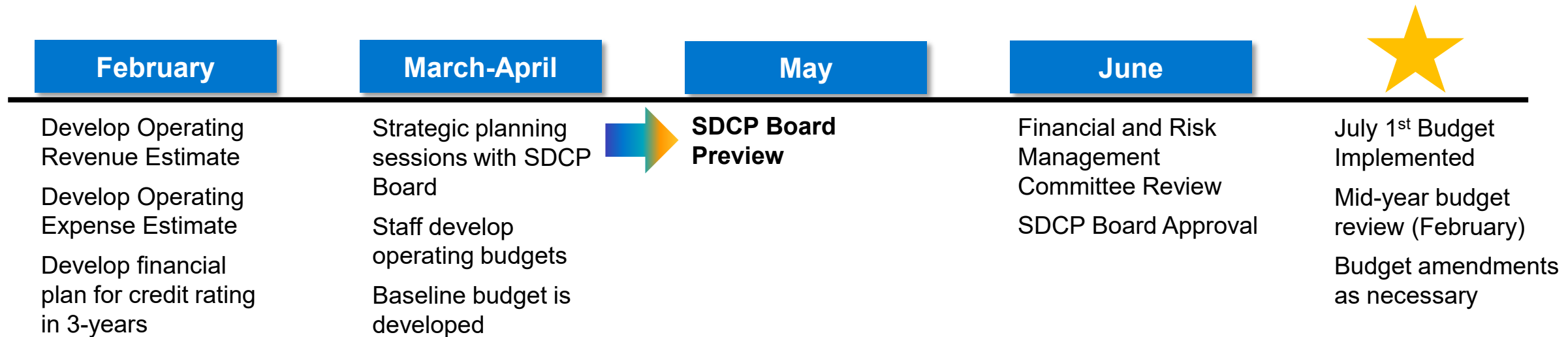
**Receive and File Preliminary Draft of FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and FY 2026-2030 Capital Investment Plan.**

Presenter:

Tim Manglicmot, Director of Finance

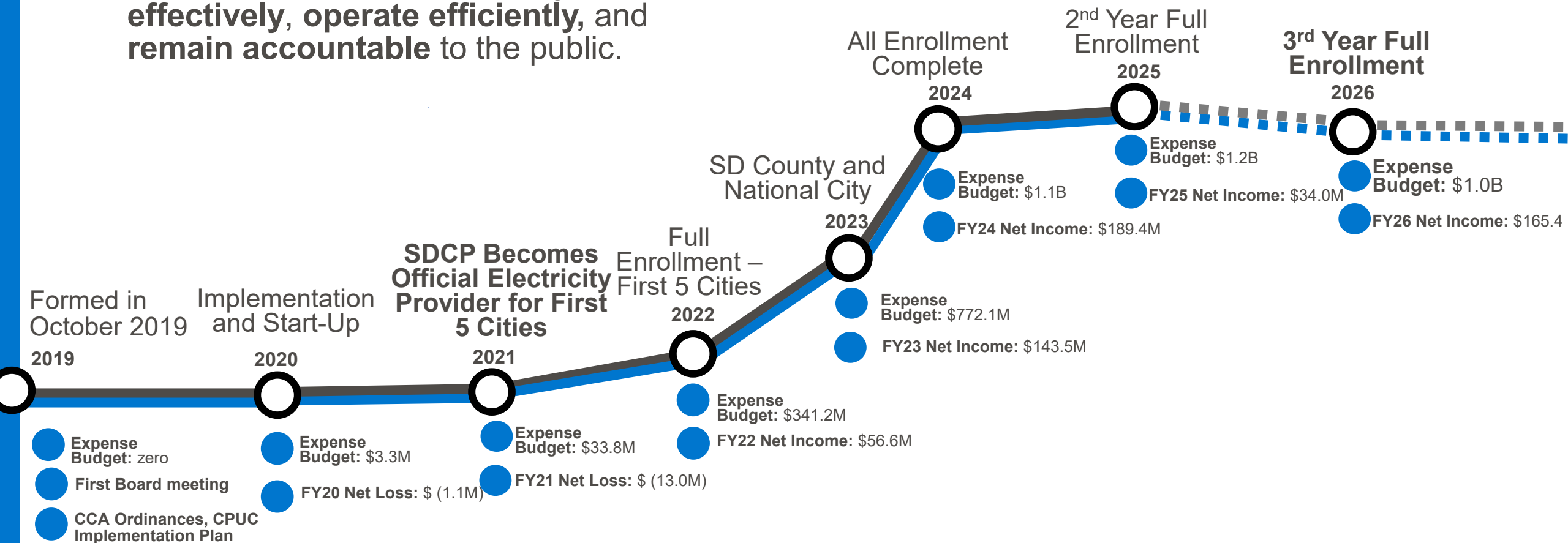
# Budget Development for FY 2025-26

The Board adopted schedule for budget development is the following.

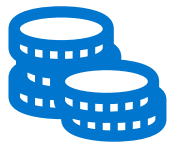


# Budget Highlights

Over the past 3-years we've had **stable enrollment** and are continuing to **scale effectively, operate efficiently, and remain accountable** to the public.



# Budget Highlights



**Fiscal Sustainability.** Continuing to work toward our reserve goals to ensure long-term financial strength.



**Organizational Sustainability.** Strengthening our internal capacity to support long-term strategy and service delivery.



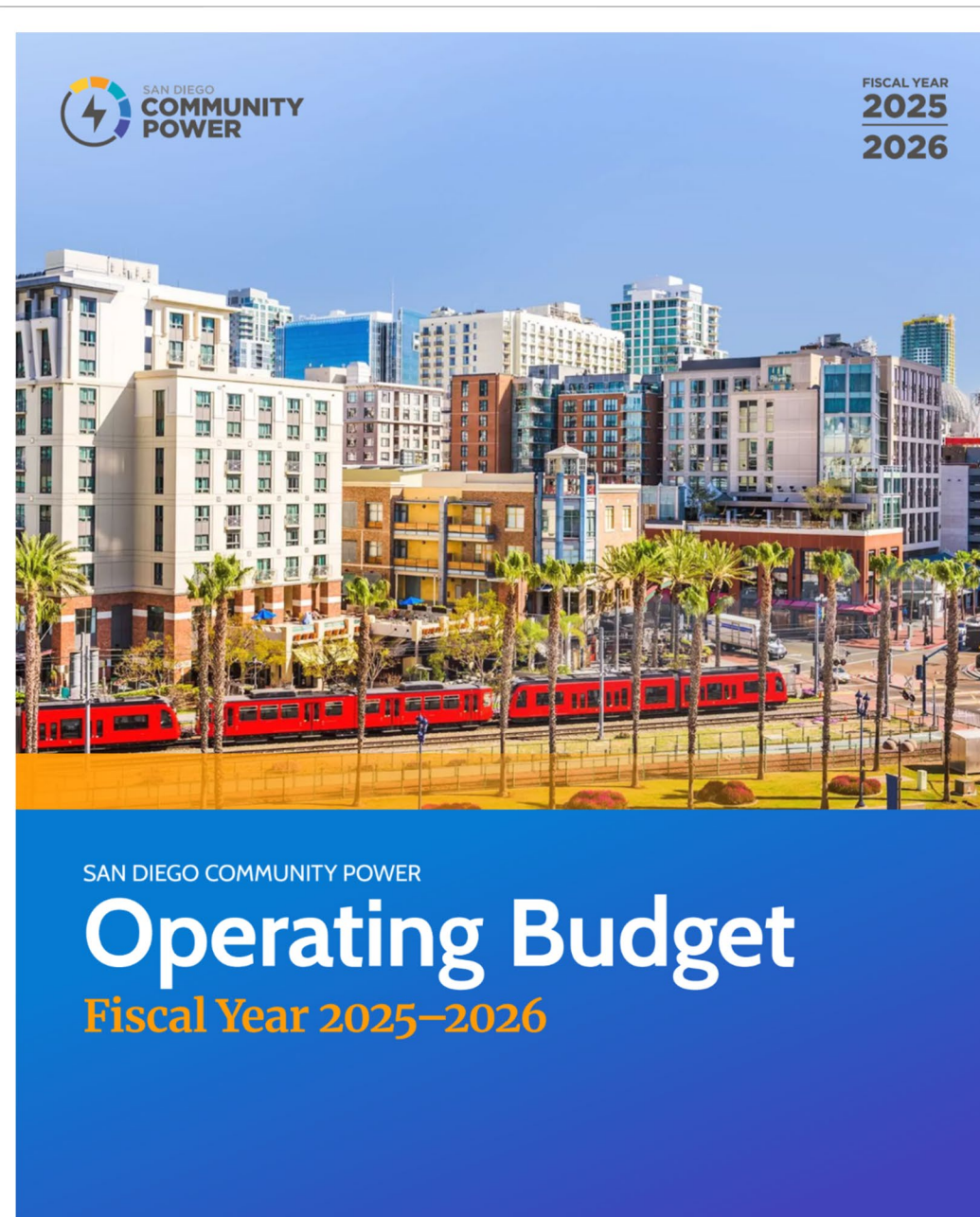
**Stable, Competitive Rates.** Maintaining affordability through disciplined operations, long-term procurement and financial foresight.



**Expanding Programs and Incentives.** Scaling Solar Battery Savings and launching the SDREN portfolio to support clean energy adoption, equity and resilience.



**Capital Investment Planning.** Advancing our Capital Investment Plan to guide infrastructure development and ensure transparency.



# FY 2025-26 Operating Budget

Item	FY 2024-25 Amended Budget, \$M	FY 2025-26 Proposed Budget, \$M
Gross Revenue	1,243.0	1,221.0
Less Uncollectible Accounts	(21.8)	(21.4)
<b>Net Revenue</b>	<b>1,221.3</b>	<b>1,199.6</b>
Cost of Energy	1,116.8	956.7
Non-Energy Costs	50.8	54.3
<b>Subtotal Operating Expense</b>	<b>1,167.6</b>	<b>1,010.9</b>
Debt Service	1.3	1.9
Capital Investment Plan	18.2	21.4
<b>Total Expense</b>	<b>1,187.1</b>	<b>1,034.2</b>
<b>Net Position</b>	<b>34.2</b>	<b>165.4</b>

**(3.0%)**  
**PowerOn**  
**Discount**  
Approved 2/7/25

**(5.0%)**  
**PowerBase**  
**Discount**  
Approved 2/7/25

**(\$160.1M)**  
**Cost of Energy**  
**Decrease**

**+\$3.5M**  
**Non-Energy**  
**Increase**

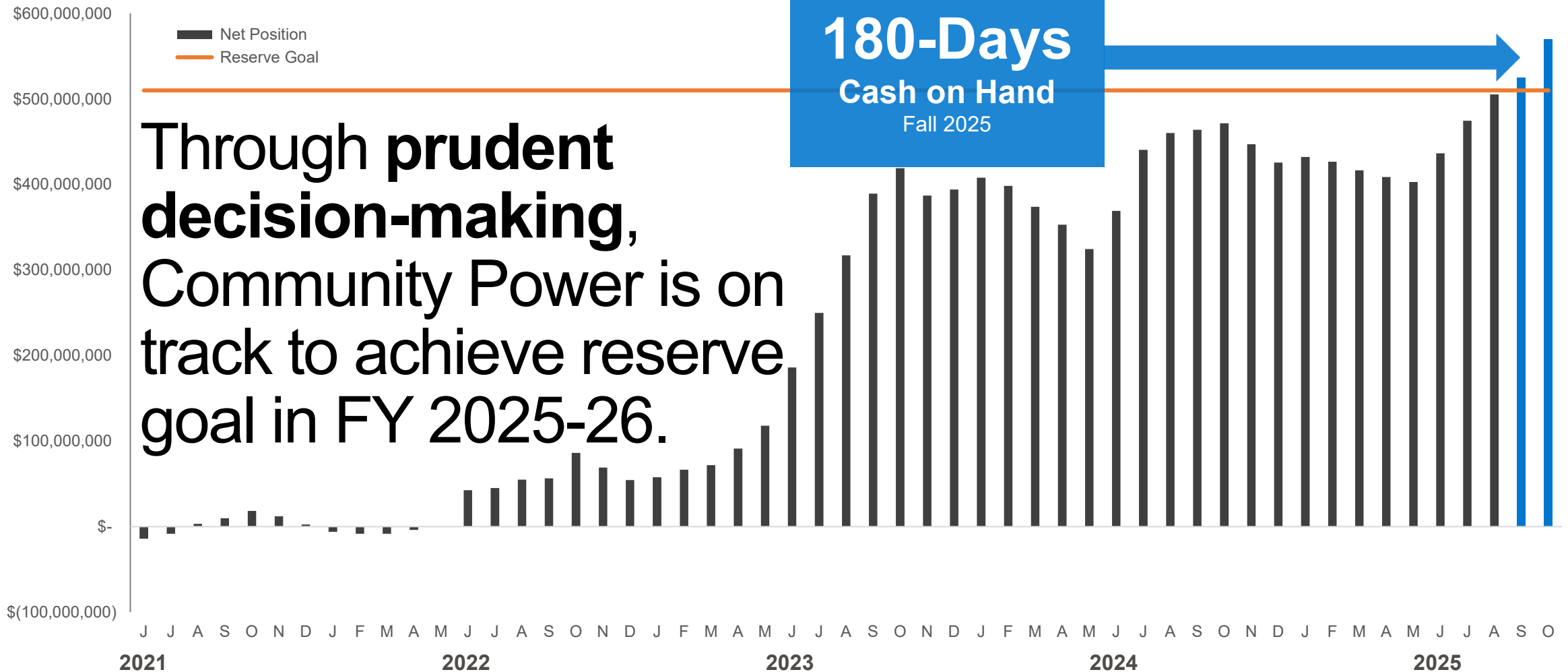
**+\$3.2M**  
**CIP Contribution**

**+\$165.4**  
**Net Position**

# 2025 Community Power Rate Scenarios

Scenarios	Conservative	Balanced (Staff Recommended)	Uncertain
PowerOn premium/(discount) compared to SDG&E	2.5%	(3.0%)	(5.0%)
PowerBase (discount) compared to SDG&E	(2.5%)	(5.0%)	(7.0%)
Year over Year Community Power rate change	2.7%	(2.8%)	(4.9%)
FY2025 operating margin (million \$)	63	44	36
Meets Credit Rating Metrics?	✓	✓	✗
Meets Debt Service Coverage Ratio (DSCR)?	✓	✓	✗
Meets 180-Day Cash on Hand?	✓	✓	✗

# Reserves



# Budget – CCA Comparison

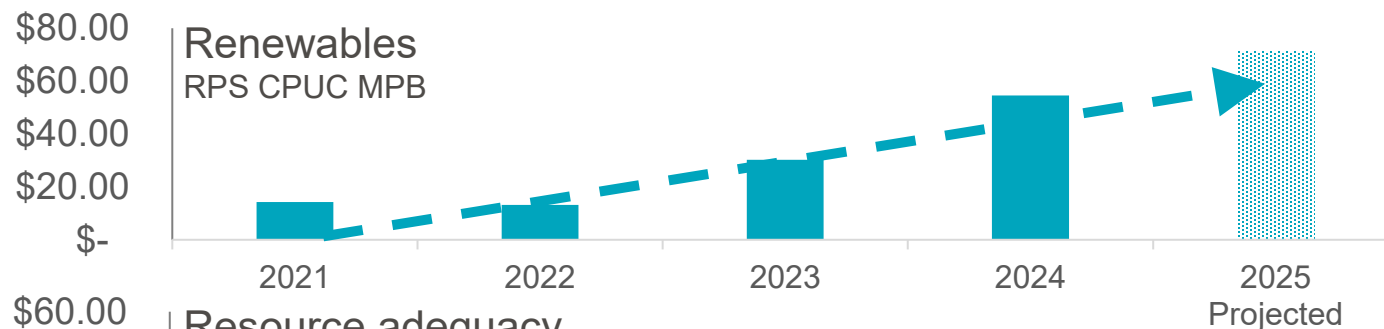
Community Choice Aggregator	Years Est. (JPA eff. Date)	Customer Accounts*	Cost of Energy, \$M**	Non-Energy Costs, \$M	Net Ratepayer Revenue, \$M
Clean Power Alliance	Jun 2017	1,007,868	1,228.0	77.1	1,372.0
<b>San Diego Community Power</b>	<b>Oct 2019</b>	<b>955,323</b>	<b>956.7</b>	<b>54.3</b>	<b>1,199.6</b>
Ava Community Energy	Dec 2016	643,275	753.5	56.6	962.7
Marin Clean Energy	Dec 2008	586,296	688.8	45.6	787.9
Central Coast Community Energy	Mar 2018	445,377	520.3	42.5	562.8
Peninsula Clean Energy	Feb 2016	309,994	437.9	56.7	466.9
Clean Energy Alliance***	Nov 2019	250,014	317.1	9.4	351.6

\*Source: CalCCA as of December 2023. CEA includes recent Oceanside and Vista participation through 6/12/2024.

\*\*CPA from 5/1/25 Board FY25 draft budget. SDCP from proposed FY26 budget. EBCE from 5/8/24 Finance Subcommittee FY25 draft budget. MCE from 3/21/24 Board meeting FY25 proposed budget. PCE from 5/13/14 Audit and Finance Committee FY25 draft budget. 3CE from FY24 adopted budget.

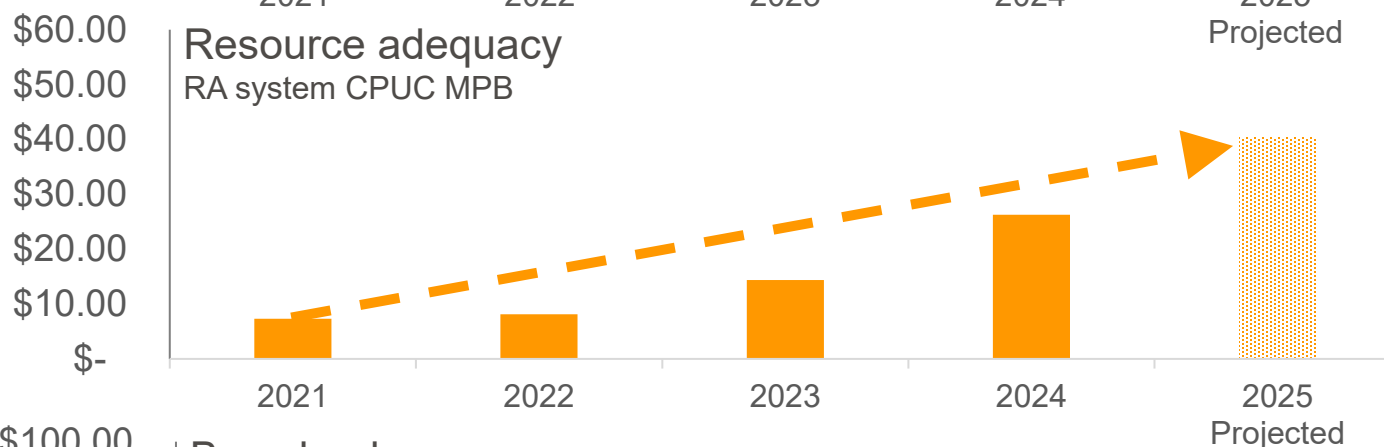
\*\*\*CEA assumes "Option A" budget with Winter Rate Increase 30%; Summer Rate Increase 15%

# Budget – Cost of Energy



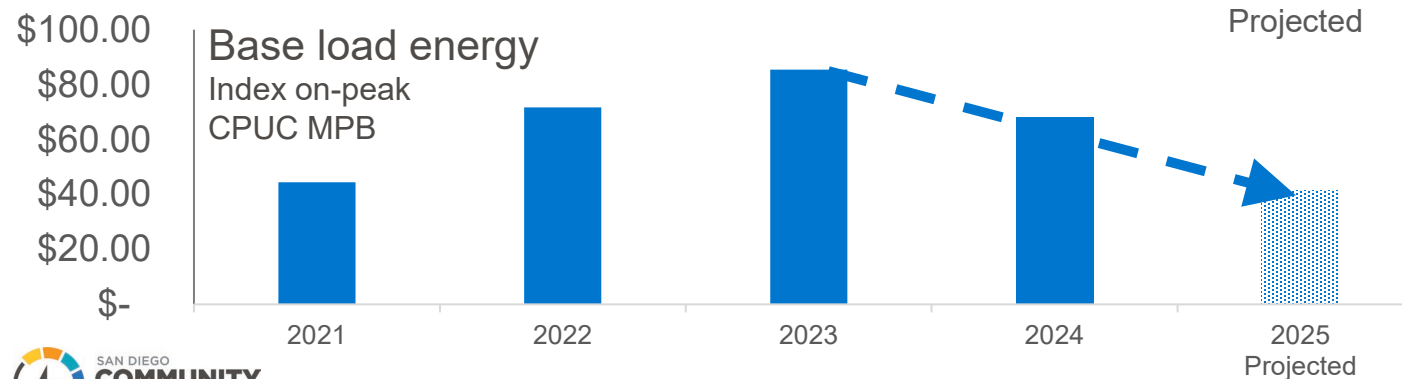
**Renewables**  
Down in 2026

Renewable forward  
prices **decreased**  
resulting in savings.



**Resource  
Adequacy**  
Down in 2026

Resource adequacy  
forward prices **decreased**  
resulting in **savings for  
open positions.**



**Base Load**  
Up in 2026

Brown power forward  
prices **increased**  
resulting in being more  
**'in the money.'**

# Budget – Non-Energy Costs

## Budget Changes by Category



### Professional Services

Professional Services remains relatively even.

FY25  
**\$24.3m**

FY26  
**\$24.6m**



### Personnel

Recruitment strategy of 7 new staff. Current staffing is: hired (80), previously authorized (7), new request (7).

FY25  
**\$18.6m**

FY26  
**\$21.1m**



### Marketing and Outreach

Marketing and Outreach budget slightly lower.

FY25  
**\$3.0m**

FY26  
**\$2.6m**



### General and Administrative

Increase as Community Power has scaled in staffing.

FY25  
**\$4.9m**

FY26  
**\$5.9m**



### Capital Transfer

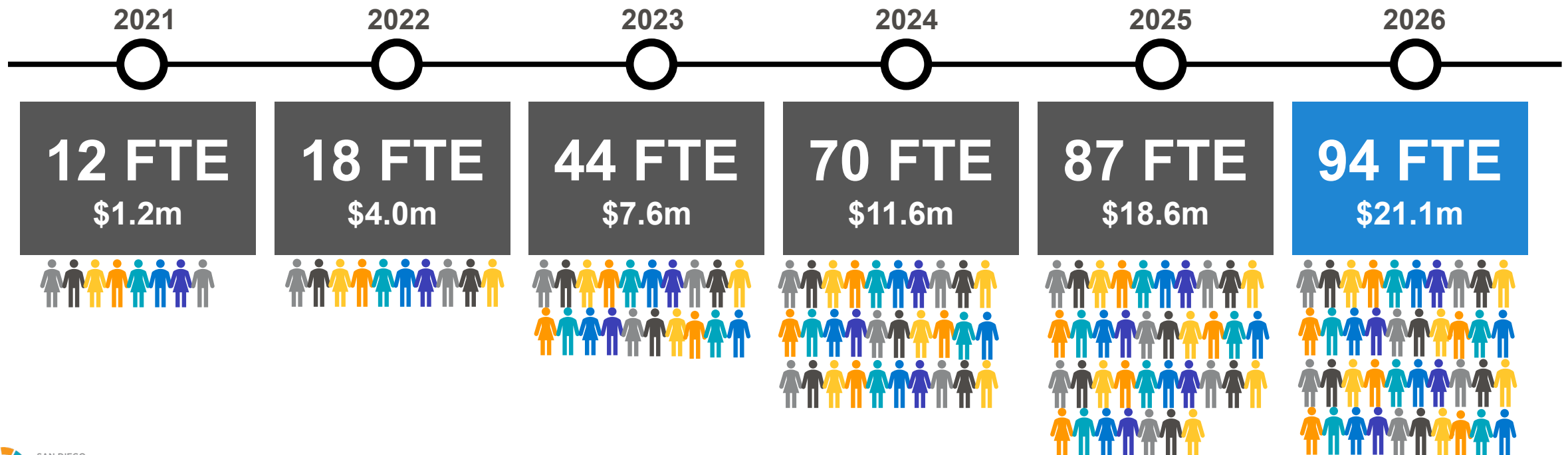
Continued Solar Battery Savings proposed funding of \$18.8 million.

FY25  
**\$18.2m**

FY26  
**\$21.4m**

# Budget – Personnel

- Primary driver for increased FY 2025-26 personnel costs are positions hired last fiscal year with full salaries in the current fiscal year.
- Community Power is reaching a steady-state in staffing.



# Budget – Personnel

Department	SDCP Current	SDCP Proposed	MCE	AVA	CPA	PCE	3CE
Power Services	16	18	7	17	15	10	6
Data Analytics, IT & Customer Ops.	17	17	21	18	17	9	10
Public Affairs	11	12	17	11	13	8	4
Programs	12	14	19	14	7	11	5
Finance	9	10	5	7	12	3	6
Legal/Regulatory and Legislative	8	9	11	12	8	8	4
Executive Team	5	5	5	3	5	3	4
Operations	5	5	6	3	3	4	3
Human Resources	4	4	5	4	4	0	2
<b>Total</b>	<b>87</b>	<b>94</b>	<b>96</b>	<b>89</b>	<b>84</b>	<b>56</b>	<b>44</b>

Large  
Programs  
Department

Similar by  
load and  
customer

# Budget – Personnel

Category	SDCP Current	SDCP Proposed	MCE	AVA	CPA	PCE	3CE
Core Operations	70	74	69	69	74	40	37
Programs	12	14	19	14	7	11	5
Overhead Support	5	6	9	6	3	5	2
<b>Total</b>	<b>87</b>	<b>94</b>	<b>96</b>	<b>89</b>	<b>84</b>	<b>56</b>	<b>44</b>

- Community Power has the same staffing level as Clean Power Alliance for core operations.
- However, Community Power has more Programs staff given the agency has more outside funding most notably for the SDREN.
- Assumes a 44.9% overhead rate for Programs.

# CIP Highlights



**Solar Battery Savings.** \$18.8M investment to fund Upfront and performance-based incentives for home battery systems that boost resilience and reduce grid demand during peak hours.



**SD Regional Energy Network.** In partnership with the county, SDREN generates nearly \$125 million in energy efficiency resources for the region through 2027 and marks the final major population area in California to establish a Regional Energy Network.



**Infrastructure.** Investments in internal systems and IT infrastructure.



SAN DIEGO COMMUNITY POWER

## Capital Investment Plan (CIP)

Fiscal Year 2025-2029

# Capital Budget and CIP



Carryforward

Capital Budget

5-Year CIP

Program, \$M	FY25	FY26	FY27	FY28	FY29	FY30	Total (Current)
REN	0.3	31.8	59.5	51.4	42.0	43.7	<b>228.7</b>
DAC-GT	0.5	0.3	0.5	0.5	0.5	0.5	<b>2.7</b>
CDFA	0.5	-	-	-	-	-	<b>0.5</b>
Equitable Building Decarbonization	1.5	-	-	-	-	-	<b>1.5</b>
Solar Battery Savings	2.7	18.8	11.1	10.4	8.3	8.5	<b>59.9</b>
IT Projects	2.0	1.5	-	-	-	-	<b>3.5</b>
Flexible Load	0.2	0.3	0.6	0.6	0.8	0.7	<b>3.1</b>
All Other	2.5	1.6	-	-	-	-	<b>4.1</b>
<b>Total</b>	<b>10.3</b>	<b>54.4</b>	<b>71.7</b>	<b>62.9</b>	<b>51.6</b>	<b>53.4</b>	<b>304.3</b>

External Funding

Internal Funding



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

# Item No. 12

**Approve Amended and Restated Renewable Power Purchase Agreement with Pelicans Jaw Solar, LLC**

## **Recommendation:**

**Approve the proposed Second Amended and Restated Power Purchase Agreement with Pelicans Jaw Solar, LLC to modify the Commercial Operation Date (“COD”), adjust pricing based on COD, and make additional minor amendments, and authorize the Chief Executive Officer to execute the agreement.**

Presenter:

Kenny Key, Director of Power Contracts

# Second Amended and Restated Power Purchase Agreement with Pelicans Jaw Solar LLC: Background

- PPA History:
  - January 2024: SDCP BOD approved PPA for renewable energy benefits from a portion of the Pelican's Jaw project equal to 226 MW of PV and 118 MW of BESS
  - April 2024: SDCP BOD approved the first amended and restated PPA to increase the volumes to 440 MW of PV and 238.5 MW of BESS



# Pelicans Jaw PPA: Contract Overview

- **Project:** 440 MW solar PV electricity generating facility, along with a 238.5 MWAC 4-hour battery energy storage facility
- **Location:** Kern County
- **Contract Term:** 15 years
- **Pricing:** fixed pricing with no escalation
- Note: 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 the guaranteed energy production



# Pelicans Jaw Second Amendment to PPA: Scope

- Modify Commercial Operation Date from April 1, 2027, to September 1, 2026
- Adjusts pricing to account for earlier COD
- Updates resource adequacy language to account for Slice of Day regulations
- Updates several commercial terms for clarity and consistency with SDCP's current pro-forma

# Pelicans Jaw Second Amendment to PPA: Staff Analysis

- The Pelicans Jaw project will contribute to SDCP's 100% renewable by 2035 target, providing **over 1,200,000 MWh of renewable energy per year**
- With commercial operations commencing in 2026, Pelicans Jaw would help fulfill SDCP's **Mid-Term Reliability** requirements under CPUC D.21-06-025
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of energy, RPS attributes, and capacity will provide SDCP with significant value and cost certainty over the term of this PPA

# Pelicans Jaw Second Amended and Restated PPA: Workforce Development and Community Benefits

- The project is estimated to create approximately **800 temporary construction jobs** and 6-8 permanent jobs
- The project has a **fully executed Project Labor Agreement** with:
  - Operating Engineers Local 12 – San Diego, CA
  - Southwest Regional Council of Carpenters – Los Angeles, CA
  - Southern California District Council of Laborers and its affiliated Local Union 220 – Bakersfield, CA
  - IBEW Local 428 – Bakersfield, CA
  - IBEW Local Union 47 – Diamond Bar CA
  - Ironworkers Locals 416 and 433 – Norwalk, CA & City of Industry, CA
- The project has committed **\$500,000** to a community benefit fund to benefit SDCP customers



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

# Item No. 13

**Approve Amended and Restated Power Purchase Agreement with Noble Solar, LLC**

## **Recommendation:**

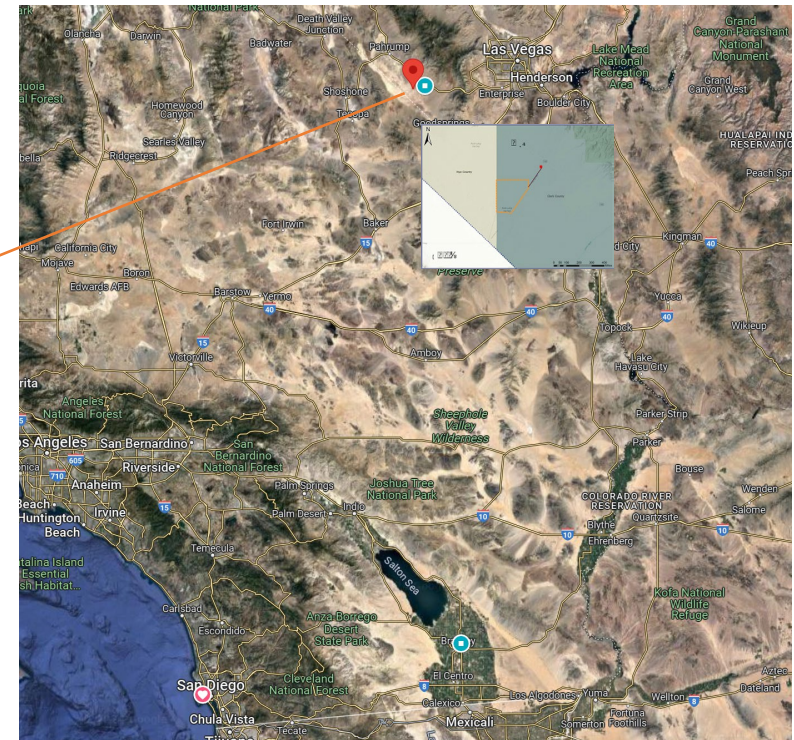
**Approve the proposed Second Amended and Restated Power Purchase Agreement with Noble Solar, LLC to amend the Commercial Operation Date (“COD”), increase the security and pre-COD liabilities, and make additional minor amendments, and authorize the Chief Executive Officer to execute the agreement.**

Presenter:

Kenny Key, Director of Power Contracts

# Purple Sage: Project Summary

- 400 MW PV and 400 MW/1,600 MWh (4-hour) lithium-ion battery
- Location: Clark County, Nevada



# Purple Sage: Key Terms

- **Counterparty:** Noble Solar LLC
- **Product:** RPS, capacity, energy and ancillary services
- **Pricing:** Fixed for a 20-year term
- **Timeline:** Revised Guaranteed Commercial Operation Date is June 1, 2028
- SDCP receives financial compensation for failure to meet certain performance requirements including but not limited to achieving certain development milestones and meeting guaranteed efficiency rates over the delivery term

# Purple Sage: Amendment Scope

- **Delivery Term:** Adjust Guaranteed Commercial Operation Date from 6/30/2027 to 6/1/2028
- Increase security requirements and pre-COD liabilities
- Update resource adequacy terms to account for slice of day regulations
- Update several commercial terms for clarity and consistency with SDCP's current pro-forma
- Adjust community benefit fund timeline to bring in funds sooner

# Purple Sage: Staff Analysis

- The Purple Sage Energy Center project will contribute to SDCP's 100% renewable by 2035 target, providing **over 1,192,000 MWh of renewable energy per year**
- With commercial operations commencing in 2028, Purple Sage Energy Center would help fulfill SDCP's **Mid-Term Reliability** requirements under CPUC D.21-06-025
- Pricing is competitive with comparable product offerings received from SDCP's recent RFPs. The long-term purchase of energy, RPS attributes, and capacity will provide SDCP with significant value and cost certainty over the term of this PPA
- Primergy Solar LLC is the developer for Noble Solar LLC and has a 19,000-MW development pipeline consisting of solar and solar + storage projects across the U.S

# Purple Sage: Project Summary – Battery Technology

- Primergy has safety as its top priority, implementing a multitude of safety measures:
  - Battery Management System (“BMS”): Real-time monitoring and protection for voltage, current, temperature, and SOC/SOH
  - Fire Suppression System: Built-in aerosol fire suppression system in each battery rack
- Primergy will also implement multi-level protections into the BESS:
  - Cell-level, module-level, rack-level, and system-level protections
  - Pre-charge circuit and HV interlock.
  - Emergency Stop: Easily accessible emergency stop button
  - Isolation & Ground Fault Detection: Integrated insulation detection and relay control
  - Overcurrent & Short-Circuit Protection: Built-in fast-acting protection
  - Door Safety: Interlocked doors and alarms

# Purple Sage: Workforce Development and Community Benefits

- The project will provide **520 construction jobs** and 6 permanent jobs.
- There will be Labor Agreements in the form of Work Site Agreements with:
  - International Brotherhood of Electrical Workers (“IBEW”)
  - Laborers International Union of North America (“LiUNA”)
  - International Union of Operating Engineers (“IUOE”)
- Primergy developed an apprenticeship scholarship for the Moapa Band of Paiutes (MBOP) and managed coordination between the MBOP and IBEW to develop training programs and provide valuable experience at prevailing wage plus a 10% bonus for MBOP Members
- The project is planning to provide \$15,000 annually to the local Nevada community
- The project has committed to contribute **\$2,000,000** to a community benefit fund to benefit SDCP customers

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

# Item No. 14

**Approve EEI Master Agreement, Confirmation and Collateral Annex with Clean Power Alliance of Southern California**

## **Recommendation:**

**Approve the proposed Edison Electric Institute (EEI) Master Power Purchase and Sale Agreement (Master Agreement), 10-year EEI Confirmation, and associated Paragraph 10 Collateral Annex with Clean Power Alliance of Southern California (CPA), referred to herein collectively as “VAMO Swap Agreements” or “VAMO Swap”, in substantially final form for California RPS-eligible electric energy and associate Green Attributes, and authorize the Chief Executive Officer to execute the agreements.**

Presenter:

Andrea Torres, Director of Origination

# VAMO Swap Background

- **Purpose:** Community Power and Clean Power Alliance (CPA) are collaborating to enable the “prepayment” of a material portion of our respective renewable portfolios that are currently contracted via “VAMO” contracts with SDG&E and SCE, respectively, resulting in material cost savings to our customers.
- **What is VAMO?** Stands for Voluntary Allocation Market Offer. VAMO is a mechanism adopted by the CPUC, which provided CCAs the option to receive contract benefits from long-term renewable contracts between IOU and renewable generators. Community Power and CPA have VAMO contracts with the IOUs in their respective territories.
- **What is prepayment?** As briefed in February 2025, prepayments are historically used with natural gas transactions. Municipal electric, gas utilities, and tax-exempt entities (such as CCAs) in the U.S. can prepay for a supply of electricity or natural gas from a taxable (corporate) entity and fund that prepayment with tax-exempt municipal bonds.
- At least 10 CCAs have executed 18 energy prepayment transactions totaling \$17.9 billion in recent years.

# VAMO Swap Key Terms

- **Product:** Solar PV-only renewable energy and REC swap
- **Contract Structure:** Enabled via an EEl Master Agreement and associated documents.
- **Limited Assignment Agreements:** Each CCA agrees to support the limited assignment of VAMO volumes to their respective prepayment partners.
- **Swapped Volume:** Between 720 and 996 GWhs of energy and RECs each year. The swapped product will be sourced from Community Power's and CPA's VAMO agreements with the IOUs. However, Community Power and CPA may choose to supply energy and RECs to each other from other solar resources in their long-term portfolio.
- **Delivery Term:** 10 years commencing in July 2025
- **Settlements:** Community Power and CPA will each retain CAISO revenues associated with the delivery of energy and pay each other the same administratively set REC price.

# VAMO Swap Staff Analysis

- No impacts on Community Power's RPS portfolio position
- No direct fiscal impact given the settlement terms under the agreements are unchanged from our existing VAMO agreements.
- Through the use of future municipal prepayment transactions incorporating this VAMO swap, Community Power anticipates material VAMO portfolio cost savings for Community Power customers.



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



# **Report by Chief Executive Officer**

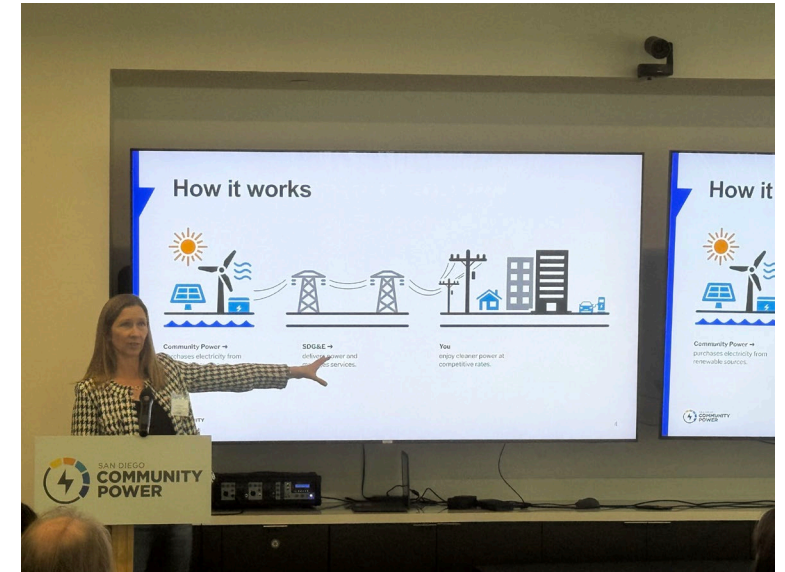
# Recent Speaking Engagements



*CalCCA Annual Conference*



*Member Agency Presentation in Chula Vista*



*Key Account Engagement Forum*

# Community Power in the Community



*GRID Alternatives EV Ride or Drive*



*Cyclovía*



*Nipaquay Family STEAM Night*

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# **Directors' Comments**

# CLOSED SESSION

## **1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957**

Title: Chief Executive Officer

Title: General Counsel

## **2. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

Agency designated representative(s): Paula de Sousa, Best  
Best & Krieger

Unrepresented employee: Chief Executive Officer and General  
Counsel



# **Public Comment on Closed Session Items**



# CLOSED SESSION RECESS





# OPEN SESSION



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# Roll Call

**OPEN  
SESSION**

**REPORT FROM CLOSED SESSION**



**Adjournment**



# Next Regular Board of Directors Meeting

June 26, 2025

