



**Special Meeting of the Board of Directors of
San Diego Community Power (Community Power)**

Thursday, November 21, 2024
5:00 p.m.

**Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101**

**Director McCann will be participating remotely from:
Courtyard Marriott Oxnard Ventura
600 E. Esplanade Drive
Oxnard, CA 93036**

The meeting will be held in person at the above date, time and location(s). Members of the Board of Directors and members of the public may attend in person. Under certain circumstances, Directors may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, Community Power provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a Board Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Board of Directors on any agenda item. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board of Directors as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing oral comments during a meeting. Anyone attending in person desiring to address the Board of Directors is asked to fill out a speaker's slip and present it to the Clerk of the Board. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

2. Written Comments. Written public comments must be submitted prior to the start of the meeting to clerkoftheboard@sdcommunitypower.org. Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to Members of the Board. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the Members of Board, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please send it to clerkoftheboard@sdcommunitypower.org.

The public may participate using the following remote options:

Teleconference Meeting Webinar <https://zoom.us/j/94794075133>

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

WELCOME

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- Introduction of New Community Power Staff
- Recognition of Director Kellie Hinze for her Service to Community Power and its Ratepayers

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

PUBLIC COMMENTS

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a member of the Board of Directors requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

1. Approve October 24, 2024, Meeting Minutes

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

2. Receive and File Treasurer's Report for Period Ending August 31, 2024
3. Receive and File Update on Programs
4. Receive and File Update on Power Resources
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. Approve Contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over Two Years, and authorize the Chief Executive Officer to Execute the Contract

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

10. Approve Fiscal Year End 2023-24 Financial Audit

Recommendation: Approve Fiscal Year End 2023-24 Financial Audit.

11. Presentation and Update on Clean Energy Prepayment Financing

Recommendation: Receive and file Presentation and Update on Clean Energy Prepayment Financing.

12. Consider Amendments to Existing San Diego Community Power Board and Committee Compensation and Reimbursement Policy; and, if Approved, Make Amendments Effective January 1, 2025

Recommendation: Adopt Resolution No. 2024-10, Amending San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy effective January 1, 2025.

13. 2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power's 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Recommendation: Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP's 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label

14. 2025-2028 Strategic Plan Process Overview

Recommendation: Receive and file Strategic Plan Process Overview.

CHIEF EXECUTIVE OFFICER REPORT

Community Power Management may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

DIRECTOR COMMENTS

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to Community Power business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

ADJOURNMENT

The San Diego Community Power Board of Directors will adjourn to a regular meeting scheduled on Thursday, December 12, 2024.

Compliance with the Americans with Disabilities Act

San Diego Community Power Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. 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 (888) 382-0169 or clerkoftheboard@sdcommunitypower.org. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Public records, including

agenda-related documents, can be requested electronically at clerkoftheboard@sdcommunitypower.org or by mail to SDCP, PO BOX 12716, San Diego, CA 92112. The documents may also be posted on the Community Power's website. Such public records are also available for inspection, by appointment, at San Diego Community Power by contacting clerkoftheboard@sdcommunitypower.org to arrange an appointment.



**SAN DIEGO COMMUNITY POWER (COMMUNITY POWER)
BOARD OF DIRECTORS**

Don L. Nay Port Administration Boardroom
3165 Pacific Hwy.
San Diego, CA 92101

SPECIAL MEETING MINUTES
October 24, 2024

WELCOME

CALL TO ORDER

Chair LaCava, City of San Diego called the Community Power Board of Directors special meeting to order at 5:00 p.m.

ROLL CALL

PRESENT: Chair LaCava, City of San Diego; Director McCann, City of Chula Vista (arrived at 5:26 p.m.); Director Hinze, City of Encinitas (arrived at 5:26 p.m.); Director Aguirre, City of Imperial Beach; Director Parent, City of La Mesa; and Director Yamane, City of National City

ABSENT: Vice Chair Lawson-Remer, County of San Diego

Staff Present: Chief Executive Officer Burns; Chief Financial Officer Dr. Washington; Counsel Norvell; Data Analytics Manager Hanke; Senior Program Manager Treadwell; Clerk of the Board Hernandez; and Assistant Clerk of the Board Vences

PLEDGE OF ALLEGIANCE

Chair LaCava led the Pledge of Allegiance.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

Chair LaCava acknowledged the Kumeyaay Nation and all the original stewards of the land.

- **Introduction of New San Diego Community Power Staff**

Chair LaCava welcomed new employee Marissa Van Sant, Senior Program Manager to introduce herself.

- **Recognition of Director Colin Parent for his Service to Community Power and its Ratepayers**

Chair LaCava recognized Director Colin Parent for his service to Community Power.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

1. **Approve September 26, 2024, Meeting Minutes**
2. **Receive and File Treasurer's Report for Period Ending July 31, 2024**
3. **Receive and File Update on Programs**
4. **Receive and File Update on Power Resources**
5. **Receive and File Update on Human Resources**
6. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
7. **Receive and File Update on Community Advisory Committee**
8. **Receive and File Update on Regulatory and Legislative Affairs**
9. **Receive and File Update on IT and Data Analytics**
10. **Approve a contract with Precision NRG with a not-to-exceed amount of \$575,870 through March 2026 for Refrigeration Equipment Supplier Services and authorize execution by the Chief Executive Officer**

There were no public comments on Consent Item Nos. 1-10.

Motioned by Director Aguirre and seconded by Director Parent to approve Consent Calendar Item Nos. 1 through 10. The motion carried 4/0 as follows:

AYES: Chair LaCava, Director Aguirre, Director Parent, and Director Yamane
 NOES: None
 ABSTAINED: None
 ABSENT: Vice Chair Lawson-Remer, Director Hinze, and Director McCann

MEETING MINUTES – BOARD OF DIRECTORS – COMMUNITY POWER – OCTOBER 24, 2024

CONSENT CALENDAR - CONTINUED

11. Approve Amendment to the Revolving Credit Agreement with JP Morgan to Increase the Credit Facility from \$150,000,000 to \$250,000,000

There were no public comments on Consent Item No. 11.

Motioned by Director McCann and seconded by Director Aguirre to approve Consent Calendar Item No. 11. The motion carried unanimously as follows:

AYES: Chair LaCava, Director McCann, Director Hinze, Director Aguirre, Director Parent, and Director Yamane
NOES: None
ABSTAINED: None
ABSENT: Vice Chair Lawson-Remer

REGULAR AGENDA

12. Community Advisory Committee Quarterly Report

Community Advisory Committee Chair Vasilakis provided a quarterly report on Community Advisory Committee.

There were no public comments on Item No. 12.

The Board received and filed the Community Advisory Committee Quarterly Report.

13. Adoption of Resolution No. 2024-08, Authorizing Execution of an Energy Prepayment Transaction, Related Documents, and ‘Form of’ Documents Subject to Maximum Issuance Amount, Limitation on Fees, and Minimum Required Savings

Chief Financial Officer Washington provided a presentation on Energy Prepayment Transaction.

There were no public comments on Item No. 13.

After Board member discussion, Director Yamane motioned and seconded by Director Aguirre to adopt Resolution No. 2024-08, approving parameters under which an energy prepayment transaction can be completed; authorizing and approving documents or “form of” documents supporting the prepay transaction; and directing California Community Choice Financing Authority (CCCFA) to make payments to service providers for issuance costs from prepay bond proceeds. The motion carried unanimously as follows:

AYES: Chair LaCava, Director McCann, Director Hinze, Director Aguirre, Director Parent, and Director Yamane
NOES: None
ABSTAINED: None
ABSENT: Vice Chair Lawson-Remer

14. Fiscal Year End 2023-24 Financial Audit Progress Report Presentation

Chief Financial Officer Washington, and Brett Bradford from Pimenti & Brinker LLP presented the Fiscal Year End 2023-24 Financial Audit Progress Report.

There were no public comments on Item No. 14.

After Board member discussion, the Fiscal Year End 2023-24 Financial Audit Progress Report was received and filed.

15. Update on Customer Operations

Data Analytics Manager Hanke provided an update on Customer Operations.

There were no public comments on Item No. 15.

After Board member discussion, update on update on Customer Operations was received and filed.

16. Program Update on Flexible Load Strategy

Senior Program Manager Treadwell provided an update on Update on Flexible Load Strategy.

There were no public comments on Item No. 16.

After Board member discussion, update on Flexible Load Strategy was received and filed.

CHIEF EXECUTIVE OFFICER REPORT

CEO Burns reported on Community Power's ongoing efforts and recent activities and events.

DIRECTOR COMMENTS

None.

ADJOURNMENT

Community Power Board meeting adjourned at 5:56 p.m. to the next special Board meeting scheduled on Thursday, November 21, 2024, at 5:00 p.m.

Maricela Hernandez, MMC, CPMC
Clerk of the Board



SAN DIEGO COMMUNITY POWER Staff Report – Item 2

To: San Diego Community Power Board of Directors
From: Eric W. Washington, Chief Financial Officer/Treasurer
Via: Karin Burns, Chief Executive Officer
Subject: Treasurer's Report for Period Ending 8/31/2024
Date: November 21, 2024

RECOMMENDATION

Receive and File Treasurer's Report for Period Ending 8/31/2024.

BACKGROUND

San Diego Community Power (Community Power) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds.

Community Power has prepared its year-to-date financial statements for the two-month period ended August 31, 2024, along with budgetary comparisons.

Community Power additionally reports monthly metrics during its Board meetings as part of its Update on Back-Office Operations. As part of the Treasurer's Report, certain key metrics related to risk are presented during Financial and Risk Management Committee (FRMC) meetings.

On June 27, 2024, the Community Power Board of Directors (Board) approved an operating budget for Fiscal Year 2024-25 that included net operating revenues of \$1,177,925,889 total expenses of \$1,143,919,262 and a resulting net position of \$34,006,627. The approved Fiscal Year 2024-25 budget also includes a capital budget plan to fund 16 projects and totaling 23 active projects during the fiscal year for \$16,434,280.

ANALYSIS AND DISCUSSION

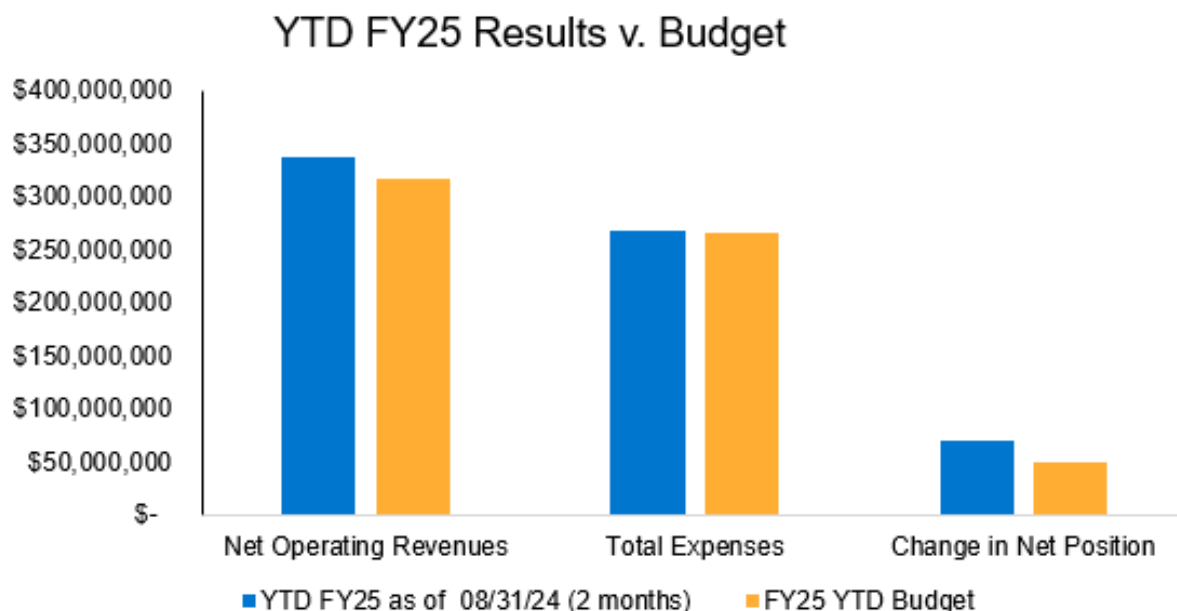
Actual financial results for the period ended 8/31/24: \$336.4 million in net operating revenues were reported compared to \$316.0 million budgeted for the period. \$266.8 million in total expenses were reported (including \$246.9 million in energy costs) compared to \$266.5 million budgeted for the period (including \$241.6 million budgeted for energy costs). After expenses, Community Power's change in net position of \$69.6 million was reported year-to-date for Fiscal Year 2024-25. The following is a summary of the actual results compared to the Fiscal Year 2024-25 Budget.

Table 1: Budget Comparison Versus Actual Result

Budget Comparison					
	YTD FY25 as of 08/31/24 (2 months)	FY25 YTD Budget	Budget Variance (\$)	Budget (%)	
Net Operating Revenues	\$ 336,392,539	\$ 316,009,772	\$ 20,382,767	106%	
Total Expenses	\$ 266,811,587	\$ 266,480,527	\$ 331,060	100%	
Change in Net Position	\$ 69,580,952	\$ 49,529,245	\$ 20,051,707	40%	

- Net operating revenues finished \$20.4 million (or 6.0 percentage points) over the budget primarily due to lower-than-expected uncollectible accounts and slightly higher-than-expected customer load.
- Operating expenses finished \$331.0 thousand (or 0.1 percentage points) over the budget due to a combination of higher-than-expected resource adequacy costs and hedging activities.

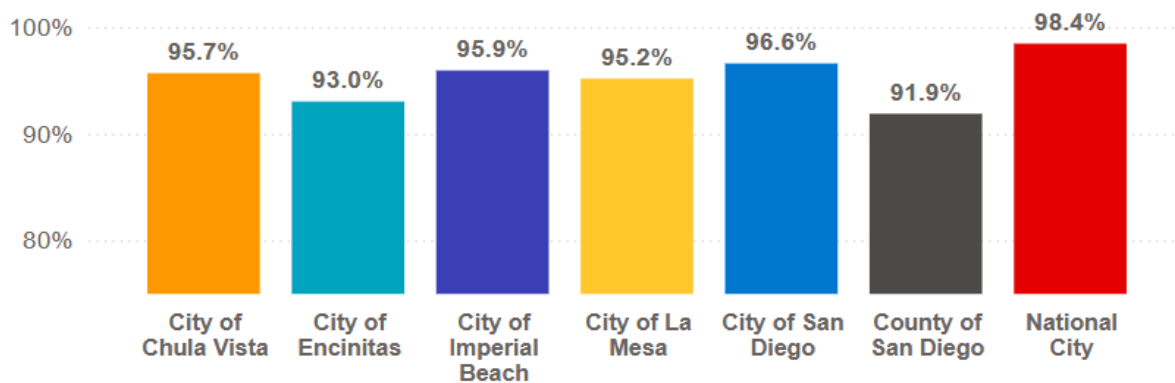
Figure 1: Budget Comparison versus Actual Results



For the two-month period ending 8/31/24, Community Power contributed \$69,580,952 to its net position compared to the expected contribution of \$49,529,245 per the Fiscal Year 2024-25 budget. Total Community Power reserves at the end of the period were \$346,251,829 based on unrestricted cash and cash equivalents, and total available liquidity (including lines of credit) was \$450,251,829. Community Power has a total Fiscal Year 2024-25 year-end reserve target of \$556,027,397 which is equivalent to 180-days of total operating expenses as set in Community Power's Reserve Policy and Strategic Goals.

Figure 2: Participation Rates as of 11/1/2024

Participation by Jurisdiction



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,656	94,389	95.7%
City of Encinitas	Power100	28,633	26,635	93.0%
City of Imperial Beach	PowerOn	10,911	10,467	95.9%
City of La Mesa	PowerOn	29,433	28,014	95.2%
City of San Diego	PowerOn	623,847	602,571	96.6%
County of San Diego	PowerOn	190,161	174,716	91.9%
National City	PowerOn	19,481	19,179	98.4%
Total		1,001,122	955,971	95.5%

The Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers was officially completed as of May 2023. The participation rate for Community Power reflects full enrollment of current member agencies. We are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

Staff are also presenting the state of Community Power Arrearages related to financial risk for FRMC consideration and for regular review. Additional metrics can be added by request. The below arrearage data includes Community Power Receivables aged 120+ Days as of 8/1/2024.

Figure 3: State of Community Power Arrearages as of 11/01/2024

Balances over 120 days

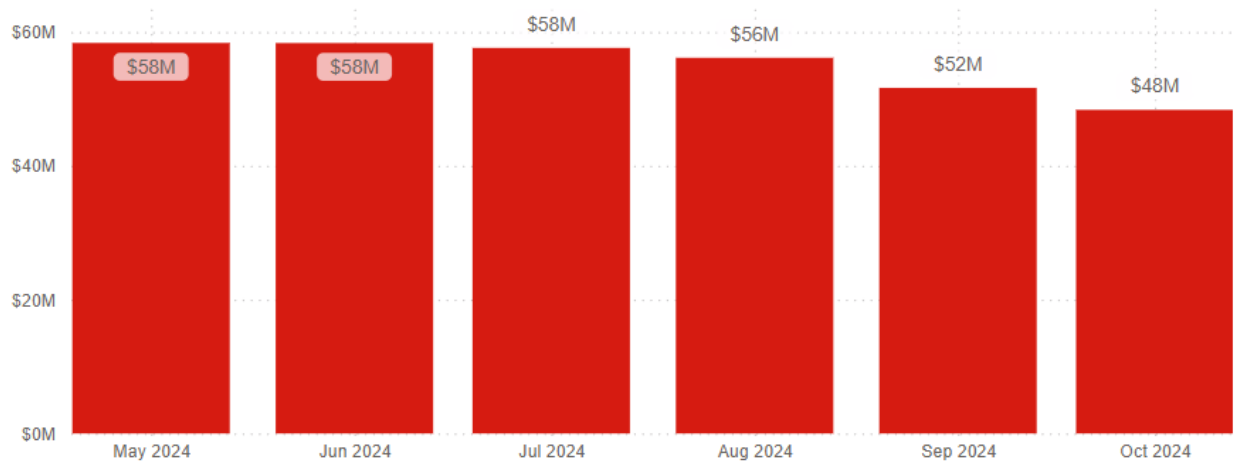
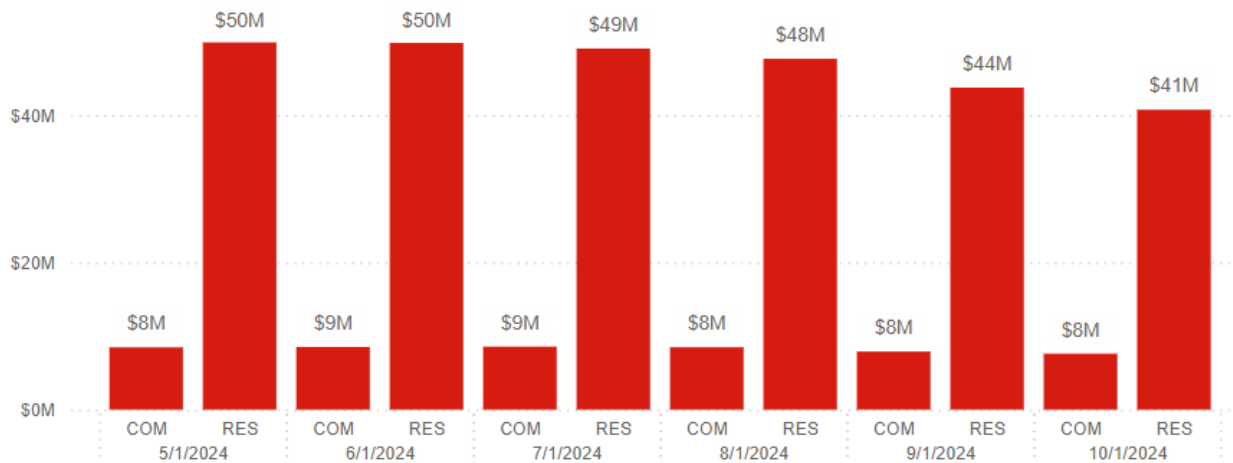


Figure 4: State of Community Power Arrearages Residential vs Commercial as of 11/01/2024

Balances over 120 days - RES vs COM



COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: 2024 Year-to-Date Period Ended 8/31/24 Financial Statements



ITEM 2

ATTACHMENT A



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
San Diego Community Power

Management is responsible for the accompanying special purpose operating fund and capital investment program fund budgetary comparison schedules of San Diego Community Power (SDCP), a California Joint Powers Authority, for the period ended August 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

These special purpose statements are prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SDCP.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. SDCP's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to SDCP because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 16, 2024

**SAN DIEGO COMMUNITY POWER
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Two Months Ended August 31, 2024**

	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Budget Variance (Under) Over	2024/25 YTD Actual/ Budget %	2024/25 Annual Budget	2024/25 Budget Remaining
REVENUES AND OTHER SOURCES						
Gross Ratepayer Revenues	330,900,285	\$ 342,182,285	11,282,000	103%	\$ 1,233,400,000	\$ 891,217,715
Less: Uncollectible Customer Accounts	(14,890,513)	(5,988,190)	8,902,323	40%	(55,500,000)	(49,511,810)
Grant Revenue	-	176,250	176,250		-	(176,250)
Other Income	-	22,194	22,194		-	(22,194)
Total Revenues and Other Sources	<u>316,009,772</u>	<u>336,392,539</u>	<u>20,382,767</u>		<u>1,177,900,000</u>	<u>841,507,461</u>
OPERATING EXPENSES						
Cost of Energy	241,581,292	246,907,679	5,326,387	102%	1,073,700,000	826,792,321
Professional Services and Consultants	4,128,205	3,072,284	(1,055,921)	74%	24,800,000	21,727,716
Personnel Costs	3,166,595	2,266,599	(899,996)	72%	18,600,000	16,333,401
Marketing and Outreach	513,642	408,729	(104,913)	80%	3,000,000	2,591,271
General and Administration	1,678,126	402,828	(1,275,298)	24%	7,400,000	6,997,172
Total Operating Expenses	<u>251,067,860</u>	<u>253,058,119</u>	<u>1,990,259</u>		<u>1,127,500,000</u>	<u>874,441,881</u>
Operating Income (Loss)	<u>64,941,912</u>	<u>83,334,420</u>	<u>18,392,508</u>		<u>50,400,000</u>	<u>(32,934,420)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	-	1,633,402	1,633,402		-	(1,633,402)
Interest and Related Expenses	(212,667)	(186,870)	25,797	88%	(1,300,000)	(1,113,130)
Transfer to Capital Investment Program	(15,200,000)	(15,200,000)	-	100%	(15,200,000)	-
Total Non-Operating Revenues (Expenses)	<u>(15,412,667)</u>	<u>(13,753,468)</u>	<u>1,659,199</u>		<u>(16,500,000)</u>	<u>(2,746,532)</u>
NET CHANGE	<u>\$ 49,529,245</u>	<u>\$ 69,580,952</u>	<u>\$ 20,051,707</u>		<u>\$ 33,900,000</u>	<u>\$ (35,680,952)</u>

**SAN DIEGO COMMUNITY POWER
CAPITAL INVESTMENT PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Two Months Ended August 31, 2024**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Budget Remaining</u>
REVENUES AND OTHER SOURCES			
Transfer in from Operating Fund	<u>\$ 15,200,000</u>	<u>\$ 15,200,000</u>	<u>\$ -</u>
 EXPENDITURES AND OTHER USES			
Program expenditures (CIP)	<u>16,400,000</u>	<u>115,183</u>	<u>(16,284,817)</u>
Net increase (decrease) in fund balance	<u><u>\$ (1,200,000)</u></u>	15,084,817	
Fund balance at beginning of period		<u>3,492,291</u>	
Fund balance at end of period		<u><u>\$ 18,577,108</u></u>	



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of August 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. San Diego Community Power's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 16, 2024

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of August 31, 2024

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 346,521,829
Cash and cash equivalents - restricted	500,000
Accounts receivable, net of allowance	172,878,376
Accrued revenue	94,346,057
Prepaid expenses	27,603,620
Other receivables	12,061,161
Deposits	12,673,491
Investments	481,575
Total current assets	<u>667,066,109</u>
Noncurrent assets	
Cash and cash equivalents - restricted	1,147,000
Investments	20,545,709
Capital assets, net of depreciation and amortization	674,445
Total noncurrent assets	<u>22,367,154</u>
Total assets	<u>689,433,263</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	213,423,171
Accounts payable	466,730
Other accrued liabilities	1,586,277
State surcharges payable	472,283
Deposits - energy suppliers	3,623,000
Lease liabilities	588,053
Total current liabilities	<u>220,159,514</u>
Noncurrent liabilities	
Bank note payable	8,500,000
Deposits - energy suppliers	624,000
Lease liabilities	87,034
Total noncurrent liabilities	<u>9,211,034</u>
Total liabilities	<u>229,370,548</u>

NET POSITION

Restricted for security collateral	1,647,000
Unrestricted	458,415,715
Total net position	<u>\$ 460,062,715</u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Two Months Ended August 31, 2024

OPERATING REVENUES

Electricity sales, net	\$ 336,194,095
Grant revenue	176,250
Other income	22,194
Total operating revenues	<u>336,392,539</u>

OPERATING EXPENSES

Cost of electricity	246,907,679
Contract services	3,295,098
Staff compensation	2,266,599
Other operating expenses	595,263
Depreciation and amortization	85,399
Total operating expenses	<u>253,150,038</u>
Operating income	<u>83,242,501</u>

NON-OPERATING REVENUES (EXPENSES)

Investment income	1,633,402
Interest and financing expense	(195,570)
Nonoperating revenues (expenses), net	<u>1,437,832</u>

CHANGE IN NET POSITION

	84,680,333
Net position at beginning of year	375,382,382
Net position at end of year	<u><u>\$ 460,062,715</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
Two Months Ended August 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 249,817,533
Receipts from wholesale sales	26,085,981
Other operating receipts	176,250
Payments to suppliers for electricity	(207,210,088)
Payments for goods and services	(7,854,649)
Payments for staff compensation and benefits	(2,219,137)
Payments for deposits and collateral	(432,000)
Payments of state surcharges	(528,942)
Net cash provided by operating activities	<u>57,834,948</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from bank note	<u>8,500,000</u>
Net cash provided (used) by non-capital financing activities	<u>8,218,717</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Payments of lease liabilities	(102,780)
-------------------------------	-----------

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,669,869
Purchase of investments	<u>(20,894,035)</u>
Net cash provided (used) by investing activities	<u>(19,224,166)</u>

Net change in cash and cash equivalents	46,726,719
Cash and cash equivalents at beginning of year	<u>301,442,110</u>
Cash and cash equivalents at end of year	<u><u>\$ 348,168,829</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 346,521,829
Restricted cash - current	500,000
Restricted cash - noncurrent	<u>1,147,000</u>
Cash and cash equivalents	<u><u>\$ 348,168,829</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
Two Months Ended August 31, 2024

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 83,242,501
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	85,399
(Increase) decrease in:	
Accounts receivable, net	(69,366,211)
Accrued revenue	(17,482,634)
Prepaid expenses	7,414,780
Other receivables	(6,342,019)
Deposits	(511,292)
Increase (decrease) in:	
Accrued cost of electricity	65,306,856
Accounts payable	(4,259,864)
Other accrued liabilities	236,092
State surcharges payable	(56,659)
Deposits - energy suppliers	(432,000)
Net cash provided by operating activities	<u><u>\$ 57,834,948</u></u>



SAN DIEGO COMMUNITY POWER Staff Report – Item 3

To: San Diego Community Power Board of Directors

From: Colin Santulli, Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Programs

Date: November 21, 2024

RECOMMENDATION

Receive and file updates on customer energy programs.

BACKGROUND

Staff will provide regular updates to the Board of Directors (“Board”) regarding the following Community Power customer energy programs: Commercial Programs, Residential Programs, Flexible Load Programs, Solar + Storage Programs, and San Diego Regional Energy Network.

ANALYSIS AND DISCUSSION

Updates on customer energy programs are detailed below.

Commercial Programs

Commercial Application Assistance Pilot

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

Efficient Refrigeration Pilot Program

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

FLEXmarket Pilot

Please refer to [Item 3](#) of the March 2024 Board staff report for the most recent update on this program.

Residential Programs

California Energy Commission (“CEC”) Equitable Building Decarbonization Direct Install (“EBD DI”) Program

Status: On November 13, 2024, at their Business Meeting, the CEC approved the proposed awards for program administrators (“PA”) in which the County of Los Angeles was selected to be the PA of the EBD DI program for the Southern region. The EBD DI program will equitably electrify homes throughout southern California with the direct support of a network of southern California public agencies and community-based organizations, including Community Power.

Next steps: The County of Los Angeles is expected to execute an agreement with the CEC by the end of 2024. Staff anticipate seeking approval from the Board for an agreement between Community Power and the County of Los Angeles to support the development of the program in Community Power’s service territory in Q1 CY 2025.

Flexible Load Programs

Distributed Energy Resources Management System (“DERMS”) Procurement

Please refer to [Item 3](#) of the October 2024 Board staff report for the most recent update on this program.

Managed Charging Pilot

Status: Staff selected a Managed Charging (V1G) software provider and are negotiating a Software as a Solution (“SaaS”) agreement with this vendor.

Next Steps: Staff anticipate bringing the vendor agreement to the Board for approval in November 2024.

Solar and Energy Storage

Disadvantaged Communities–Single-Family Affordable Solar Homes (“DAC-SASH”) Readiness Pilot

Status: As of October 2024, GRID Alternatives (“GRID”), the pilot implementer, has enrolled 29 projects, with 21 located in the Transformative Climate Communities project area. Most projects remain in the pre-contract phases, while two have advanced to implementation. One project recently completed its solar system installation following roof repair work facilitated by the pilot, while another project, awaiting solar installation since 2016, is scheduled for a full roof replacement to complete the installation.

GRID partnered with four licensed solar contractors to carry out roof repair and re-roofing work, including A & J’s Professional Roofing Inc, Mr. Handyman, San Diego Roofing Specialist, and Sunline Energy.

Next steps: GRID will continue to process enrolled projects through the implementation phase and complete roof repair work. Staff plan on bringing an update on the pilot in Q1 CY 2025.

Net Energy Metering (“NEM”) and Net Billing Tariff (“NBT”)

Please refer to [Item 2](#) of the December 2023 Board staff report for the most recent update on this program. Staff anticipate bringing an item to the Board by Q1 CY 2025 to update the tariff with support for virtual and aggregation versions of NBT.

Solar Battery Savings Program

Status: The Solar Battery Savings Program began enrolling contractors and battery manufacturers in July 2024 and began accepting applications on July 29, 2024. The program currently has 51 approved contractors participating and 14 approved battery manufacturers. Applicants have submitted over 2,000 applications, including 500 within the first 24 hours. Over 1,600 have been approved. 58% of projects are Net Energy Metering projects; while 42% of projects are Solar Billing Plan (Net Billing Tariff). The program officially stopped accepting applications on Friday, November 8, 2024. Applications have been received from all jurisdictions within Community Power’s service territory.

Next Steps: Staff are continuing to finalize review of applications submitted and look to make improvements for future program funding cycles.

Solar for Our Communities

Status: Staff submitted a Tier 2 Advice Letter to the California Public Utilities Commission (“CPUC”) pursuant to Decision 24-05-065¹, updating Community Power’s Disadvantaged Communities Green Tariff on September 27, 2024.

Next Steps: Staff will present awarded bids to the Board for approval prior to submitting executed Power Purchase Agreements (“PPAs”) to the CPUC via a Tier 2 Advice Letter for approval on February 25, 2025. Projects are expected to come online by 2026 and 2027.

San Diego Regional Energy Network (“SDREN”)

SDREN Formation

Status: The San Diego Regional Energy Network (“SDREN”) Business Plan Application was submitted to the California Public Utilities Commission (“CPUC”) on January 5, 2024, in partnership with the County of San Diego. On August 1, 2024, the CPUC voted to approve SDREN, providing funding for the various program offerings included in the [SDREN Business Plan Application](#). Since SDREN’s approval, Staff have worked on completing CPUC requirements as directed in the [SDREN Decision](#). Specifically, Staff

¹ CPUC Decision 24-05-065 at 170-171 (Ordering Paragraph (“OP”) 3) and 173-174 (OP 9)

have filed an updated cost effectiveness forecast for the Market Access Program and submitted a joint cooperation memo with SDG&E. Staff will complete the last requirement of posting implementation plans by early December. Additionally, Staff have continued to prepare for the launch of the SDREN programs to include hiring staff and developing a schedule to release solicitations for program implementers.

Next Steps: Staff will release a total of 5 solicitations for program implementers based on the following schedule (which is subject to change):

January 2025 - Phase 1 (3 programs, 1 portfolio wide administrative support)

1. Administrative, Regulatory, and Reporting Support
2. Cross-Cutting sector programs
 - a. Workforce, Education and Training sector programs (2 programs)
 - b. Codes and Standards (1 program)

March 2025 - Phase 2 (4 programs)

3. Residential sector programs (2 programs)
4. Public sector programs (2 programs)

May 2025 - Phase 3 (3 programs)

5. Commercial sector programs (3 programs)

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 4

To: San Diego Community Power Board of Directors
From: Byron Vosburg, Chief Commercial Officer
Via: Karin Burns, Chief Executive Officer
Subject: Update on Power Resources
Date: November 21, 2024

RECOMMENDATION

Recommendation to receive and file update on Power Resources.

BACKGROUND

Staff provides the updates below to the Board of Directors regarding SDCP's power energy procurement activities.

ANALYSIS AND DISCUSSION

Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows SDCP not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The SDCP Power Services team is now twelve people strong. The Power Services team has two open positions currently, and is excited to continue stable, prudent growth through 2024.

Portfolio Updates

On October 2, 2024, SDCP executed an administrative amendment to the Financially Settled Toll and Energy Storage Agreement with MRP Pacifica Marketing LLC for the Border Project ("First Amendment"). This First Amendment adjusted the Expected Commercial Operation Date from June 1, 2026 to January 1, 2026 as well as clarified the MW capacity listed under Facility Description.

Long-term Renewable Energy Solicitations

As SDCP strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) are becoming integral components of its energy supply portfolio. Long-term PPAs provide renewable generation facility developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that SDCP signs with a developing facility will underpin a new, incremental renewable energy project. In addition, long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty around which SDCP can develop its pro forma financial model. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in D.21-06-025, the California Public Utilities Commission (CPUC) required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2026 and 2027 via D.23-02-040.

In pursuit of long-term contracts for renewable energy and storage, over the past 24 months, staff have released several RFOs and RFPs. Recent solicitations include an RFP for CAISO Cluster 15 projects in August 2024, which will serve to select renewable and storage projects that SDCP is most interested in being studied by the CAISO. Staff has shortlisted select projects after review with the Energy Contracts Working Group (ECWG) and intends to execute exclusivity agreements with the projects by the December CAISO deadline for LSE’s to submit their commercial interest points. Staff also issued an “All-Source RFO” in September 2024 with an emphasis on clean, firm resources to meet MTR requirements and enhance SDGP’s portfolio. Staff is currently assessing submitted projects using SDCP’s Energy Project Evaluation Criteria.

Staff remain in negotiations for additional resources that are expected to be online between 2025 and 2029. Staff and the ECWG evaluate all RFI/RFO/RFP submissions prior to entering negotiations with selected participants. Assuming that Staff and shortlisted developer(s) can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, Staff then review draft terms with the SDCP Board for approval and authorization to execute the relevant documents.

Local Development

SDCP’s rolling Local RFI remains open and, in the last twelve months, has yielded eight Board-approved contracts for local generation and storage facilities. SDCP also released an RFO for distributed renewable energy resources (DERs) which focuses on a broad range of distribution-level renewable projects within San Diego County. Staff are working with shortlisted bidders and hope to present the resulting PPAs to the Board in the coming months. Additional ongoing local initiatives include a Feed-in-Tariff Program revamp and expansion, expected early next year, and continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

As Program Administrators of the CPUC's Disadvantaged Communities Green Tariff (DAC-GT) program, SDCP completed its first round of solicitation this year and are working with shortlisted bidders and hope to present the resulting PPAs to the Board in the coming months.

SDCP's Local RFI and Feed-in Tariff remain open. More information is available about each at the links below:

- <https://sdcommunitypower.org/resources/solicitations/>
- <https://sdcommunitypower.org/programs/feed-in-tariff/>

Short-Term RPS Procurement

SDCP staff continues to actively manage its environmental portfolio and closely monitor the market for opportunities to optimize its renewable and carbon-free portfolios. SDCP has recently been evaluating solicitation offers, bilateral offers, and products that meet needs for multiple portfolios – creating greater value for its customers. SDCP will continue to prioritize environmental targets while also ensuring value for our customers.

Market Update

Due to limited resource availability in the broader Western Interconnection, lingering supply chain impacts that have delayed development of new-build energy resources, and recent implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) resources continues to be exceptionally tight and expensive. Staff are working with developers, industry groups, the CPUC, and CA Governor's Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet SDCP's portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to SDCP and California's clean, reliable energy needs into the future.

Despite a relatively warm summer, near-term California power markets remain soft due to declining power and gas markets throughout the US, and robust renewable generation, all of which have so far offset the impacts of drought in the Pacific Northwest and resource scarcity throughout WECC.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A

SAN DIEGO COMMUNITY POWER

Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Senior Director of Data Analytics and Customer Operations

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: November 21, 2024

RECOMMENDATION

Receive and file an update on various customer operations' initiatives.

BACKGROUND

Staff will provide regular updates to the Board of Directors centered around tracking opt actions (i.e., opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

ANALYSIS AND DISCUSSION

A) Enrollment Update

As of October 25, 2024, Community Power is serving a cumulative total count of **955,971** active accounts.

Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive 2 post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date to notify them that they have defaulted to SDCP electric generation service.

B) Customer Participation Tracking

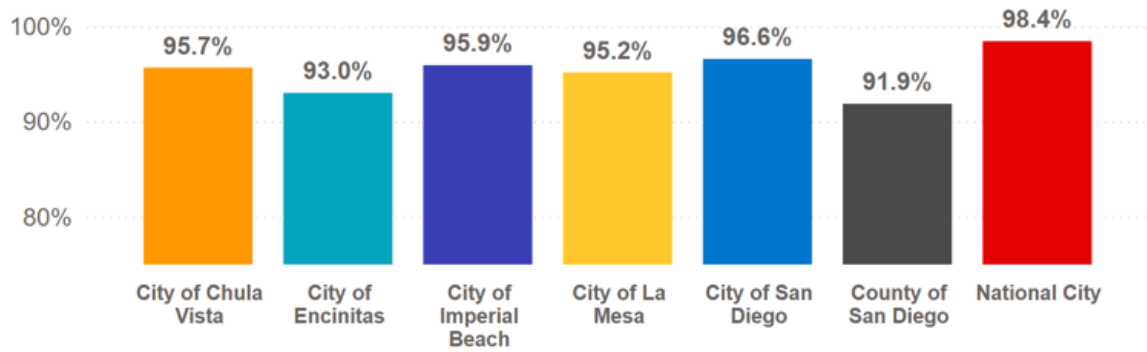
With the roll out of PowerBase and Power100 Green+ in July 2024, staff has worked with Calpine to completely recalibrate and revamp our customer participation statistics as we no longer have just two service options but four, and customers are able to elect their participation in any of the service options, provided they meet the eligibility criteria. The below charts summarize these actions accordingly as of October 25, 2024:

**Enrolled
Accounts**
955,971

**Participation
Rate**
95.5%

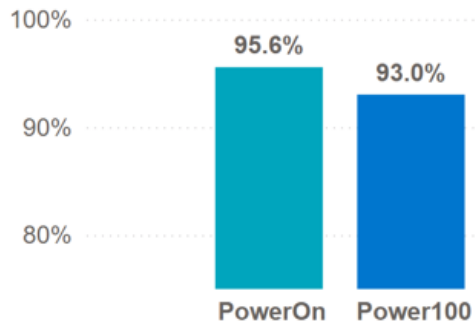
Participation

Participation by Jurisdiction

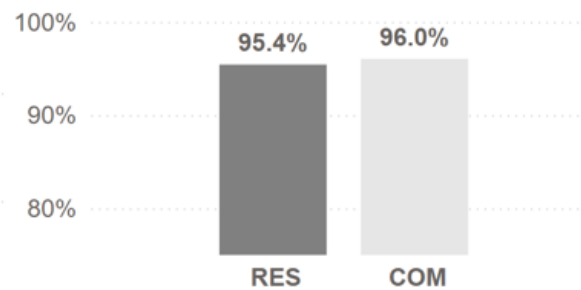


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,656	94,389	95.7%
City of Encinitas	Power100	28,633	26,635	93.0%
City of Imperial Beach	PowerOn	10,911	10,467	95.9%
City of La Mesa	PowerOn	29,433	28,014	95.2%
City of San Diego	PowerOn	623,847	602,571	96.6%
County of San Diego	PowerOn	190,161	174,716	91.9%
National City	PowerOn	19,481	19,179	98.4%
Total		1,001,122	955,971	95.5%

Participation by Default Service Option



Residential vs Commercial Participation

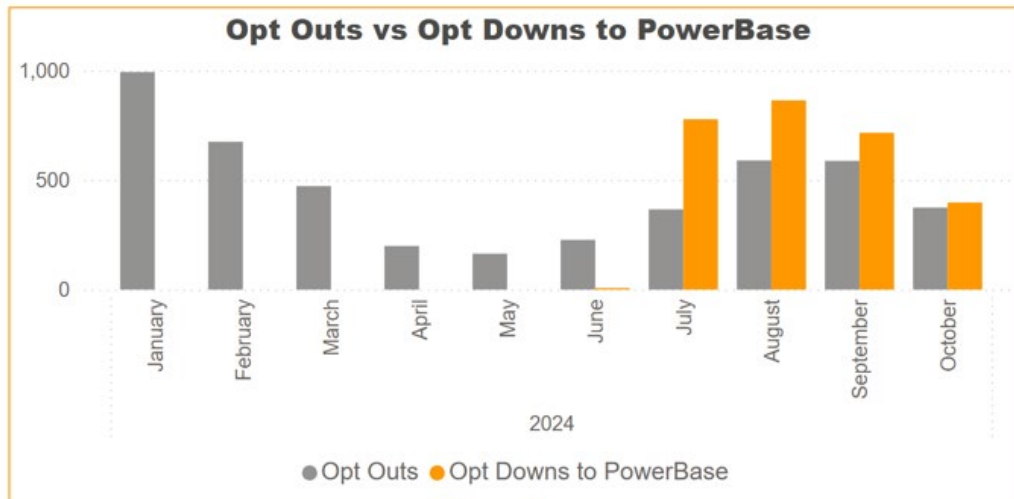


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	2,612	Enrolled	919,201	Enrolled	34,157	Enrolled	1
Participation	0.3%	Participation	96.2%	Participation	3.6%	Participation	0.0%

Service Option Enrollment Summary

Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100 %	Power100 Green+ Enrolled	Power100 Green+ %
City of Chula Vista	PowerOn	94,389	222	0.2%	93,261	98.8%	906	1.0%		
City of Encinitas	Power100	26,635	90	0.3%	439	1.6%	26,106	98.0%		
City of Imperial Beach	PowerOn	10,467	22	0.2%	10,366	99.0%	79	0.8%		
City of La Mesa	PowerOn	28,014	84	0.3%	27,669	98.8%	261	0.9%		
City of San Diego	PowerOn	602,571	1,378	0.2%	595,196	98.8%	5,996	1.0%	1	0.0%
County of San Diego	PowerOn	174,716	789	0.5%	173,150	99.1%	777	0.4%		
National City	PowerOn	19,179	27	0.1%	19,120	99.7%	32	0.2%		
Total		955,971	2,612	0.3%	919,201	96.2%	34,157	3.6%	1	0.0%

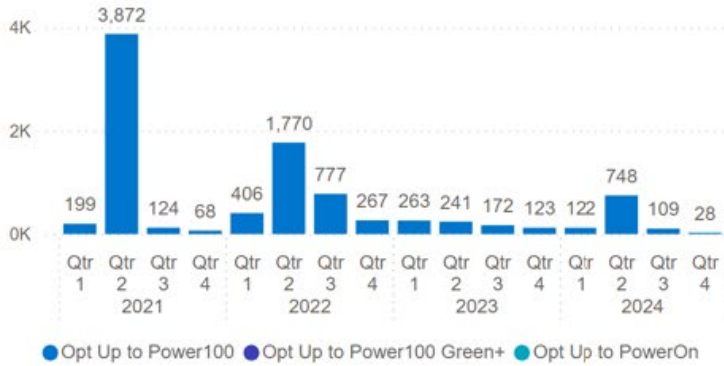


Opt Up History

Total Opt Ups
9,289

Opt Ups Current*
8,112

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista	710	175	61	5	30	9	4	994
City of Encinitas	18	1	1		1	1	1	23
City of Imperial Beach	60	29	11	2	3			105
City of La Mesa	155	120	19	3	1	2	1	301
City of National City			12	17	7			36
City of San Diego	3,316	2,895	488	75	128	80	19	7,001
County of San Diego	4		207	20	578	17	3	829
Total	4,263	3,220	799	122	748	109	28	9,289

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	4,256	296	232	47	609	17	7	5,464
Residential	7	2,924	567	75	139	92	21	3,825
Total	4,263	3,220	799	122	748	109	28	9,289

Opt Ups by Method

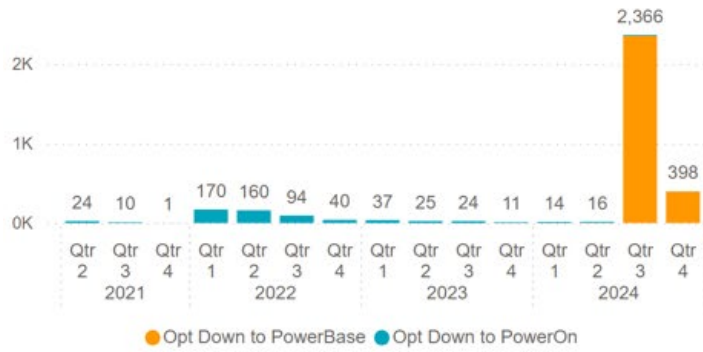
Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	4,232	1,372	301	52	679	46	12	6,694
IVR	4	85	84	23	9	5	3	213
Web	27	1,763	414	47	60	58	13	2,382
Total	4,263	3,220	799	122	748	109	28	9,289

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

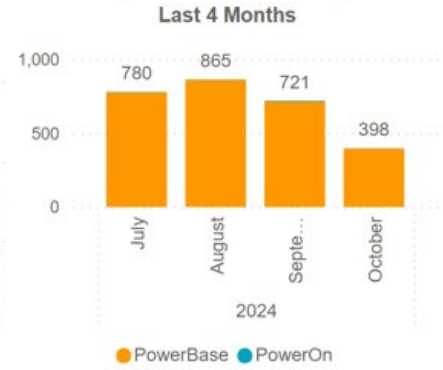
Opt Down History

Total Opt Downs	Opt Downs Current*
3,390	3,109

Opt Downs Quarterly



Opt Downs Monthly



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista		2	4			206	32	244
City of Encinitas	35	429	74	12	10	80	18	658
City of Imperial Beach		1				25	1	27
City of La Mesa		4				74	16	94
City of National City					1	26	1	28
City of San Diego		28	13	2	3	1,248	205	1,499
County of San Diego			6		2	707	125	840
Total	35	464	97	14	16	2,366	398	3,390

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	34	23	9	2		429	33	530
Residential	1	441	88	12	16	1,937	365	2,860
Total	35	464	97	14	16	2,366	398	3,390

Opt Downs by Method

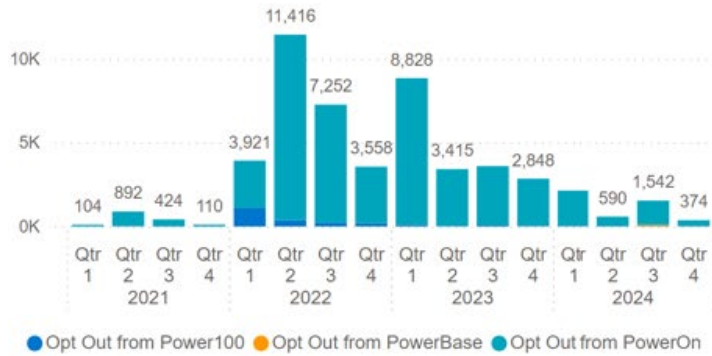
Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	31	311	65	10	10	1,811	286	2,524
IVR	4	26	3	1		204	29	267
Web		127	29	3	6	351	83	599
Total	35	464	97	14	16	2,366	398	3,390

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

Opt Out History

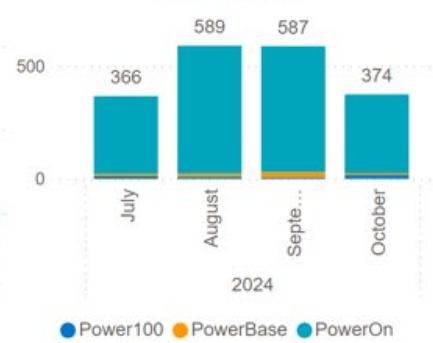
Total Opt Outs	Opt Outs Current*
51,006	45,114

Opt Outs Quarterly



Opt Outs Monthly

Last 4 Months



Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
City of Chula Vista	267	3,466	747	120	55	141	38	4,834
City of Encinitas	66	1,872	230	39	10	34	17	2,268
City of Imperial Beach	32	343	99	25	8	17	4	528
City of La Mesa	84	1,269	235	39	21	42	14	1,704
City of National City			285	22	11	23	8	349
City of San Diego	1,079	19,196	3,185	529	226	628	145	24,988
County of San Diego	2	1	13,904	1,364	259	657	148	16,335
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Commercial	1,492	535	1,689	120	32	97	26	3,991
Residential	38	25,612	16,996	2,018	558	1,445	348	47,015
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

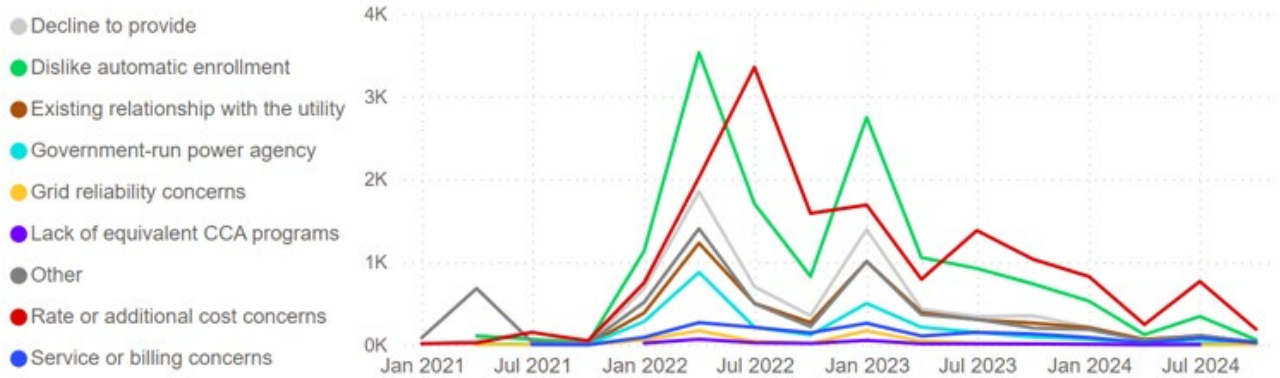
Opt Outs by Method

Opt Method	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
CSR	1,104	6,966	4,706	591	188	474	139	14,168
IVR	102	4,887	3,789	508	150	403	89	9,928
Web	324	14,294	10,190	1,039	252	665	146	26,910
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

*Current indicates the account is open with SDG&E and this opt action is their latest opt action

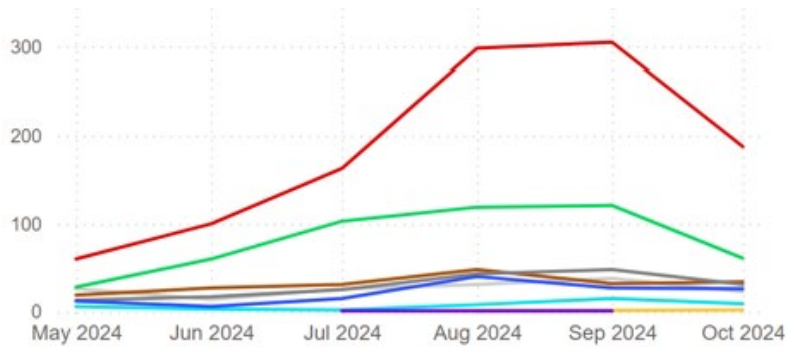
Opt Out Reason Summary

Opt Outs by Reason Quarterly



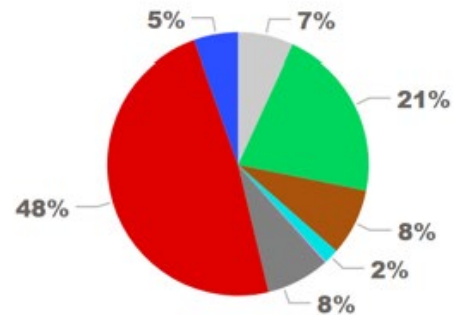
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months

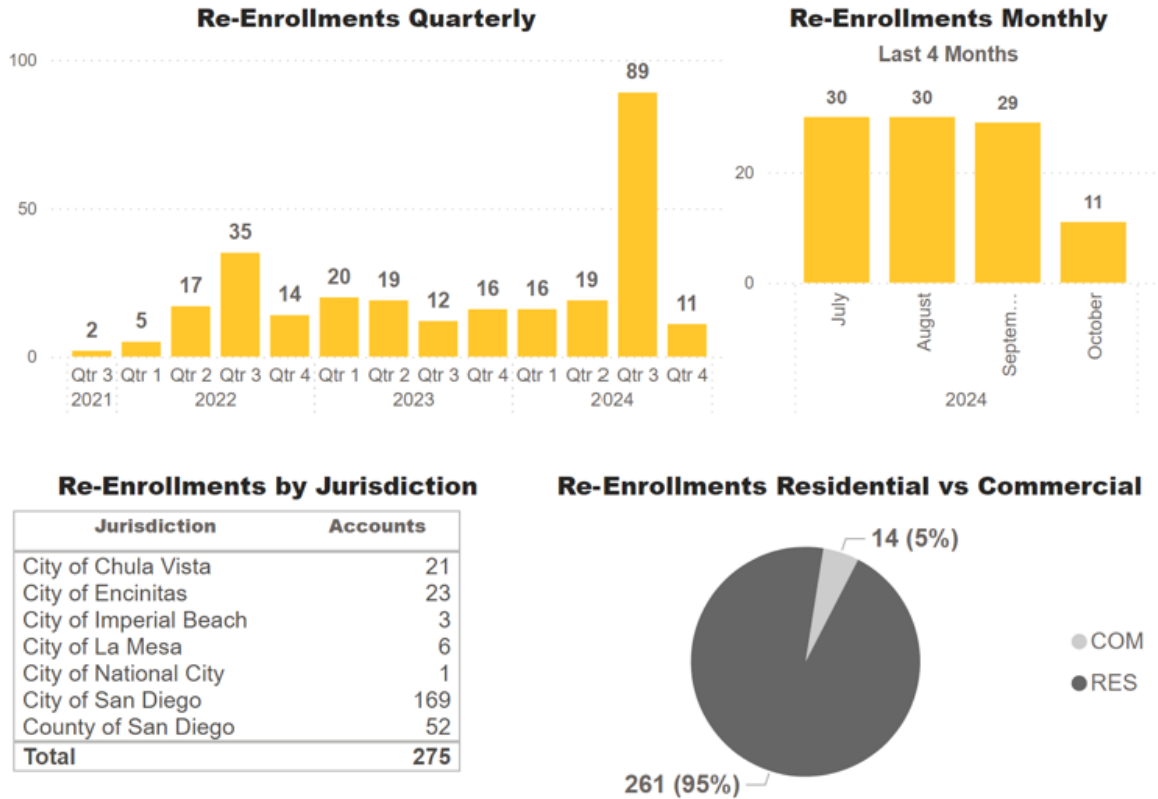


Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Decline to provide	228	3,584	2,519	214	62	95	23	6,725
Dislike automatic enrollment	204	7,191	5,459	529	123	343	61	13,910
Existing relationship with the utility	2	2,389	1,968	209	67	111	34	4,780
Government-run power agency	24	1,491	961	67	13	25	9	2,590
Grid reliability concerns	7	293	252	14	1	1	2	570
Lack of equivalent CCA programs		131	90	7	1	3		232
Other	819	2,637	1,884	185	51	116	31	5,723
Rate or additional cost concerns	240	7,713	4,898	825	245	766	188	14,875
Service or billing concerns	6	718	654	88	27	82	26	1,601
Total	1,530	26,147	18,685	2,138	590	1,542	374	51,006

Re-Enrollment Requests

Excludes closed accounts



The Phase 4 mass enrollment process in National City and the Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers completed in May 2023. Net Energy Metering (NEM) customers were enrolled from April 2023 through March 2024 based on their true-up date. Mass enrollment for all customer accounts within National City and the Unincorporated County of San Diego concluded on April 1, 2024.

C) Contact Center Metrics

As expected, call volumes rose in July as summer rates came into effect as of June 1, 2024, and customers started seeing increased bills as a function of the Winter to Summer price differential and have remained high throughout the month of August and September as expected within the Summer season. Our Public Affairs Team put out Summer season and bill saving tips communication and has been running a social media campaign around Summer energy conservation that assisted in providing our customers with resources and tips to reduce higher bills. With the transition to Winter pricing effective as of 11/1/2024, we are expecting for call volumes to decline and pick back up modestly in January as a function of holiday lighting bills being received by customers.

The chart below summarizes contact made by customers into the Contact Center broken down by month through October 25th, 2024:



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics								
	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Total Calls to IVR	2,289	47,118	52,977	12,198	8,646	15,964	2,469	141,661
Total Calls Connected to Agents	1,401	30,174	34,173	7,792	5,519	9,508	1,892	90,459
Avg Seconds to Answer	20.00	11.50	6.75	15.67	9.00	17.67	15.00	12.58
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.4	8.7	10.4	9.8	9.4
Calls Answered within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	92.85%	96.92%	82.35%	90.69%	95.11%
Abandon Rate	0.57%	0.36%	0.19%	0.57%	0.30%	1.66%	1.05%	0.47%



Customer Service Emails								
	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024-10	Total
Emails Received	272	2,894	2,116	371	196	423	88	6,360
Emails answered or escalated within 24 hours	257	2,821	2,107	371	196	423	88	6,263
Completion %	94%	96%	100%	100%	100%	100%	100%	98%

Similar to other CCAs' service areas, Community Power anticipates the trend of customers calling into the Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing Community Power's website for processing opt actions to continue accounting for over 65% of all instances. The remaining portion of customer calls are connected to Customer Service Representatives (CSRs) to answer additional questions, assist with account support, or process opt actions.

As of this latest reporting month, Community Power has 10 Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting a world-class customer experience when they contact Community Power.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A





SAN DIEGO COMMUNITY POWER Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Chandra Pugh, Director of People

Via: Karin Burns, Chief Executive Officer

Subject: Update on Human Resources

Date: November 21, 2024

RECOMMENDATION

Receive and File the Update on Human Resources.

BACKGROUND

Human Resources (HR) has been working on the following priorities:

Hiring:

This month, Community Power welcomes Data Engineer Ethan Toth and Marketing Manager Desiree Daughtry.

Desiree has over 15 years of marketing experience, delivering integrated, data-driven strategies that drive action. With a background in workforce development, Desiree brings unique experience aligning multiple customer programs under a single entity in a way that closely mirrors the needs of SDREN.

Ethan worked for the last 5 years at Moss Adams Business Solutions Consulting Group, where he worked on data and software engineering projects for Fortune 500 companies. In consulting, he worked with a wide range of clients, projects and data types.

Ethan brings a depth of experience in building data pipelines, cloud-based solutions, and AWS infrastructure, which will be key to the Data Analytics team as the Enterprise Data Platform is built.

Open positions:

- Origination Manager – offer pending
- Sr. Cyber Security Analyst -offer pending
- Assistant General Counsel
- Director of Portfolio Management
- IT Systems Analyst

- Finance Manager SD REN
- Associate Director, IT and Data Analytics

HR Information Systems

The organization continues to offer competitive benefits for our employees even as rates are trending higher. Our next open enrollment for the 2025 annual plan begins November 18th.

DISCUSSION AND ANALYSIS

N/A

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS:

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 7

To: San Diego Community Power Board of Directors

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Marketing, Public Relations, and Local Government Affairs

Date: November 21, 2024

RECOMMENDATION

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power ("Community Power").

BACKGROUND

Community Power has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

ANALYSIS AND DISCUSSION

Community Power's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

Recent and Upcoming Public Engagement Events

CLEAResult Energy Forum
Latinx in Sustainability
Encinitas Green Building Ordinance Training
AARP – California Advocacy Council
Sherman Heights Community Center Community Clean Energy Grant Ribbon Cutting
Native American Health and Wellness Conference
California Public Utilities Commission Small and Diverse Business Expo
Encinitas Library
San Diego Regional Chamber of Commerce Circle of Influence Reception
LEAN Energy National CCA Conference
Mt. Hope Hispanic Heritage Energy Resiliency Hub
Power Network Workshop at Cafe-X
Harvard Kennedy School Alumni Association Panel

NEXUS Climate Conference
 Asian Business Association Annual Dinner
 Association of Women in Water, Energy & Environment Conference
 San Diego Green Drinks
 Imperial Beach Spooktacular Trunk or Treat
 National City Chamber
 Movie in the Park – Augua Caliente County Park
 Power Network Workshop – Spring Valley
 Halloween at Liberty Station
 Lesley K. McAllister Symposium on Climate and Energy Law
 Groundwork San Diego “Understanding Your Bill” Energy Workshop
 Asian Business Association
 Jackie Robinson YMCA’s Community Health & Resource Fair
 California Efficiency + Demand Management Council Fall Conference
 Urban Land Institute (ULI) Sustainability & Urban Resilience Forum
 MAAC Electric Vehicle Day
 San Diego Regional Chamber of Commerce Legislative Lounge
 North San Diego Business Chamber’s Health and Wellness Fair
 Tribal Climate and Health Summit
 Chula Vista Chamber of Commerce First Friday Breakfast
 Cuyamaca College Water Conservation Garden Anniversary
 Black Chamber of Commerce Post-Election Panel
 Chula Vista Community Collaborative Monthly Meeting
 La Mesa Farmer’s Market
 Circulate San Diego Momentum Awards
 County of San Diego Tribal Flag Raising
 Imperial Beach Collaborative
 Sun Coast Farmer’s Market
 La Mesa Environmental Sustainability Commission
 SDSU Sustainable Places & Practices Class Presentation
 Power Association of California Southern California Reception

Marketing, Communications and Outreach

Community Power, the Energy Policy Initiatives Center (EPIC), the San Diego Regional Climate Collaborative and San Diego Gas & Electric launched the San Diego Regional Energy Academy on November 7, 2024. The free, three-day program is designed to serve as a resource to educate and support local leaders as they aim to reach regional climate resilience goals. The 32-member inaugural cohort includes sustainability nonprofit leaders, energy industry professionals and representatives from local elected officials’ offices.

The Public Affairs team will lead the efforts for a press conference and ribbon cutting at the Vikings Energy Farm on November 20, 2024. The project will provide Community Power with 50 MW of solar coupled with 150 MW/600 MWh of battery energy storage and will allow for the shift of daytime solar production to late afternoon and evening hours,

providing on-peak energy while benefiting the local community.

The Community Engagement division of the Public Affairs Department received more than 30 responses for its open solicitation for participation in the Power Network. The Power Network provides a pathway for community-based organizations to work with Community Power and help spread the word about programs and projects that can have an impact on the communities we serve.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the new Solar Battery Savings program, which provides customers with rooftop solar and battery storage incentives. It is also ramping up efforts to promote upcoming programs including one that helps customers repair their roofs to be ready for solar installations, and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

Community Power has continued its efforts to connect with local leaders through meetings and at community events.

The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, accurate information across multiple channels.

Local Government Affairs

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. With the election results called in Community Power's member agencies, the local government affairs team is reaching out to new elected officials to inform them about the benefits Community Power offers to their constituents.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 8

To: San Diego Community Power Board of Directors

From: Laura Fernandez, Director of Regulatory & Legislative Affairs
Aisha Cervantes-Cissna, Senior Policy Manager
Patrick Welch, Senior Legislative Manager
Stephen Gunther, Regulatory Manager
Dean Kinports, Senior Strategic Policy Manager

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: November 21, 2024

RECOMMENDATION

Receive and file the update on regulatory and legislative affairs.

BACKGROUND

Staff will provide regular updates to the Board of Directors regarding SDCP regulatory and legislative engagement.

ANALYSIS AND DISCUSSION

A) Regulatory Updates

Provider of Last Resort

On October 24, 2024, the California Public Utilities Commission (CPUC) issued a [Scoping Memo and Ruling](#) in Phase 2 of the Provider of Last Resort (POLR) proceeding, which will determine the requirements and process to enable a non-investor-owned utility (IOU) load-serving entity (LSE) to serve as the POLR.

The scope of Phase 2 is organized into threshold questions and two primary topic areas. The threshold questions include whether any non-IOU LSE is interested in and able to accept POLR responsibilities, and foundational jurisdictional questions, which will be addressed prior to delving into primary topics. The two primary topic areas are: 1) the regulatory framework for non-IOU POLRs; and 2) the development of the joint application for a non-IOU LSE to serve as POLR.

Opening Comments on the threshold questions are due January 10 and Reply Comments are due January 24, 2025, with an expected resolution on threshold questions in Q2 of 2025.

Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resource Future

On October 17, 2024, the CPUC issued a [Ruling](#) seeking comments regarding the [Future Grid Study \(FGS\) Report](#), which reports on distribution operational needs and distribution system operator (DSO) roles and responsibilities for Track 2 of the proceeding. The Gridworks report summarizes workshops held in Track 2 regarding: (1) the operational needs necessary to efficiently operate a high distributed energy resources (DER) grid, unlock opportunities for DERs to provide grid services, limit market power, reduce ratepayer costs, increase equity, support grid resiliency, and meet State policy objectives; and (2) identifying the gaps and barriers in achieving the needs identified above within the current DSO (utilities), along with potential solutions to overcome the barriers. Comments are due December 6, 2024, and reply comments are due January 10, 2025.

Disconnections

Disconnection Cap Ruling

On August 21, 2024, the CPUC released the [Administrative Law Judge's Ruling on Disconnection Caps](#) (Ruling). In 2020, the CPUC established the following residential disconnection rate caps, which are set to expire at the end of 2024: 3% for SDG&E, 3.5% for PG&E, 4% for SCE, and 2% for SoCalGas. The Ruling ultimately seeks to determine the future of these caps. Accordingly, the Ruling directed the IOUs to include a narrative and data demonstrating how extending and changing the caps on the number of customers they disconnect will affect the accrual of residential uncollectibles and residential customer bill arrearages. Other parties were also able to provide their own comments and data.

Opening comments on the Ruling were filed on September 20, 2024, by [SDG&E](#), [Pacific Gas and Electric](#) (PG&E), [Southern California Edison](#) (SCE), and [Southern California Gas](#) (SoCalGas). These comments are summarized in Item 3 of the October 10, 2024, [Community Advisory Committee Agenda Packet](#).

Reply comments were filed on October 4, 2024. Reply comment highlights are provided below:

- [Utility Consumers Action Network \(UCAN\)](#): UCAN critiqued the IOUs' lack of response to the Ruling; particularly as it relates to forecasting how a disconnection cap would affect uncollectibles. They reiterated a previous recommendation that the CPUC require IOU shareholders to pay for uncollectibles as opposed to other utility ratepayers as a way to address the issue in a way that doesn't lead to bill

increases. UCAN also addresses gaps in the IOUs' arguments and data and states that the CPUC needs to have more data before lifting disconnection caps.

- **The Utility Reform Network (TURN)**: TURN states that the CPUC “should reject the IOUs’ unsupported assertion that increased disconnection caps will necessarily reduce arrearages” (TURN reply comments at page 3). Additionally, TURN notes that several IOUs said they likely wouldn’t be able to disconnect the volume of customers that would materialize from eliminating or increasing the cap. Finally, TURN recommends that the CPUC continue to reduce disconnection rates until the CPUC “has evidence to [...] conclude that a lower but non-zero disconnection rate cap leads to higher arrearage amounts” (TURN reply comments at page 4). TURN indicates a study with stakeholder input could help the CPUC arrive at this determination.
- **Public Advocates Office (PAO)**: Similar to UCAN and TURN, PAO proposes that the CPUC study factors driving arrearages and disconnections prior to adjusting the disconnection caps and highlights that IOU requests to remove the caps are not supported by evidence.

Disconnection Cap Decision

On November 7, 2024, the CPUC adopted the [Interim Decision Extending Disconnection Rate Caps](#) (Decision).

The Decision concludes that the large utilities (SDG&E, PG&E, SCE, and SoCalGas) shall maintain the current disconnection caps until a final decision on the matter can be issued. The current cap for SDG&E is 3%. The CPUC noted that there are many important, interrelated considerations that warrant further deliberation prior to reaching a decision on disconnection caps. The CPUC also indicated more data, and information would need to be gathered and analyzed as part of the deliberation process. The Decision indicates a final decision on disconnection caps will be issued by July 1, 2025.

Two parties filed opening comments on the Proposed Decision (PD) on October 16, 2024:

- **CalCCA**
 - Supports the CPUC’s proposal to extend caps through July 31, 2025;
 - Asks the CPUC to order a third-party study and report analyzing the root causes of disconnections and the effectiveness of programs and strategies to prevent disconnections and manage arrearages; and
 - Asks the CPUC to allow 45 days for parties to submit proposals for the scope of the aforementioned study, and allow parties to comment on said proposals.
- **UCAN**
 - Recommends cap be extended for 2 years to allow an assessment of the caps’ effects;

- Recommends extending the IOUs' disconnection reporting requirements indefinitely to enable analyses of consumer and IOU behaviors after protections end; and
- States the CPUC will not have enough data on disconnection caps to make a final decision in July of 2025.

Two reply comments were filed on the PD on October 21, 2024. Associated highlights include:

- [The Utility Reform Network \(TURN\), Center for Accessible Technology \(CforAT\), and National Consumer Law Center \(NCLC\)](#)
 - The parties agree with the opening comments of UCAN and CalCCA, and say that the CPUC should extend the current caps “for a duration of time required for a comprehensive study and evaluation to take place, and should only take further action on the basis of such a study and evaluation.”
- [SCE](#)
 - SCE supports the PD as written and asks the CPUC to decline all of UCAN's proposed changes.

The final decision declined to incorporate the requests from these comments; however, the CPUC indicated it may revisit these recommendations later on in the proceeding.

General Rate Case Phase 1 Proposed Decision

On October 18, the CPUC issued a [Proposed Decision](#) (PD) on SDG&E's and SoCalGas's Phase 1 General Rate Case. The PD authorizes a revenue requirement for SDG&E of \$2.198 billion, which is \$150 million below the requested amount and an increase of \$183.1 million (9.1%) above the 2023 authorized revenue requirement. Post Test Year (PTY) adjustments to the revenue requirement of just under 4% per year in 2025, 2026, and 2027 are authorized for SDG&E, which is well under half of the PTY increases requested by SDG&E.

The estimated bill impact for a typical SDG&E residential customer is an increase of 2.7% per month for CARE and non-CARE customers located in inland and/or coastal climate zones using either 400 kWh or 700 kWh per month.

SDCP and Clean Energy Alliance (CEA) were active participants in this proceeding and litigated a few discrete issues, namely related to the proposed additions at the Miramar Energy Facility. SDCP and CEA's primary objective was to ensure that the proposed enhancements to the facility constituted a significant overhaul of the facility, meaning that it should be bundled customers who would be responsible for the associated costs, and that departed (CCA) customers should not be responsible for those costs. Ultimately, the CPUC denied the upgrades at the Miramar facility, so the CPUC did not take up the question of cost allocation. The CPUC's decision to deny the upgrades at the Miramar

facility is a victory for CCA/SDCP customers since the costs associated with the upgrades will not be included in rates for CCA customers.

In its next rate case, SDG&E is directed to provide the number of Planned Investment Projects related to electric distributions operation and maintenance (O&M) and capital investments started and completed annually since 2023 along with their unit costs, the number of future capacity projects started and completed annually since 2023 along with their unit costs, and information regarding the age of transformers in service, the number of new installations and replacements per year, and other reliability data that may impact transformer maintenance, including data required by Decision 16-01-008.

Regarding its Electric Distribution Wildfire Mitigation and Vegetation Management, SDG&E is directed to provide information on the number of miles of electric lines underground and covered conductor installed in high-fire threat districts and to coordinate its risk analysis for its Wildfire Mitigation Plans with its Risk Assessment and Mitigation Phase in its next rate case.

This matter may be heard as early as the December 5, 2024, Commission meeting. Comments on the PD are due November 7 and reply comments are due November 12.

2025 Energy Resource Recovery Account (ERRA) Forecast

On October 8, SDCP and CEA (the Joint CCAs) filed an [Opening Brief](#) in the ERRA forecast proceeding. In this brief, the Joint CCAs note that the current allocation methodology for Procurement O&M costs only recovers these costs from the Portfolio Allocation Balancing Account (PABA), creating a mismatch when SDG&E's Procurement Group performs activities like scheduling non-PABA resources at the California Independent System Operator (CAISO). The Joint CCAs also note that the current approach allocates to unbundled (CCA) customers substantial costs of activities that only benefit bundled customers. Instead, the Joint CCAs propose an alternative proposal to change the allocation of Procurement O&M costs, which would result not only in a more equitable distribution of these costs between bundled and unbundled customers but also a distribution that minimizes cost shifts. The Joint CCAs also argue that SDG&E should be required to forecast resource adequacy (RA) sales in line with the methodology the Commission ordered in its 2024 ERRA Forecasting proceeding.

On October 11, the Joint CCAs filed a [reply brief](#) in the proceeding and reiterated similar points as were made in the opening brief.

On October 14, SDCP and CEA filed a [response](#) to an ALJ ruling which posed a number of questions related to the high RA Market Price Benchmark (MPB). In this response, SDCP and CEA noted that the high RA MPB reflects facts the Commission knows well: System RA capacity is scarce, and the market price of such capacity has increased

sharply within the past several years. SDCP and CEA argue that no special procedural or substantive considerations are necessary in this proceeding. SDCP and CEA also argue that the Commission should continue to preclude the consideration of revisions to the RA MPB methodology that PG&E and SDG&E have disguised as ratepayer mitigation measures.

2025 Energy Resource Recovery Account (ERRA) Forecast – October Update

On October 21, SDG&E filed its October Update in the 2025 ERRA forecast proceeding. SDG&E projects a combined total decrease in revenue requirement of \$687.4 million compared to current rates. For unbundled customers, SDG&E's October Update states that its system average delivery plus power charge indifference adjustment (PCIA) rates will decrease 4.0 cents per kWh, or -21.3%. SDG&E also states that the total bundled system average rate will decrease 1.7 cents per kWh, or -5.2%.

Resource Adequacy

Track 2 Proposed Decision

On October 29, 2024, the CPUC issued a [Proposed Decision](#) in Track 2 of the resource adequacy (RA) proceeding regarding the planning reserve margin (PRM), central procurement entity (CPE) framework for local RA, and unforced capacity (UCAP) methodology.

The Commission agreed with parties that additional vetting and further analysis of the issues raised by parties is needed before adopting the 2026 PRM, which will be taken up in Track 3 of the proceeding. Energy Division had initially proposed an 18.5% PRM, and after additional analysis Staff recommended a 26.5% PRM from January through May and a 23.5% PRM from June through December – all of which are higher than the 17% PRM adopted in recent years. As such, the Proposed Decision directs the following:

- Energy Division is authorized to undertake a further revision of the 2026 PRM analysis and distribute it to the service list in this proceeding in early December 2024.
- Energy Division will conduct workshops and may solicit informal comments. Parties will have an opportunity to submit formal comments.
- The Commission will consider the revised PRM analysis in Track 3.
- Energy Division is authorized to update the LOLE study every two years for consideration in the RA proceeding.
- 0.1 loss of load expectation (LOLE) reliability standard is currently used by Energy Division in its RA LOLE modeling and will continue to be used going forward.

- As Energy Division conducts its PRM calibration analyses, Energy Division is authorized to conduct an optional stress test analysis to set a single annual or multiple PRMs, as necessary.

Similarly, the Proposed Decision also directs further analysis of the UCAP methodology, which accounts for historical unavailability of a resource's capacity value, to be completed for Track 3 of the proceeding. Energy Division is directed to coordinate with CAISO to develop a UCAP accreditation methodology for thermal power plants and battery electric storage systems for consideration in advance of the 2028 RA compliance year and to submit a revised UCAP proposal in Track 3 of this proceeding.

Lastly, the Proposed Decision makes several changes to the CPE framework for local RA requirements. The CPE framework only applies to PG&E and SCE service areas, while the CCAs in SDG&E's service area still have local RA obligations, therefore the reforms are not applicable to SDCP.

Opening Comments are due on November 18, 2024, and Reply Comments are due on November 25, 2024.

Track 3 Scoping Memo and Ruling

On November 4, 2024, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) for Track 3 in the RA proceeding. Track 3 is expected to conclude by the end of June 2025. Issues in scope include:

- Adoption of 2026-2028 Local Capacity Requirements (LCR)
- Adoption of the 2026 Flexible Capacity Requirements (FCR)
- Planning Reserve Margin (PRM) for 2026
- Slice of Day (SOD) Framework
 - The Commission will consider time-sensitive modifications to the SOD framework, which has begun full implementation for the 2025 RA compliance year.
- Unforced Capacity (UCAP) Evaluations
- Refinements to the California Energy Commission's (CEC) incentive-based supply-side demand response (DR) qualifying capacity proposal.
- Synchronization of Integrated Resource Planning (IRP) data collection with CPE data requirements

As noted above, a Proposed Decision in Track 2 is pending and expected to be heard at the December 5, 2024, CPUC business meeting, and once that decision is finalized a further amended scoping ruling may be issued if necessary.

B) State Legislative Activities Update

Governor Newsom Issues Executive Order to Curb Electric Costs

Executive Order (EO) [N-5-24](#) was [announced](#) by the Governor on October 30. It follows the 2024 legislative session in which the cost of electricity was a main policy focus. Electric rates have risen faster than the pace of inflation due primarily to wildfire mitigation, transmission and distribution investments and rooftop solar incentives, [according to](#) the CPUC's Public Advocates Office. The Legislature passed one piece of affordability legislation – [AB 3264 \(Petrie-Norris\)](#) - that focuses on increased transparency for ratepayer costs. Two other pieces of affordability legislation were not passed. [AB 3121 \(Petrie-Norris\)](#) would have returned ratepayer funds from certain customer programs and [SB 1003 \(Dodd\)](#) would have improved the oversight of wildfire mitigation spending.

The Governor's EO picks up where the Legislature left off on electric affordability issues and re-surfaces key considerations ahead of the 2025 legislative session, which begins on December 2. Specifically, the EO orders the following:

- The CPUC will examine the “benefits and costs to electric ratepayers of programs it oversees” that “may be unduly adding to electric rates, or whose funding might more appropriately come from a source other than ratepayers.” San Diego Regional Energy Network (SDREN) programs are funded by ratepayers and overseen by the CPUC.
- The CEC is likewise tasked with examining ratepayer programs it oversees.
- The CPUC is asked to take immediate action to return funds in the form of a credit to ratepayers from underperforming programs.
- The CPUC is further requested to examine the possibility of increasing the effectiveness of the biannual California Climate Credit, which has returned on average \$71 to ratepayers.
- The Office of Energy Infrastructure Safety is asked to examine what improvements can be made to ensure wildfire investments are cost effective.

Governor Newsom Calls Another Special Session of the Legislature

At the end of the regular legislative session (August 30), Governor Newsom called a special session of the Legislature to address gas pricing issues. That special session concluded in mid-October. In response to the November election, Governor Newsom [called another special session](#), this time to “safeguard California values and fundamental rights.” The new special session will begin on December 2 and run concurrent to the regular 2025 legislative session.

The [proclamation](#) calling the special session focuses on providing additional funding for the California Department of Justice and state executive agencies to take legal and administrative action to “mitigate the impacts of actions by the incoming” Administration. Special sessions are limited to the topics in the proclamation and in this case, the focus is on funding state operations that would likely support a broad array of government activity on any number of topics. Energy is not specifically mentioned in the proclamation.

C) Federal Activities Update

The current Congress reconvenes on November 12. It is not clear what energy issues, if any, the Congress will attempt to tackle before the end of the year. Newly elected and re-elected members will be sworn into the new Congress on January 3, 2025.

AD-HOC COMMITTEE AND/OR SUBCOMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Rachel Zook, Vehicle-Grid Integration Program Manager
Tim Treadwell, Senior Program Manager

Subject: Approval of Contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over Two Years, and Authorize the Chief Executive Officer to Execute Contract

Date: November 21, 2024

RECOMMENDATION

Approve contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over two years, and authorize the Chief Executive Officer to execute the contract.

BACKGROUND

Flexible load programs are needed to meet California’s ambitious clean energy goals. These programs help coordinate the power available from renewable resources with customer demand. With the increased adoption of electric vehicles (“EVs”), it’s critical to include a managed charging, or V1G, program as part of SDCP’s Flex Load Strategy. Managed charging allows EVs to charge at various power levels and within different timeframes. For example, with managed charging, an EV driver could plug in their vehicle when they get home from work at 5pm and be confident that it won’t start charging until midnight, when the super off-peak time period begins, and that it will be sufficiently charged by the time they need it the following morning.

The potential benefits of managed charging include:

- Delivering cost savings to customers through time-of-use (“TOU”) optimization
- Providing operational savings to SDCP by reducing resource adequacy (“RA”) obligations
- Minimizing the need for distribution infrastructure upgrades
- Avoiding adding to grid strain during peak time periods
- Integrating renewable energy resources into the grid

At the April 2024 Board of Directors meeting, staff presented the Vehicle-Grid Integration (“VGI”) Strategy to be implemented via a portfolio of programs. The strategy included the Managed Charging Pilot as the first of these VGI programs.

ANALYSIS AND DISCUSSION

Managed Charging (V1G) Software

To implement a Managed Charging Pilot, SDCP must procure a managed charging, or V1G, software solution. This platform will incorporate various data points, including customer driving schedules and TOU rate structures, to optimize EV charging. Once launched, this platform will help SDCP customers enrolled in the pilot reduce their EV charging costs, allow SDCP to assess the value of shifting EV charging load, and reduce grid strain during peak hours.

Procurement Process

Staff released a Managed Charging (V1G) Software RFP on July 29, 2024, posting the solicitation on Community Power's procurement page, conducting direct outreach to solution providers, and promoting the procurement through professional networks. A full procurement timeline is found in Figure 1.

Description	Date
Release of RFP	7/29/24
Deadline for Written Questions	8/1/24 at 5:00 PM PT
Responses to Questions Provided	8/9/24
Deadline for Proposal Submission	8/27/24 at 5:00 PM PT
Interviews/Demonstrations	Week of 9/23/24
Execution of Contract	November 2024
Commencement of Work	December 2024

Figure 1 – Managed Charging (V1G) Software Procurement Timeline

Eight proposals were received in response to the solicitation. Bids were scored based on the proposer's qualifications and experience, demonstration of past success, approach to the services, commercial terms and pricing, and alignment with SDCP's functional and non-functional requirements. The top three scoring bidders were then invited for virtual interviews and product demonstrations with staff from the Programs team.

Based on the results of the procurement process, staff recommends selecting Optiwatt as SDCP's managed charging (V1G) software provider and executing a two-year SaaS contract with two optional one-year extensions. Optiwatt was selected due to:

- Platform Features—advanced event scheduling features, data analytics tools, incentive payment processing, and customization options
- Relevant Program Experience—involvement in several successful managed charging programs in the U.S. and Canada, including programs with California CCAs and municipal utilities; in-depth understanding of California markets and baselining methodologies
- Customer Experience—over 80,000 EVs under management and a highly-rated app with over 3,000 customer reviews
- Product Demo—live demonstration of proposed managed charging software solution demonstrated Optiwatt's existing system capabilities and ability to customize based on client needs and preferences
- Pricing—reasonable platform and per-device fees, as well as savings in marketing costs from the high volume of users Optiwatt already has in SDCP territory

NEXT STEPS

Board approval of the Optiwatt SaaS agreement, followed by contract execution and platform implementation beginning in Q4 2024.

FISCAL IMPACT

The managed charging software agreement with Optiwatt has a not to exceed value of \$420,000 over two years. This includes approximately \$150,000 of incentive funding that will be passed through to customers via Optiwatt.

ATTACHMENTS

Attachment A: Software as a Solution Agreement for Managed Charging (V1G) Services with Optiwatt, Inc.



ITEM 9

ATTACHMENT A

SAAS SERVICES ORDER FORM

Customer: San Diego Community Power	Contact: Rachel Zook
Address: 815 E St, Ste 12716, San Diego, CA 92101	Phone: (619) 732-8438
	E-Mail: rzook@sdcommunitypower.org
Services: <i>Optiwatt provides managed charging services to residential electric vehicle drivers for electric utility service providers. (the “Service(s)”).</i>	
Services Fees: Variable, based on the Price List shown in Exhibit A, subject to the terms of Exhibit A.	Initial Service Term: Two (2) Years, with the option for up to two (2) one-year extensions
Implementation Services: Optiwatt will use commercially reasonable efforts to provide Customer the services described in the Statement of Work (“SOW”) attached as Exhibit A hereto (“Implementation Services”), and Customer shall pay Optiwatt the Implementation Fee in accordance with Exhibit A and the terms herein.	

SAAS SERVICES AGREEMENT

This SaaS Services Agreement (“Agreement”) is entered into on this 22nd day of November, 2024 (the “Effective Date”) between Optiwatt, Inc with a place of business at 1212 Broadway Plaza, Suite 2100, Walnut Creek, CA 94596 (“Optiwatt”), and the Customer listed above (“Customer” or “SDCP”), individually referred to as “a Party” and collectively referred to as “the Parties.” This Agreement includes and incorporates the above Order Form, as well as the attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different terms of any related purchase order or similar form, unless otherwise expressly agreed in writing by the Parties.

Optiwatt, Inc:

[San Diego Community Power]:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

TERMS AND CONDITIONS

1.1 Termination

This Agreement will continue in effect from the Effective Date until 24 months after the Effective Date or superseded by a Master Service Agreement (MSA) between the parties. On expiration of this Agreement, the provisions of this Agreement which by their terms are meant to survive shall so survive, including without limitation the terms of the Sections entitled Confidentiality, Intellectual Property, Liability, and Miscellaneous.

2. Confidentiality

2.1 The Parties acknowledge that certain information and materials exchanged during the Term of this Agreement, including this Agreement, may contain proprietary and Confidential Information of the disclosing Party. **“Confidential Information”** means and includes any and all non-public information of the disclosing Party including, without limitation, trade secrets, analyses, compilations, forecasts, studies, techniques, plans, designs, cost data, pricing data, financial data, SDCP utility customer information, SDCP utility customer data, total load data, non-public information regarding features, functionality and performance of the Services, Optiwatt proprietary information, and employee information, disclosed by the disclosing Party to the receiving Party which relates in any manner, directly or indirectly, to the disclosing Party and/or its business, whether such information is disclosed in writing, verbally, electronically, or otherwise. For the purposes of this Agreement, Confidential Information shall include Customer data, which refers to all data and information provided, collected, or produced on Customer’s behalf in connection with the Services provided under this Agreement; including, but not limited to, confidential personally identifiable information or SDCP utility customer data protected under California privacy laws, billing data, usage data, enrollment information, contact history, and any other confidential or proprietary information that relates to current, prospective, or former SDCP utility customers. For avoidance of doubt, Confidential Information includes (i) any information disclosed in written form and clearly marked “Confidential” and (ii) information which would reasonably be considered proprietary, trade secret, and confidential.

2.2 Notwithstanding the foregoing, Confidential Information does not include information that (i) is known to the receiving Party at the time of disclosure to the receiving Party as demonstrated by dated electronic or written records of the receiving Party; (ii) is or becomes generally known through no wrongful act of the receiving Party; (iii) has been rightfully received by a Party from a third party authorized to make such disclosure without restriction; (iv) has been approved for release by written authorization of the disclosing Party; or (v) produced or disclosed pursuant to applicable laws, regulations, subpoena, or court order, provided the receiving Party has given the disclosing Party prompt notice of such request so that the disclosing Party has an opportunity to defend, limit or protect such production or disclosure.

2.3 During the Term, each Party may be given access to the other Party’s Confidential Information. The receiving Party of the Confidential Information agrees to: (i) protect the disclosing Party’s Confidential Information in a reasonable and appropriate manner to the same extent it protects the confidentiality of its own Confidential Information of like kind, but in no event less than a reasonable manner; and (ii) use and reproduce disclosing Party’s Confidential Information only as necessary to perform its obligations and exercise its rights pursuant to this Agreement. The receiving Party may share the disclosing Party’s Confidential Information with its employees and third parties that assist the receiving Party in its performance of its obligations and the exercise of its rights pursuant to the Agreement and who are subject to non-disclosure obligations no less restrictive than those set forth herein. The receiving Party shall maintain the secrecy of Confidential Information that is not deemed a trade secret, customer information, or customer data for the Term, plus five (5) years. The receiving Party shall maintain confidential customer information, Customer Data, and any Trade Secrets in perpetuity or as long as the trade secret is protected under the applicable trade secret laws.

2.4 As required by subpoena, the California Public Records Act, or other legal or regulatory law/process, the Parties may be required to disclose Confidential Information. Compliance with a subpoena, request under the California Public Records Act, or other legal or regulatory process shall not constitute a breach of this Agreement. If either Party is required to disclose any Confidential Information, the disclosing Party shall notify the other Party in writing as promptly as feasible so that the other Party may, if it so chooses and at its own expense, challenge the disclosure or seek a protective order. The Party challenging the disclosure or seeking a protective order shall be responsible for any costs or attorneys’ fees awarded to a prevailing litigant seeking the records in the event that a court awards such costs or fees against the Party maintaining the records. However, disclosure pursuant to a legal requirement shall not constitute a breach of this section.

2.5 NOTWITHSTANDING ANY OF THE FOREGOING, OPTIWATT AGREES THAT IT WILL NOT ACCESS AND/OR USE ENROLLED AND PARTICIPATING SDCP EV MANAGED CHARGING CUSTOMER’S UTILITY CUSTOMER CONFIDENTIAL INFORMATION FROM CUSTOMER, OR FROM CUSTOMER’S UTILITY CUSTOMERS PROVIDED FOR THE SERVICES UNDER THIS AGREEMENT, FOR ANY PURPOSE OTHER THAN PROVIDING SERVICES UNDER THIS AGREEMENT.

3 Intellectual Property

3.1 For the avoidance of doubt, both Optiwatt and SDCP understand and agree that there will be no work-for-hire development activities completed as part of the Agreement (Optiwatt is merely configuring its existing technology and solution). Optiwatt is the exclusive owner of the technology it

uses in connection with the Agreement, and any revisions, modifications and enhancements thereto, and any other specifications, documentation, ideas, know-how, techniques, processes, inventions, machine learning algorithms or other intellectual property that Optiwatt may develop, conceive or deliver. Optiwatt hereby grants to SDCP a non-exclusive and non-transferable license during the term to use the technology and services provided by Optiwatt in connection with this Agreement, and to sublicense this license to its members, without incurring any fees other than those set forth in the "Fees and Payment Terms" section above. All rights in and to the Optiwatt technology not expressly granted to SDCP hereunder are reserved by Optiwatt. Optiwatt shall defend, indemnify, and hold harmless SDCP and its officers, directors, employees, and agents (each, a "Customer Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, resulting from any third-party claim, suit, action, or proceeding alleging that SDCP's use of the technology licensed hereunder in compliance with this Agreement infringes a U.S. intellectual property right.

4 Liability

4.1 OTHER THAN WITH RESPECT TO INTELLECTUAL PROPERTY CLAIMS, BODILY INJURY OF A PERSON, GROSS NEGLIGENCE, FRAUD, OR WILLFUL MISCONDUCT, NEITHER PARTY WILL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, AND NEITHER PARTY'S TOTAL LIABILITY ARISING OUT OF THIS AGREEMENT WILL EXCEED THE AMOUNT PAYABLE TO OPTIWATT UNDER THIS AGREEMENT.

5 Warranties

1. Optiwatt warrants that the Services will perform substantially in accordance with and in the manner described in Exhibit B-Service Level Agreement. This warranty shall be in effect during Initial Service Term, and any extension thereof, provided that: (a) the Services are not modified, changed, or altered by anyone other than Optiwatt, unless authorized by Optiwatt in writing; (b) the error or defect is not caused by SDCP, its agents, servants, employees, or contractors, or any third parties; (c) SDCP promptly notifies Optiwatt of the error or defect after it is discovered; and (d) all Fees due at the time to Optiwatt have been paid.

5.1 Optiwatt warrants that the Services are legally owned by, or have been developed by Optiwatt or that Optiwatt is authorized to distribute the Services.

5.2 Each party represents and warrants that (a) it has the full right, power and authority to enter this Agreement, and (b) it will comply with all applicable laws, rules and regulations pertaining

to its performance under this Agreement. NO OTHER WARRANTIES ARE MADE AND ARE EXPRESSLY DISCLAIMED, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6 Miscellaneous

This Agreement is the complete statement of the agreement of the Parties with regard to the subject matter hereof and may be modified only by a writing signed by both Parties. In the event of a conflict or inconsistency between the terms of this Agreement and any Statement of Work, the terms of this Agreement will take precedence unless the terms of the Statement of Work are expressly intended to alter or override the terms of the Agreement. Each party may use its standard business forms or other communications to administer transactions under this Agreement, but use of such forms is for the Parties' convenience only and does not alter or supplement the provisions of this Agreement. Neither Party may assign this Agreement without the other Party's written consent, except in the event of a reorganization, merger, consolidation, or sale of all or substantially all of its assets related to this Agreement, in which event no consent will be required, except that any such assignment will be required to comply with all obligations under this Agreement. The relationship between the Parties is solely that of independent contractors and not that of an agency, partnership, or joint venture. No waiver shall be deemed a waiver of any prior or subsequent default hereunder. If any part of this Agreement is held unenforceable, the validity of the remaining provisions shall not be affected. The Agreement will be governed by the laws of California, without reference to conflict of law principles. Venue shall be in San Diego County, California. The Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

EXHIBIT A

Statement of Work

Introduction

This Statement of Work Agreement (“Agreement”) is between Optiwatt, Inc. located at 1212 Broadway Plaza, Suite 2100, Walnut Creek, California 94596 (“Optiwatt”) and San Diego Community Power located at 815 E St, Ste 12716, San Diego, California 92101 (“SDCP”), and is effective as of November 22, 2024 (the “Effective Date”). Optiwatt and SDCP may henceforth be referred to as the Parties. The term of this agreement shall be two (2) years starting on the Effective Date and terminating two (2) years after the Effective Date with an option for up to two (2) one-year extensions upon mutual written agreement.

This Agreement outlines Optiwatt’s commitment to provide SDCP the software, insights, tools, and personnel resources required to enroll, manage the charging of, and analyze data from light duty electric vehicles (EVs). Additional work related to this scope may be added through addendums to this Agreement.

The Agreement is organized as follows:

- I. Software**
- II. Program Services**
- III. Fee & Payment Schedule**
- IV. Implementation Schedule**

I. Software

Summary

Optiwatt will provide SDCP access to the following software:

- 1. EV Managed Charging Consumer Platform (App/Web):** A web and phone-based application used for customer authentication, data inputs, connecting EVs, setting charging preferences and schedules, incentive management, notifications, and charging insights.
- 2. EV Managed Charging Utility Platform:** The primary SDCP cloud-based application used for SDCP team day-to-day management of the EV Managed Charging program, which is connected to the EV Managed Charging Consumer Platform. The utility platform is used to run demand response events; optimize charging load to peak events, wholesale prices, power supply, and emergency events; and to achieve SDCP’s broader supply, grid management, carbon emissions reduction, and strategic objectives. The utility platform includes core EV managed charging technology, software, and self-service features including a utility load management portal, EV data dashboard, and others.

Software Details

1. EV Managed Charging Consumer Platform (App/Web)

The managed charging pilot will leverage Optiwatt’s telematics-based charging application for electric vehicle owners (the “Optiwatt App”) that is available for free to SDCP customers on iOS, Android, and the web. Information on the Optiwatt App is available at:

- Apple App Store: <https://apps.apple.com/us/app/optiwatt-tesla-ev-charging/id1536047033>
- Google Play Store: <https://play.google.com/store/apps/details?id=com.getoptiwatt.optiwatt>
- Mobile or Desktop Browser: <https://optiwatt.com>

SDCP's target for this two-year pilot is 1,000 vehicles. [REDACTED]

Should SDCP seek to enroll additional customers, they will enroll via the Apple App Store, Google Play Store, or a co-branded landing page owned and operated by Optiwatt.

The key EV Managed Charging Consumer Platform features include:

- 1. Customer Setup and Configuration Features:** Enables customers to
 - a. Sign up for the platform, creating their username and password;
 - b. Enter relevant data including home address, devices, utility/CCA confirmation, etc.
 - c. Select, connect, and authenticate their EV
 - d. Select and connect their rate plan
 - e. Set their desired state of charge, charging schedule, trips, and charging preferences to "Save Money" or "Save the Planet" or both.
- 2. Program Education, Validation, and Enrollment:** Provides educational information on the SDCP Managed Charging program including program frequently asked questions (FAQs); Enables customers to enroll in the program, attest to program terms and conditions, and confirm their eligibility.
- 3. Incentive Processing Functionality:** Enables eligible customers to receive enrollment and ongoing performance incentives via multiple channels managed by Optiwatt. [REDACTED]
[REDACTED] Optiwatt will also provide incentive tracking and reporting on incentive status, recipients, and totals disbursed through the program.
- 4. Notifications & Opt-Out Functionality:** Enables push notifications to customers and allows customers to opt out of events (i.e. customer can choose to charge their vehicle during a no-charge period).
- 5. Charging and Performance Insights:** Provides customers with personalized EV charging costs and money savings insights, environmental impact insights, charge forecasts, and more.

2. EV Managed Charging Utility Platform (Core Functionality, Integrations, Utility Portal, Reporting & Analytics)

Optiwatt will provide a turnkey EV managed charging solution to optimize the charging of connected EVs based on various inputs, including but not limited to time of use rates, peak events, wholesale prices, power generation mix, and emergency events.

Upon project kickoff, Optiwatt will work with the SDCP team to define the specific pilot goals and produce a Solution Configuration Design Document (see Program Activation section) that describes the desired outcomes, key success metrics, and how they will be achieved. After understanding these parameters, Optiwatt will configure the platform (if and

as necessary) to support SDCP’s objectives. This includes incorporating any custom business logic and Portal configuration requirements (e.g. user accounts, permissions, reporting, dashboards, API access, etc.).

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

The key EV Managed Charging platform features include:

- 1. Core EV Management Charging Functionality: [Redacted]
- 2. Integrations: [Redacted]

3. **Optiwatt APIs:** [REDACTED]
4. **Utility Portal:** [REDACTED]
5. **Reporting & Analytics:** [REDACTED]
- [REDACTED]

6. **EV Telematics Charging Data** [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]


Standard report formats can be found here: [REDACTED]

II. Program Services

Summary

Optiwatt and SDCP will design and deploy an EV Managed Charging pilot that uses telematics-based vehicle connections to provide aggregate EV charging data and to directly manage EV charging in SDCP's territory. This load will be optimized to align with SDCP's strategic objectives while adhering to customers' preferences, schedules, and individual charging needs.

Optiwatt will provide the following program services to support SDCP's EV Managed Charging pilot:

1. Program Activation
 2. Ongoing Program Management & Training
 3. Customer Support
 4. Marketing Services
 5. Optional Ongoing Managed Services
- 

Program Services Details

1. Program Activation

Optiwatt will host a kick-off meeting to align on pilot objectives, key project milestones, and tasks. Optiwatt will then design, configure, and test the program, solution, incentives, customer experience, etc. to achieve the pilot objectives and needs. The result of the Program Activation is a Project Design Document that:

- Lists program priorities
 - Lists success criteria that measure those priorities
- Describes a mutually agreed upon solution configuration design to inform implementation, including:
 - Clarifying load shifting strategy
 - Baseline methodology
 - Incentive structure
 - Customer enrollment processes
 - Customer support and coordination between SDCP and Optiwatt.
 - Marketing collaboration and coordination
- Provides customer offerings, including the eligibility criteria required for customers to participate in the offering

This document is used to memorialize the decisions made by the solution configuration design team and is to be used as a reference for the teams creating the enrollment flows, marketing material, and engineering required to configure the solution.

2. Ongoing Project Management & Training

Optiwatt will provide a Client Success Manager and fully-staffed Client Success team to support SDCP through the setup and deployment of the software including the following tasks:

1. Ongoing Project Support: Conduct recurring calls, performance reviews, program coordination, specific data requests, troubleshooting program issues or challenges, and ensuring pilot success. The Optiwatt team will work with SDCP staff to set up an ongoing cadence for check-ins that is convenient for both teams.
2. Reporting: Providing program, marketing, customer, EV charging, driving, and load management data monthly via configured reports
3. Customer Validation and Enrollment: Validating customer eligibility via SDCP shapefiles and eligibility criteria and then enrolling customers via an SDCP-branded form, including attestation to pilot terms and conditions.
4. Incentive Processing - Informing enrollment and performance-based incentives and payment methods.
5. Training - If necessary, Optiwatt will also provide up to two (2) training sessions on the use of Optiwatt platform's functionality for SDCP personnel, including technical or customer-facing staff.

3. Customer Support:

[REDACTED]

4. Marketing Services and Coordination

To support customer enrollment beyond Optiwatt's existing eligible customer base, Optiwatt will provide marketing services to help drive eligible EV enrollments in the EV managed charging program. [REDACTED]

[REDACTED]

SDCP Marketing Responsibilities:

[REDACTED]

[REDACTED]

5. Ongoing Managed Services

For complex solution configurations and operational tasks, as well as tasks that SCDP does not want to self-serve, Optiwatt will provide managed services to configure solution/platform features or to deploy program operational tasks.

[REDACTED]

[REDACTED]

III. Fee and Payment Schedule

Agreement Value

This agreement has a not to exceed value of \$420,000 over two years from the date of contract execution, with options for two one-year extensions.

Program Fees

Professional Services & Ongoing Program Management Fees

[Redacted]

EV Managed Charging Fees:

These fees are additive at each breakpoint and inline with the calculation methodology requested in the SDCP Fee Schedule. [Redacted]

EVs	Fee to Optiwatt
[Redacted]	[Redacted]
[Redacted]	[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Additional Payment Terms:

SDCP will pay Optiwatt within thirty (30) days after SDCP’s receipt of the applicable invoice. All fees and expenses are payable in accordance with this Agreement. SDCP shall be responsible for payment of all taxes, fees, duties, and other governmental charges arising from the payment of fees or any other amounts owed to Optiwatt under this SOW (excluding Optiwatt income or similar taxes).

Incentive Processing Budget:

[REDACTED]

[REDACTED]

IV. Implementation Schedule

Optiwatt and SDCP will work together to develop the final implementation schedule during the program design stage. The schedule will be reviewed as part of the normal program management plan and updated accordingly. Within ten (10) business days after contract execution, Optiwatt will provide a draft solution configuration design document (SCDD) including key solution and pilot configurations aligned with SDCP's stated objectives for SDCP to review, redline, and approve. Optiwatt will provide SDCP with a draft detailed implementation schedule within five (5) business days of the final SCDD approval that SDCP will review and approve within five (5) business days of receipt.

7 EXHIBIT B

SERVICE LEVEL AGREEMENT

8 1. Definitions

For the purposes of this SLA, the following definitions shall apply:

- a. “Outage” means when the Services are affected by a Priority 1 (Critical) and Priority 2 (Serious) issue.
- b. “Response” means Optiwatt’s (i) acknowledgement that it has received the Support Request; and (ii) technical assessment of the issue and proposed course of action for resolution based on the information provided by SDCP.
- c. “Response Time” means the target time period for Optiwatt to provide a response to SDCP, with such period commencing upon Optiwatt’s receipt of SDCP’s Support Request.
- d. “Uptime Service Level” shall mean the uptime service level described in Section 3 (Uptime Service Levels) of this SLA.
- e. “Severity Level” means the level of severity of a reported issue, as determined by Optiwatt at its sole discretion:
 - i. “Priority 1 (Urgent)” means a problem that renders the Services unfit for use and/or unable to be utilized for all users.
 - ii. “Priority 2 (High)” means a problem that produces intermittent loss of function or degraded performance that affects all users of the Services. Operation can continue in a restricted fashion.
 - iii. “Priority 3 (Medium)” means a problem that impedes but does not prevent one or more users from accomplishing the desired function.
 - iv. “Priority 4 (Low)” means a minor problem that does not impede users from accomplishing any desired function.
- f. “SLA” means this Service Level Agreement.
- g. “Target Resolution Time” means the time targeted by Optiwatt to resolve the problem, with such time period commencing upon Optiwatt’s Response.

9 2. Service Scope

This SLA covers the services described in the Statement of Work [Exhibit A] (collectively, the “Services”). The scope of coverage under this SLA expressly excludes the performance and availability of any of services connected to the Services provided by Optiwatt’s third-party suppliers. Third-party services that connect to the Services are subject to their respective service level agreements set for in the applicable third-party supplier’s terms of service.

If a third-party service fails to comply with the service levels contained in the third-party supplier’s terms of service, SDCP may be eligible to receive those remedies set out in the third-party supplier’s terms of service and must request such remedies directly from the third-party supplier. SDCP’s sole and exclusive remedy in the event of a third-party service failure will be the remedies set forth in the third-party supplier’s terms of service.

COMPANY IS NOT RESPONSIBLE FOR ANY DELAYS OR OTHER DAMAGE RESULTING FROM PROBLEMS BEYOND COMPANY’S REASONABLE CONTROL AND COMPANY DISCLAIMS ALL LIABILITY FOR DISRUPTIONS OR DAMAGES RESULTING FROM SERVICES PROVIDED BY ITS THIRD-PARTY SUPPLIERS.

10 3. Uptime Service Levels

The Services will be available and operable 24/7/365 at least 99.9% of the time, calculated on a monthly basis as follows:

$$(((\text{[hours in the month]} - \text{[hours of Outage rounded up to the nearest 10 minutes]}) / \text{[hours in the month]}) * 100.$$

The calculation of Uptime Service Level availability shall not include Force Majeure Events, Scheduled Maintenance or Downtime, Emergency Maintenance, or maintenance otherwise requested by SDCP.

11 4. Response and Resolution Service Levels

Optiwatt will provide technical support to SDCP on weekdays during the hours of 9:00 am through 5:00 pm PT, with the exclusion of federal holidays. SDCP shall immediately notify SDCP of any problem, defect, malfunction, error, or other technical issue SDCP experiences with the Services (“Support Request”). SDCP may initiate a Support Request at any time by emailing clientsupport@optiwatt.com or filing a ticket through the support link inside the application. Optiwatt will provide support via phone, email, or through the web-based support portal.

Upon receipt and acknowledgement of such Support Request, Optiwatt shall endeavor to respond and resolve the reported issue in accordance with the following schedule:

Priority Level

Priority Level	Response Time During Support Hours	Target Resolution Time
Priority 1 (Urgent)	30 minutes	Up to 2 hours
Priority 2 (High)	60 minutes	Up to 4 hours
Priority 3 (Medium)	120 minutes - 1 business day	Up to 3 business days
Priority 4 (Low)	2 business days	Up to 5 business days

The level of priority of a reported issue shall be determined by Optiwatt at its sole discretion. If extended delays are expected or anticipated, Optiwatt will promptly update SDCP. The response and resolution service levels set out above are guidelines and non-binding statements by Optiwatt. The parties agree to cooperate in good faith to investigate any service disruption.

12 5. Maintenance

Optiwatt reserves the right to perform regularly scheduled system maintenance, upgrades, and enhancements (“Scheduled Maintenance”). Scheduled Maintenance may temporarily prevent the Services from being accessed or used. Optiwatt shall provide at least twenty-four (24) hours notice to SDCP of any Scheduled Maintenance. Scheduled Maintenance shall not constitute an Outage for the purposes of calculating Uptime Service Level compliance.

Optiwatt further reserves the right to perform unscheduled, emergency maintenance as necessary (“Emergency Maintenance”). Emergency Maintenance may temporarily prevent the Services from being accessed or used. Optiwatt will make efforts to provide prompt notice to SDCP of any Emergency Maintenance. Emergency Maintenance shall not constitute an Outage for the purposes of calculating Uptime Service Level compliance.

13 6. Bug Fixes

Optiwatt will fix any bug, defect, or malfunction of the Services at no additional charge that Optiwatt becomes aware of or that has been reported by any entity to Optiwatt, whether or not SDCP has reported such bug, defect, or malfunction. Whether a reported issue with the Services constitutes a bug, defect, or malfunction shall be determined by Optiwatt at its sole discretion. The foregoing obligation shall only apply to bugs, defects, or malfunctions related to a release (version) of the Services made available to SDCP.

147. Security Breach Notifications

Optiwatt shall provide notice to SDCP of any actual security incident affecting Optiwatt's computer systems upon discovery and reasonable determination that a security incident has occurred in accordance with Optiwatt's Security Incident Response Policy. Optiwatt will reasonably cooperate with SDCP in connection with the investigation and remediation of such a security incident.

158. Service Credits

If the Services do not meet the Uptime Service Level, upon SDCP's request and Optiwatt's reasonable investigation, Optiwatt will credit to SDCP a percentage of the monthly fees charged for the affected month ("Service Level Credit"), calculated as follows:

Uptime Percentage	Credit Percentage
99.97%-99.98%	1%
99.5%-99.96%	3%
<99.5%	5%

If the Services experience an Outage resulting in a loss of DER control during a peak demand window (defined as hour ending 16:00 to hour ending 22:00) on any weekday of the affected month, Optiwatt will provide a 5x multiplier on credits owed to SDCP based on the table above.

As a condition of Optiwatt's obligation to provide the Service Level Credit, SDCP must request such Service Level Credit within forty-five (45) days following any disruption of the Services ("Credit Request"). Such Credit Requests must be emailed to clientsupport@optiwatt.com and contain a sufficient description of the disruption including the date, time, and duration of the disruption. The Service Level Credit will appear as a credit on the next SDCP invoice (or, if such Service Level Credit accrues in the final billing period of the term hereof, Optiwatt shall promptly refund such amount to the SDCP), unless Optiwatt determines within thirty (30) days of request that credit is not owed. If there is a dispute in the validity of a Credit Request, the parties will make a good faith effort to resolve it. If resolution cannot be reached, parties agree to the arbitration process outlined herein.

Failure of SDCP to submit a Credit Request to Optiwatt within forty-five (45) days following any disruption of the Services shall result in SDCP's forfeiture of its right to receive a Service Level Credit for the period in which the disruption occurred. Except as otherwise provided in this SLA, Service Level Credits may not be redeemed for cash.

169. Service Level Exclusions

Uptime Service Level availability and the Optiwatt's obligations with respect to the other service measures set forth herein may be subject to limitations, delays, and other problems inherent to the general use of the internet and other public networks or caused by SDCP, authorized users, third-party suppliers, or other third parties. The following shall not be deemed to have failed to meet an Uptime Service Level or other Optiwatt obligation under this SLA if the failure, disruption, or malfunction was due to:

- Scripts, data, applications, software, equipment, networks, systems, or services under SDCP's control or another third party's control, including Optiwatt's third-party suppliers;
- SDCP's lack of availability or untimely response time to service disruptions that require its participation for source identification and/or resolution;
- SDCP's negligence, recklessness, wrongful actions, acts, omissions, or breach of its material obligations under this SLA, the SaaS Agreement, or any other agreement between SDCP and Optiwatt;
- SDCP's failure to comply with applicable law;
- An act or omission taken by Optiwatt or its third-party suppliers resulting from a request or direction of SDCP;

- f. Scheduled Maintenance or Emergency Maintenance taken to prevent a disruption of the Services;
- g. Optiwatt's blocking of data communications or other services in accordance with its policies; or
- h. Other events, delays, or damages caused by circumstances beyond the Optiwatt's reasonable control including, but not limited to: natural disasters (e.g. lightning, earthquakes, hurricanes, floods); utility outages, internet outages, spam attacks, virus attacks, and cyber attacks; wars, riots, terrorist activities, and civil commotions; explosions and fires; embargoes, strikes and labor disputes; national and global epidemics and pandemic; and governmental decrees (collectively, a "Force Majeure Event").

17 10. Customer Support

Optiwatt shall respond to direct SDCP customer inquiries no later than two (2) business days after the inquiry is received. Unless otherwise agreed to, SCDP and Optiwatt are to provide at least two (2) options for customer contact (email and phone). Unless otherwise agreed to, Optiwatt shall provide SDCP with the process to document customer issues, escalations, and resolutions for Optiwatt to resolve.

Customer Average Hold Time (AHT) when calling into the Optiwatt managed call-center shall not exceed 5 minutes. The maximum hold time shall not exceed 15-minutes. If an agent is unavailable, the customer will be proactively notified upfront after 30 seconds and given the option to receive a call back by the end of the day.

EXHIBIT C - Vehicle OEM Integrations

The following table represents our current and planned vehicle OEM integrations. [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Exhibit D: Functional & Non Functional Requirements

Requirement	Use Case Description
Functional	
Program participant reporting	Collect and store attributes, as available, on program participants: <ul style="list-style-type: none"> - Name - Email - Premise ID (Optiwatt Home ID) - Premise address - Lat / Long - Account number - Meter ID - Rate category - Vehicle make, model, year - Feeder location - Census Tract/DAC designation
Multiple asset, single customer enrollment	System shall allow a single customer to have multiple assets
Multiple asset, single meter enrollment	System shall allow a single meter to be associated with multiple assets
Charge session data	Collect and store charging session data for each asset (start/stop times, duration, start/stop SOC, kWh delivered)
Monitoring and control	Provide real-time monitoring and control of EV charging
Customer preferences	Allow customer to specify desired SOC, specific departure times and charging preference (save \$ or save the planet)
Charge schedule automation	Automated charge schedule based on: <ul style="list-style-type: none"> - Customer specified constraints (SOC and departure time) - Customer rate schedule - Program business rules - Other external systems (e.g. DERMS, MIDAS, CAISO Market Price)
Reporting and data	Participant reporting and data visualization tools
Notification systems	Participant alerts and notification system
Participant enrollment	Streamlined enrollment process (online or mobile)
Dedicated customer support	Offer multiple channels (phone, email, chat) for customer support and inquiries
Forecasting	Ability to forecast day-ahead load shifting at an hourly level
Non-functional	
Secure user authentication and authorization	Users (program participants) must be able to log in securely and manage their charging settings
Regular system backups and disaster recovery plan	Ensure data integrity and system uptime with regular backups and a disaster recovery plan
Network monitoring and performance	Continuously monitor network performance and take proactive

optimization	measures to prevent disruptions
Secure data storage and access controls	Implement robust security measures to protect user data and comply with industry standards

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SAN DIEGO COMMUNITY POWER

Staff Report – Item 10

To: San Diego Community Power Board of Directors

From: Eric W. Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Approve Fiscal Year End 2023-24 Financial Audit

Date: November 21, 2024

RECOMMENDATION

Board of Directors Approval of the Fiscal Year End 2023-24 Financial Audit.

BACKGROUND

On October 1, 2019, the founding members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA) which was amended and restated on December 16, 2021.

Section 4.6.14 of the JPA specifies the Board of Directors (Board) shall arrange for an annual independent fiscal audit.

Section 5.4 of the JPA specifies the Board shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The section further specifies that the Treasurer shall cause an independent audit(s) of the finances of Community Power to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

Section 7.2.2 of the JPA additionally specifies that the Community Power Board shall contract with a certified public accountant to make an annual audit of the financial statements of Community Power, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

On July 1, 2021, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2020-21. On July 1, 2022, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2022, to June 30, 2023, to conduct its annual audit for FY 2021-22.

Subsequently, on July 20, 2023, Community Power exercised an option in the professional services agreement to extend the term from June 30, 2023, to June 30, 2024, to conduct its annual audit for FY 2022-23.

Later, on July 30, 2024, Community Power issued an invitation to bid from qualified and experienced professionals to provide independent financial statement auditing and additional as-needed services such as assisting with the preparation and reporting of audit findings to Community Power's Board. As a result of the invitation to bid, on September 1, 2024, Community Power entered into a professional services agreement with Pisenti & Brinker to perform its annual audit for FY 2023-24.

On October 17, 2024, Pisenti & Brinker provided the Finance and Risk Management Committee (FRMC) with a progress report presentation for the Fiscal Year End 2023-24 Financial Audit that provided the preliminary results. Subsequently, on October 24, 2024, the Board was similarly provided with a progress report presentation.

Pisenti & Brinker is a firm with extensive experience auditing CCA's throughout California, as well as other local government entities.

ANALYSIS AND DISCUSSION

Pisenti & Brinker's audit results will be presented to the Board on November 21, 2024, to receive and file the final the June 30, 2024, Fiscal Year End Audited Financial Statements.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Audited Financial Statements for Fiscal Year Ended June 30, 2024

Attachment B: Report to the Board of Directors

ITEM 10

ATTACHMENT A

SAN DIEGO COMMUNITY POWER
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 & 2023
WITH REPORT OF
INDEPENDENT AUDITORS

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Statements of Revenues, Expenses and Changes in Net Position	10
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Independent Auditor's Report

To the Board of Directors
San Diego Community Power

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of San Diego Community Power (SDCP), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SDCP as of June 30, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SDCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SDCP's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SDCP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SDCP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script that reads "Pisenti & Brinkman LLP".

Santa Rosa, California
November 5, 2024

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about San Diego Community Power's (SDCP) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of SDCP's finances.

Overview of the Financial Statements

SDCP's financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of SDCP's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of SDCP's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and non-capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Financial Summary

SDCP'S NET POSITION

	2024	2023	2022
Current assets	\$ 533,740,155	\$ 300,522,958	\$ 165,105,688
Noncurrent assets:			
Capital assets, net	1,258,843	1,032,334	-
Other noncurrent assets	1,147,000	5,032,000	15,950,000
Total noncurrent assets	2,405,843	6,064,334	15,950,000
Total assets	536,145,998	306,587,292	181,055,688
Current liabilities	159,813,660	83,699,768	106,666,913
Noncurrent liabilities	949,956	36,875,193	31,857,823
Total liabilities	160,763,616	120,574,961	138,524,736
Net position			
Restricted for security collateral	1,647,000	2,147,000	2,500,000
Unrestricted	373,735,382	183,865,331	40,030,952
Total net position	\$ 375,382,382	\$ 186,012,331	\$ 42,530,952

The table shows that as of June 30, 2024, SDCP's total net position was approximately \$375,382,000, an increase of \$189,400,000 or 102% compared with June 30, 2023. Most of the increase in net position was concentrated in increases in cash and cash equivalents, as a result of SDCP's operating surplus discussed below.

SDCP's Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 1,264,369,520	\$ 891,178,064	\$ 386,237,698
Nonoperating revenues - investments	9,384,873	433,366	14,603
Total income	1,273,754,393	891,611,430	386,252,301
Operating expenses	1,082,692,389	746,131,125	328,966,597
Nonoperating expenses	1,691,953	1,998,926	706,115
Total expenses	1,084,384,342	748,130,051	329,672,712
Change in net position	\$ 189,370,051	\$ 143,481,379	\$ 56,579,589

Increases in electricity sales accounted for most of the increase in total income. The cost of electricity, a component of operating expenses, increased by approximately 45% from fiscal year 2023 to fiscal year 2024.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis

Current assets increased from \$300,500,000 at the end of fiscal year 2023 to \$533,700,000 at the end of fiscal year 2024. This increase was due to operating surpluses as well as the timing in paying operating expenses. Current assets at the end of fiscal year 2024 were primarily comprised of cash and cash equivalents of \$300,300,000, accounts receivable of \$103,500,000, and accrued revenue of \$76,900,000.

Capital assets are reported net of depreciation and amortization. See Note 4 to the basic financial statements for detail of changes for fiscal years 2024 and 2023. Capital assets held by SDCP include furniture, equipment, and intangible right-of-use lease assets.

Other noncurrent assets include certain restricted cash and cash equivalents of \$1,147,000 at the end of fiscal year 2024 and \$2,147,000 at the end of fiscal year 2023.

The largest component of current liabilities is the cost of electricity delivered to customers that is not yet paid by SDCP at the end of the fiscal year. Current liabilities for the cost of energy increased each year due to changes in payment terms of certain energy products, as well as the prices of those products.

Noncurrent liabilities consist of supplier security deposits, the long-term portion of lease payments for SDCP's office premises and long-term portion of the bank note payable. Most of the decrease in noncurrent liabilities is the result of retiring SDCP's bank note payable as described in the next section.

Operating revenues increased each year from fiscal years 2022 to 2024, primarily from increased load resulting from territory expansions and increases in electricity rates charged to customers. SDCP decreased the rates they charge to customers effective January 2024, but its sales volume was greater during the first half of the year before the change went into effect. The result was that overall revenues increased during fiscal year 2024. SDCP also receives revenues from sources other than retail customer sales. These sources include liquidated damage revenue resulting from supplier noncompliance with contract provisions and grant income used to assist with various customer programs. Revenue from liquidated damages increased from fiscal year 2023 to fiscal year 2024 primarily due to delays in the operations of certain energy supplier facilities and other contractual shortfalls.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis (continued)

Investment income increased each year due to changes in market interest rates as well as increases in invested assets.

Operating expenses increased from fiscal year 2023 to fiscal year 2024, due to increased prices for certain products in the energy markets and expansion of its territory. In April 2023, SDCP expanded into National City as well as the unincorporated County of San Diego. Providing service to these additional customers, as well as providing service for full year to the customers enrolled prior to fiscal year 2023, accounted for much of the increased revenue in fiscal year 2024. For all the years presented, the largest expense was the cost of electricity. SDCP procures energy from a variety of sources to minimize this risk and maintain a balanced renewable power portfolio.

Significant Capital Asset and Long-Term Financing Activity

SDCP does not own assets used for electric generation or distribution. Included in capital assets are office equipment, such as computers, furniture, and lease assets.

Assets that are leased by SDCP, such as office premises, are recorded in the Statement of Net Position with a related liability for future obligations.

During fiscal year 2024, SDCP repaid its bank note of \$35,730,000, reducing its outstanding financing debt to \$0.

Currently Known Facts, Decisions, or Conditions

SDCP is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region. The agency's vision is to be a global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.

In July 2024, SDCP introduced two new rate products to meet customer needs. Power100 Green+ and PowerBase, the two new products, are designed for companies that want to meet rigorous environmental standards or customers who want the lowest electricity rates possible, respectively.

SDCP also launched its Solar Battery Savings Program as a pilot with \$11,500,000 million in funding in the summer of 2024. Shortly thereafter, the California Public Utilities Commission approved SDCP and the County of San Diego's joint effort to establish a regional energy network, called "SDREN" that is poised to bring \$124,300,000 million in energy efficiency programs to the region through 2027.

**SAN DIEGO COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Currently Known Facts, Decisions, or Conditions (continued)

The agency is continuing to evolve from a public agency startup to a San Diego institution. In the next year, program launches, and additional power purchase agreements will serve as foundational elements to provide our customers with the opportunity to take part in the clean energy transition while keeping rates competitive.

SDCP remains on track to meet its 100% renewable energy goal by 2035. With the ongoing expansion of local energy projects, continued focus on affordability and partnerships with regional stakeholders, SDCP is well-positioned to serve as a national leader in community choice energy and climate action.

Requests for Information

This financial report is designed to provide SDCP's board members, stakeholders, customers, and creditors with a general overview of SDCP's finances and to demonstrate SDCP's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the finance department at P.O. Box 12716, San Diego, CA 92112-3716.

BASIC FINANCIAL STATEMENTS

SAN DIEGO COMMUNITY POWER
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	\$ 299,795,110	\$ 65,683,880
Cash and cash equivalents - restricted	500,000	-
Accounts receivable, net of allowance	103,512,165	110,513,731
Accrued revenue	76,863,423	78,792,784
Prepaid expenses	35,018,400	30,527,498
Other receivables	5,888,858	233,715
Deposits	12,162,199	14,771,350
Total current assets	<u>533,740,155</u>	<u>300,522,958</u>
Noncurrent assets		
Cash and cash equivalents - restricted	1,147,000	2,147,000
Capital assets, net of depreciation and amortization	1,258,843	1,032,334
Deposits	-	2,885,000
Total noncurrent assets	<u>2,405,843</u>	<u>6,064,334</u>
Total assets	<u>536,145,998</u>	<u>306,587,292</u>
LIABILITIES		
Current liabilities		
Accrued cost of electricity	148,116,316	77,345,343
Accounts payable	4,726,594	510,812
Other accrued liabilities	1,141,121	3,794,647
State surcharges payable	528,942	500,589
Deposits - energy suppliers	4,055,000	630,000
Interest and finance costs payable	281,283	552,054
Lease liabilities	964,404	366,323
Total current liabilities	<u>159,813,660</u>	<u>83,699,768</u>
Noncurrent liabilities		
Bank note payable	-	35,730,000
Deposits - energy suppliers	624,000	624,000
Lease liabilities	325,956	521,193
Total noncurrent liabilities	<u>949,956</u>	<u>36,875,193</u>
Total liabilities	<u>160,763,616</u>	<u>120,574,961</u>
NET POSITION		
Restricted for security collateral	1,647,000	2,147,000
Unrestricted	373,735,382	183,865,331
Total net position	<u>\$ 375,382,382</u>	<u>\$ 186,012,331</u>

**SAN DIEGO COMMUNITY POWER
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Electricity sales, net	\$ 1,252,787,768	\$ 891,178,064
Grant revenue	983,500	-
Other income	10,598,252	-
Total operating revenues	<u>1,264,369,520</u>	<u>891,178,064</u>
OPERATING EXPENSES		
Cost of electricity	1,047,553,476	720,327,704
Contract services	19,750,534	15,957,376
Staff compensation	11,399,388	6,726,270
Other operating expenses	3,261,424	2,866,222
Depreciation and amortization	727,567	253,553
Total operating expenses	<u>1,082,692,389</u>	<u>746,131,125</u>
Operating income	<u>181,677,131</u>	<u>145,046,939</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	9,384,873	433,366
Interest and financing expense	(1,691,953)	(1,998,926)
Nonoperating revenues (expenses), net	<u>7,692,920</u>	<u>(1,565,560)</u>
CHANGE IN NET POSITION	189,370,051	143,481,379
Net position at beginning of year	186,012,331	42,530,952
Net position at end of year	<u>\$ 375,382,382</u>	<u>\$ 186,012,331</u>

**SAN DIEGO COMMUNITY POWER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,264,068,317	\$ 801,265,394
Receipts of supplier security deposits	37,126,179	47,431,731
Other operating receipts	11,581,752	10,964,074
Payments to suppliers for electricity	(998,801,579)	(753,820,919)
Payments for goods and services	(22,030,135)	(16,547,960)
Payments for staff compensation and benefits	(11,066,586)	(6,302,492)
Payments for deposits and collateral	(15,783,943)	(80,254,418)
Payments of state surcharges	(2,321,269)	(1,899,237)
Net cash provided by operating activities	<u>262,772,736</u>	<u>836,173</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from bank notes	-	55,910,000
Principal payments - loans and advances from cities	-	(5,517,741)
Principal payments - bank note	(35,730,000)	(51,520,082)
Interest and related expense payments	(1,909,624)	(1,560,734)
Net cash used by non-capital financing activities	<u>(37,639,624)</u>	<u>(2,688,557)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease liabilities	(604,328)	(235,232)
Payments to acquire capital assets	(71,550)	(91,588)
Net cash used by capital and related financing activities	<u>(675,878)</u>	<u>(326,820)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	<u>9,153,996</u>	<u>433,366</u>
Net change in cash and cash equivalents	233,611,230	(1,745,838)
Cash and cash equivalents at beginning of year	67,830,880	69,576,718
Cash and cash equivalents at end of year	<u>\$ 301,442,110</u>	<u>\$ 67,830,880</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	\$ 299,795,110	\$ 65,683,880
Restricted cash - current	500,000	-
Restricted cash - noncurrent	1,147,000	2,147,000
Cash and cash equivalents	<u>\$ 301,442,110</u>	<u>\$ 67,830,880</u>

SAN DIEGO COMMUNITY POWER
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2024</u>	<u>2023</u>
Operating income	\$ 181,677,131	\$ 145,046,939
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense	727,567	253,553
(Increase) decrease in:		
Accounts receivable, net	7,001,566	(60,126,741)
Accrued revenue	1,929,361	(31,853,169)
Prepaid expenses	(4,490,902)	(26,066,190)
Other receivables	(5,424,266)	(233,715)
Deposits	5,494,151	(7,965,293)
Increase (decrease) in:		
Accrued cost of electricity	70,770,973	20,113,838
Accounts payable	4,287,328	(185,693)
Other accrued liabilities	(2,653,526)	3,054,641
State surcharges payable	28,353	168,003
Deposits - energy suppliers	3,425,000	(41,370,000)
Net cash provided by operating activities	<u>\$ 262,772,736</u>	<u>\$ 836,173</u>

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

San Diego Community Power (SDCP) is a California Joint Powers Authority created on October 1, 2019. As of June 30, 2024, parties to its Joint Powers Agreement consist of the following local governments:

<u>County</u>	<u>Cities</u>	
San Diego (Unincorporated)	Chula Vista	La Mesa
	Encinitas	National City
	Imperial Beach	San Diego

SDCP is separate from and derives no financial support from its members. SDCP is governed by a Board of Directors whose membership is composed of elected officials or other representatives of the member governments.

A core function of SDCP is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

SDCP began its energy delivery operations in March 2021. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by San Diego Gas and Electric.

BASIS OF ACCOUNTING

SDCP's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

SDCP's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time related liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – net investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is SDCP's policy to use restricted resources first, then unrestricted resources as they are needed.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

For the purpose of the Statements of Cash Flows, SDCP defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. The Statements of Net Position presents restricted cash balances separately. Restricted cash reported on the Statements of Net Position includes collateral related to a bank line of credit, as well as a required minimum balance to be maintained in one of its bank accounts.

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require SDCP to provide a supplier with advanced payments or security deposits. Security deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of the time the deposits will be outstanding.

CAPITAL ASSETS AND DEPRECIATION

SDCP's policy is to capitalize furniture and equipment valued over \$5,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, and five years for furniture. Leasehold improvements are depreciated over the lesser of seven years or the length of the original lease term. SDCP does not own any electric generation assets.

LEASE ASSETS AND LEASE LIABILITIES

SDCP recognizes an asset and liability when it enters into certain leasing arrangements. The leased assets are amortized over the term of the leases. The lease liabilities are the present value of payments expected to be paid to the lessors during the terms of the lease. SDCP's only leased assets and liabilities relate to its office premises.

DEPOSITS - ENERGY SUPPLIERS

Various energy contracts entered into by SDCP require the supplier to provide SDCP with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION

Net position is presented in the following components:

Restricted: This component of net position consists of restraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition “restricted.”

OPERATING AND NONOPERATING REVENUE

Operating revenues include revenue derived from the provision of energy to retail and wholesale customers, program-related grants, and liquidated damages resulting from counterparties who are unable to fulfill certain contractual obligations.

Investment income is considered nonoperating revenue.

REVENUE RECOGNITION

SDCP recognizes revenue according to the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity, services, administrative expenses, and depreciation of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

ELECTRICAL POWER PURCHASED

During the normal course of business, SDCP purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits and load and other charges arising from SDCP’s participation in the California Independent System Operator’s (CAISO) centralized market. The cost of electricity and capacity is recognized as “Cost of Electricity” in the Statements of Revenues, Expenses and Changes in Net Position.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED (CONTINUED)

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, SDCP acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). SDCP obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive.

SDCP purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the CAISO to ensure the safe and reliable operation of the electrical grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

STAFFING COSTS

SDCP fully pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. SDCP is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. SDCP provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

SDCP is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position or change in net position.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

2. CASH AND CASH EQUIVALENTS

SDCP maintains its cash in accounts at River City Bank (RCB) in Sacramento, CA and at JP Morgan Chase in New York, NY. SDCP's deposits are subject to California Government Code Section 16521 which requires that its banks collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%.

In June 2024, SDCP revised its investment policy that prioritizes safety of principal, liquidity, return on investments and standard of care. Additionally, the policy defined acceptable investment types, prohibited investment types, diversification and risk. SDCP additionally monitors its banking risk exposure on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

	2024	2023
Accounts receivable from customers	\$ 141,912,165	\$ 132,721,648
Allowance for uncollectible accounts	(38,400,000)	(22,207,917)
Net accounts receivable	<u>\$ 103,512,165</u>	<u>\$ 110,513,731</u>

The majority of account collections occur within the first few months after a customer is invoiced. SDCP estimates that a portion of the billed accounts will not be collected. SDCP continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, SDCP continues to have success in collecting older accounts. The allowance for uncollectible accounts at the end of a year includes amounts billed during the current and prior fiscal years. Amounts estimated to be uncollectible are reported as a reduction in electricity sales on the Statement of Revenues, Expenses, and Changes in Net Position.

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning balance	Increases	Ending balance
Capital assets being depreciated and amortized:			
Furniture and equipment	\$ 163,138	\$ -	\$ 163,138
Lease assets	1,122,749	954,076	2,076,825
Total capital assets being depreciated and amortized:	<u>1,285,887</u>	<u>954,076</u>	<u>2,239,963</u>
Less accumulated depreciation and amortization:			
Furniture and equipment	(4,055)	(35,299)	(39,354)
Lease assets	(249,498)	(692,268)	(941,766)
Total accumulated depreciation and amortization	<u>(253,553)</u>	<u>(727,567)</u>	<u>(981,120)</u>
Total capital assets, net of depreciation and amortization	<u>\$ 1,032,334</u>	<u>\$ 226,509</u>	<u>\$ 1,258,843</u>

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Increases	Ending balance
Capital assets being depreciated and amortized:			
Furniture and equipment	\$ -	\$ 163,138	\$ 163,138
Lease assets	-	1,122,749	1,122,749
Total capital assets being depreciated and amortized:	<u>-</u>	<u>1,285,887</u>	<u>1,285,887</u>
Less accumulated depreciation and amortization:			
Furniture and equipment	-	(4,055)	(4,055)
Lease assets	-	(249,498)	(249,498)
Total accumulated depreciation and amortization	<u>-</u>	<u>(253,553)</u>	<u>(253,553)</u>
Total capital assets, net of depreciation and amortization	<u>\$ -</u>	<u>\$ 1,032,334</u>	<u>\$ 1,032,334</u>

SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

5. DEBT

BANK NOTE PAYABLE

In May 2020, SDCP arranged to borrow up to \$35,000,000 through a revolving credit agreement from River City Bank (RCB) to provide cash for working capital before sufficient revenue was collected from customers. In March 2022, the agreement was amended and the amount available to SDCP increased to \$50,000,000. During 2023, SDCP terminated this agreement and retired its debt to RCB and entered into a new revolving credit agreement with JPMorgan (JPM) to borrow up to \$150,000,000. In October 2024, SDCP amended its credit agreement with JPM to increase the borrowing limit to \$250,000,000. As security, SDCP assigned a security interest in all customer accounts receivable, revenues, debt service reserve accounts, and cash collateral accounts. Principal can be drawn as needed and interest is accrued on the outstanding balance. SDCP borrowed a total of \$35,730,000 from JPM during 2023. The stated maturity date is February 28, 2028, with interest payable each month. The interest rate at June 30, 2023, was computed at the One-Month CME Term SOFR plus 1.525-1.600% per annum depending on the utilized balance. In the event of default, the note becomes immediately due and payable. In addition to borrowings, SDCP issues Standby Letters of Credit secured by the line of credit agreement that reduces the available portion of the line but is not considered debt to SDCP. During 2024, the bank note balance was fully repaid.

Note and loan principal activity and balances were as follows for the following direct borrowings:

	Beginning	Additions	Payments	Ending
Year ended June 30, 2024				
Bank note payable - JPM	<u>\$ 35,730,000</u>	<u>\$ -</u>	<u>\$ (35,730,000)</u>	\$ -
Amounts due within one year				-
Amounts due after one year				<u>\$ -</u>
Year ended June 30, 2023				
Bank note payable - JPM	\$ -	\$ 35,730,000	\$ -	\$ 35,730,000
Bank note payable - RCB	31,340,082	20,180,000	(51,520,082)	-
Loans payable	5,000,000	-	(5,000,000)	-
Total	<u>\$ 36,340,082</u>	<u>\$ 55,910,000</u>	<u>\$ (56,520,082)</u>	35,730,000
Amounts due within one year				-
Amounts due after one year				<u>\$ 35,730,000</u>

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

6. LEASES

Lease assets and lease liabilities are reported in accordance with Governmental Accounting Standards Board Statement No. 87 (GASB 87).

PROPERTY LEASES

In November 2022, SDCP entered into a 24-month non-cancelable lease for its office premises. This lease will not be renewed when it expires. In order to accommodate additional staff, SDCP entered into a separate 24-month non-cancelable lease in October 2023. This lease includes an option to renew the lease for an additional year.

Rental payments for SDCP's office space were \$610,000 and \$268,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, future minimum lease payments were projected as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30,			
2025	\$ 964,404	\$ 51,044	\$ 1,015,448
2026	325,956	3,950	329,906
Total	<u>\$ 1,290,360</u>	<u>\$ 54,994</u>	<u>\$ 1,345,354</u>

7. DEFINED CONTRIBUTION RETIREMENT PLAN

The San Diego Community Power Plan (Plan) is a defined contribution retirement plan established by SDCP to provide benefits at retirement to its employees. The Plan is administered by Empower Retirement. As of June 30, 2024, there were 56 plan members. SDCP is required to contribute 10% of annual covered payroll to the Plan and contributed \$864,000 and \$476,000 during the fiscal years ended June 30, 2024 and 2023, respectively. The Plan includes vesting provisions intended to encourage employee retention. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

8. RISK MANAGEMENT

SDCP is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, SDCP purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, cybersecurity, and property damage. There were no significant reductions in coverage compared to the prior year. SDCP has general liability coverage of \$10,000,000 with a deductible of \$100,000. From time to time, SDCP may be party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and SDCP's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on SDCP's financial position or results of operations.

SDCP maintains a comprehensive risk management framework to identify and mitigate credit, liquidity, market, operational, regulatory, and other risks associated with participation in the California energy market. The framework employs credit risk strategies, including a preference for transacting with investment-grade counterparties, establishing credit limits, and securing collateral when necessary. To address market risks, SDCP utilizes hedging strategies, netting arrangements, and liquidity monitoring. Internal controls and compliance mechanisms are in place to manage operational and regulatory risks, ensuring adherence to legal and market regulations. Risk monitoring and oversight are continuously performed through frequent reporting, with key risks communicated promptly to stakeholders. This integrated approach enables SDCP to maintain a balanced risk profile while adapting to evolving market conditions.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

9. PURCHASE COMMITMENTS

In the ordinary course of business, SDCP enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydro-electric facilities.

The following table represents the expected, undiscounted, contractual obligations outstanding as of June 30, 2024:

Year ending June 30,	
2025	\$ 802,300,000
2026	578,400,000
2027	486,800,000
2028	561,500,000
2029	554,600,000
2030-2047	<u>6,909,700,000</u>
Total	<u>\$ 9,893,300,000</u>

10. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2024:

GASB has approved GASB Statement No. 102, *Certain Risk Disclosures*, and GASB Statement No. 103, *Financial Reporting Model Improvements*.

Management is evaluating the effect of implementation of these statements.

**SAN DIEGO COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

11. SUBSEQUENT EVENT

In October 2024, SDCP became a member of a joint powers agreement (JPA) through the California Community Choice Financing Authority (CCCFA). CCCFA was formed as a conduit issuer to assist its members by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the members by issuing or incurring bonds and entering into related contracts with its members. Any debt or liability incurred by CCCFA on behalf of a member to prepay for renewable energy is not a debt or liability of that member. Furthermore, the assets of CCCFA in the form of prepaid energy or reserves held by the respective bond trustees for any prepayment transaction undertaken on behalf of a member does not constitute an asset or reserve of that member. CCCFA has not yet issued any bonds whose proceeds related to financing energy purchases for SDCP. The financial statements of CCCFA are available online at <http://www.cccfa.org/key-documents.html>.

ITEM 10

ATTACHMENT B

San Diego Community Power

Report to the Board of Directors

Year Ended June 30, 2024




PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

To the Board of Directors
San Diego Community Power
815 E Street
San Diego, CA 92112

We are pleased to present this report related to our audit of the financial statements of San Diego Community Power ("SDCP") as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SDCP's financial reporting process.

This report is intended solely for the information and use of the Financial and Risk Management Committee, Board of Directors and management of SDCP and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to San Diego Community Power.

A handwritten signature in cursive script, appearing to read "P. B. Brink", followed by the letters "LLP".

Santa Rosa, California
November 5, 2024

cc: Eric Washington, CFO

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated October 30, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated August 26, 2024 regarding the planned scope and timing of our audit and identified significant risks, if any.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by SDCP. SDCP did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Departure From the Auditor's Standard Report

Reporting – Expected Other-Matter Paragraph

Accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board require that the management's discussion and analysis be presented to supplement the financial statements. We do not express an opinion or provide any assurance on the information. In light of this matter, we will include an other-matter paragraph in the auditor's report. This matter will not modify the opinion. Below is the paragraph included in the auditor's report:

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing SDCP's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read SDCP's Board of Directors meeting packet materials. We did not identify material inconsistencies with the audited financial statements.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Observations About the Audit Process (continued)

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Pimenti & Brinker LLP (the Firm) to fulfill its professional responsibility to maintain and monitor independence, management, Board of Directors, and the Firm each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. The Firm is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

SDCP's Responsibilities

- Timely inform the Firm, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
- Understand and conclude on the permissibility, prior to SDCP's, officers, directors, or persons in a decision-making capacity, engaging in business relationships with the Firm.
- Not entering into relationships resulting in close family members of the Firm covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of SDCP, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in SDCP's June 30, 2024 financial statements.

Significant Accounting Estimates

Accrued Revenue

Accounting policy/ Management's estimation process	Management's estimate of accrued revenue includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate analytically and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Cost of Electricity

Accounting policy/ Management's estimation process	Management's estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate through subsequent disbursements and analytical procedures and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.

Allowance for Uncollectible Accounts

Accounting policy/ Management's estimation process	Management's estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.

EXHIBIT A

**Significant Written Communications Between Management and
Our Firm**

November 5, 2024

Pisenti & Brinker LLP
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of San Diego Community Power ("SDCP") as of and for the years ended June 30, 2024 and 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, that as of November 5, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated October 30, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
9. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
10. Deposit risk has been properly and fully disclosed.
11. The government has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
12. Components of net position (restricted and unrestricted) are properly classified and, if applicable, approved.
13. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

15. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within SDCP from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
16. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
17. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

18. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud.
19. We have no knowledge of allegations of fraud or suspected fraud affecting SDCP's basic financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
20. We have no knowledge of any allegations of fraud or suspected fraud affecting SDCP's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
21. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
22. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements. We have not consulted legal counsel concerning litigation or claims.
23. We have disclosed to you the identity of all of SDCP's related parties and all the related-party relationships and transactions of which we are aware.
24. We are aware of no significant deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect SDCP's ability to record, process, summarize and report financial data.
25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
27. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
28. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29. There are no:

- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB 62.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.

Required Supplementary Information

30. With respect to the Management's Discussion and Analysis presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.


Eric Washington (Nov 7, 2024 09:29 PST)

Eric W. Washington
Chief Financial Officer


Michael Maher (Nov 7, 2024 09:31 PST)

Michael Maher,
Maher Accountancy

EXHIBIT B

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of November 5, 2024 but are not yet effective and may affect the future financial reporting by SDCP.

Pronouncement	Summary
GASB Statement No. 102, <i>Certain Risk Disclosure</i>	GASB Statement No. 102, Certain Risk Disclosures, is effective for fiscal years beginning July 1, 2024. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i>	GASB Statement No. 103, Financial Reporting Model Improvements, is effective for fiscal years beginning July 1, 2025. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.



SAN DIEGO COMMUNITY POWER Staff Report – Item 11

To: San Diego Community Power Board of Directors

From: Eric Washington, Chief Financial Officer/Treasurer

Via: Karin Burns, Chief Executive Officer

Subject: Presentation and Update on Clean Energy Prepayment Financing

Date: November 21, 2024

RECOMMENDATION

Receive and file Presentation and Update on Clean Energy Prepayment Financing.

BACKGROUND

On October 1, 2019, the founding members of San Diego Community Power (Community Power) adopted the Joint Powers Agreement (JPA), amended and restated on December 16, 2021.

Section 3.2.12 of the JPA specifies that the Community Power Board of Directors (Board) may, at its discretion, adopt rules, regulations, policies, bylaws, and procedures governing the operation of Community Power.

Further, section 3.2.7 of the JPA states that Community Power at the discretion of the Board may incur debts, liabilities, and obligations, including but not limited to loans from private lending sources under its temporary borrowing powers authorized by law under Government Code Section 53850 et seq. and authority under the Act.

Finally, section 3.2.8 of the JPA states that Community Power, at the discretion of the Board, may issue revenue bonds and other forms of indebtedness and, per section 3.2.9, may apply for, accept, and receive all licenses, permits, grants, loans, or other aids from any federal, state, or local public agency.

Municipal electric, gas utilities, and tax-exempt entities such as community choice aggregators (CCAs) in the United States (US) can prepay for a supply of electricity or natural gas from a taxable (corporate) entity and fund that prepayment with tax-exempt municipal bonds. These entities must sell that commodity to retail end-users within their traditional service area.

Prepayment transactions are legal and codified in US Tax Law. Since the first natural gas prepayments were made in the early 1990s, the Internal Revenue Service (IRS) issued

rules allowing tax-exempt prepayments, and Congress enacted legislation specifically allowing the transactions (National Energy Policy Act of 2005; Section 1327).

Since then, over 90 municipal prepayment transactions totaling over \$50 billion have been completed in the US—over 95% of these were for natural gas, which is easier to “prepay” because the commodity is homogenous and easy to store.

Prepayments have saved utility ratepayers (natural gas, electricity from gas-fired power plants, and energy from renewable power projects) billions of dollars in reduced rates and energy charges and are anticipated to continue to do so over the 30-year life of the transactions.

On November 7, 2023, Community Power requested bids from qualified and experienced firms to provide a full range of municipal advisory services necessary for Community Power to evaluate, structure, and execute prepayment transactions. Shortly after, on December 18, 2023, Community Power agreed with PFM Financial Advisors LLC (PFM) to provide these services.

Next, on February 15, 2024, the Finance and Risk Management Committee received a Clean Energy Prepayment Financing Presentation. It discussed Community Power’s interest in pursuing a prepayment transaction, given the potential savings it can generate. Subsequently, on February 22, 2024, the Board received a similar Presentation on Clean Energy Prepayment Financing.

Then, on April 19, 2024, Community Power issued two requests for proposals (RFPs) for the prepaid transaction for legal services related to bond, tax, and disclosure counsel and for underwriter services to structure an energy prepayment program. These services are critical to completing a prepayment transaction.

On August 22, 2024, the Community Power Board of Directors approved Chapman and Cutler LLP to facilitate the capacity of Disclosure Counsel services.

Through the RFPs issued on April 19, 2024, Community Power also recommended Orrick, Herrington & Sutcliffe LLP to facilitate the capacity of Tax and Bond Counsel services. This agreement would be directly with the Bond Issuer.

On September 26, 2024, the Community Power Board of Directors approved the California Community Choice Finance Financing Authority (CCCFA) as an associate member and the conduit issuer of prepaid bonds on Community Power’s behalf.

On October 11, 2024, the CCCFA Board of Directors admitted Community Power as an associate member during a special meeting.

Finally, on October 24, 2024, the Community Power Board of Directors adopted Resolution No. 2024-08, authorizing execution of an energy prepayment transaction,

related documents, and 'form of' documents subject to maximum issuance amount, limitation on fees, and minimum required savings.

ANALYSIS AND DISCUSSION

On November 5, 2024, staff executed the bond purchase agreement including bond pricing consistent with the timeline previously presented to the Board. Final closing is scheduled for November 20, 2024, and staff are presenting an update on the terms of prepaid agreement.

- **Nov 7, 2023:** RFP was issued for Municipal Financial Advisor (MFA)
- **Dec 28, 2023:** PFM was selected as MFA
- **Feb 15, 2024:** FRMC Prepaid Financing Presentation
- **Feb 22, 2024:** Board Presentation Prepaid Financing Presentation
- **Apr 19, 2024:** RFP issued for underwriter and legal services (bond, tax, disclosure)
- **Aug 22, 2024:** Legal counsel agreement with Chapman & Cutler for disclosure services approved
- **Sep 19, 2024:** FRMC – Presentation and potential recommendation for Board approval of Resolution for Bond Issuer
- **Sep 26, 2024:** Board – Presentation and approval of Resolution for Bond Issuer, California Community Choice Financing Authority (CCCFA)
- **Oct 11, 2023:** CCCFA board approves SDCP as an associate member
- **Oct 17, 2024:** FRMC – Presentation and recommendation for Board approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Oct 24, 2024:** Board – Presentation and approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Nov 5, 2024:** Execute bond purchase agreement and Bond pricing (bond pricing date)
- **Nov 20, 2024:** Scheduled closing date

Additionally, staff are including as attachments the final attachments from Resolution No. 2024-08 that show the changes from the 'form of documents' to the final documents.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

- Attachment A: Power Supply Contract between San Diego Community Power and the Issuer;
- Attachment B: Custodial Agreement by and among San Diego Community Power, the Issuer, MSCG, the Prepaid Supplier, and a custodial bank to be named therein;
- Attachment C: Form of Limited Assignment Agreement, by and among San Diego Community Power, the counterparty to the power purchase agreement described therein, and MSCG;
- Attachment D: Letter Agreement by and among San Diego Community Power, the Prepaid Supplier, and MSCG regarding matters relating to Assignment Agreements;
- Attachment E: Prepaid Energy Project Administration Agreement relating to the Project, by and between San Diego Community Power and the Issuer; and
- Attachment F: Memorandum of Understanding between San Diego Community Power and the Issuer indemnifying the Issuer against specific rating fees.
- Attachment G: Appendix A to the Official Statement





SAN DIEGO COMMUNITY POWER Staff Report – Item 12

To: San Diego Community Power Board of Directors

From: Joe LaCava, Chair

Subject: Updates to San Diego Community Power Board and Committee Compensation and Reimbursement Policy

Date: November 21, 2024

RECOMMENDATION

Adopt Resolution No. 2024-10 amending San Diego Community Power Board and Committee Compensation and Reimbursement Policy to increase the per diem compensation for the Board of Directors, define the list of meetings eligible for compensation, and include additional clarifying edits, effective January 1, 2025.

BACKGROUND

A reimbursement policy was initially adopted by the Board of Directors on February 24, 2022, to provide per diem compensation to Directors (including Alternates) for attending Community Power Board meetings and reimbursement for actual and necessary expenses under certain circumstances. The Board has since amended the policy on three occasions. The amendments included adding reimbursement for childcare expenses in relation to Directors' attendance at special meetings of the Board of Directors, to provide per diem compensation for Directors' attendance at meetings of Board committees, and to include Board-appointed advisory committees, among other changes. The last amendment was on February 23, 2023.

At the August 22, 2024, meeting, the Board of Directors established an Ad Hoc Committee consisting of three (3) Board Members; Chair LaCava, Directors Aguirre and Yamane, to review and recommend possible amendments to the Community Power Board and Committee Compensation and Reimbursement Policy.

ANALYSIS

It has been over a year since the Community Power Board and Committee Compensation and Reimbursement Policy has been reviewed. During this time, Community Power has grown, and the Board of Directors are increasingly participating in Community Power meetings and activities. California Government Code section 53232.2 authorizes local public agencies to adopt written policies authorizing reimbursement for actual and

necessary expenses incurred in the performance of official duties and to establish reimbursement rates for the agency.

The Board and Committee Compensation and Reimbursement Policy Ad Hoc Committee met on October 3, 2024, to review whether the Board of Directors are being adequately compensated for their time spent on work related to Community Power, and considered additional changes. Pursuant to that meeting, the Committee is recommending the following amendments:

- Authorize per diem compensation of \$300 for Members of the Board of Directors for attendance at meetings and other official business of Community Power. The proposed compensation amount is consistent with the amount provided to members of Orange County Power Authority.
- Provide further definition and clarity on the types of official business by Members of the Board of Directors that are eligible for per diem compensation (e.g., scheduled meetings with Community Power staff and meetings with members of the public or public agencies on behalf of Community Power).
- Clarify that any additional reimbursements that do not fall within specifically identified categories require pre-approval by the Board of Directors in a public meeting.

COMMITTEE REVIEW

Board and Committee Compensation and Reimbursement Policy Ad Hoc Committee recommends approval.

FISCAL IMPACT

The likely financial impact is approximately \$50,400 per year.

ATTACHMENTS

Attachment A: Resolution No. 2024-10 Amending the Board and Committee Compensation and Reimbursement Policy.

Attachment B: Proposed Amended Board and Committee Compensation and Reimbursement Policy-Redlined.

Attachment C: Proposed Amended Board and Committee Compensation and Reimbursement.

ITEM 12

ATTACHMENT A

RESOLUTION NO. 2024-10

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO
COMMUNITY POWER AMENDING THE BOARD AND COMMITTEE
COMPENSATION AND REIMBURSEMENT POLICY TO INCREASE THE
PER DIEM COMPENSATION FOR THE BOARD OF DIRECTORS,
FURTHER DEFINING OFFICIAL COMPENSABLE BUSINESS, AND
MAKING OTHER CHANGES**

A. San Diego Community Power (“Community Power”) 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 first effective on October 1, 2019 (“JPA Agreement”), as amended from time to time.

B. Section 5.10 of the JPA Agreement provides that “the Board may establish rules, regulations, policies, or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.”

C. Government Code section 53232 *et seq.* provides that, when authorized by statute, local agencies may pay compensation to members of a legislative body for attendance at certain occurrences and to reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including the activities described therein.

D. Pursuant to Government Code section 6509 and Section 3.4 of the JPA Agreement, Community Power’s powers are subject to the restrictions upon the manner of exercising power possessed by the City of Encinitas, a general law city which is authorized by statute to provide compensation and reimbursement for members of its legislative bodies.

E. On February 4, 2022, the Community Power Board of Directors adopted an initial Board Compensation and Reimbursement Policy effective March 1, 2022, and further renamed as the “Board and Committee Compensation and Reimbursement Policy”, and amended, on February 23, 2023, with an effective date of March 1, 2023.

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

Section 1. The Board of Directors hereby amends the Board and Committee Compensation and Reimbursement Policy as provided in Exhibit A, attached hereto and incorporated herein.

Section 2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution

and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

Section 3. This resolution shall take effect on January 1, 2025.

PASSED AND ADOPTED at a meeting of the Board of Directors of San Diego Community Power held on November 21, 2024.

Chair, Board of Directors
San Diego Community Power

ATTEST:

Maricela Hernandez, MMC, CPMC
Secretary, Board of Directors
San Diego Community Power

APPROVED AS TO FORM:

Veera Tyagi, General Counsel
San Diego Community Power

ITEM 12

ATTACHMENT B



San Diego Community Power

Board and Committee Compensation and Reimbursement Policy

Effective Date: ~~March 1, 2023~~ January 1, 2025
Adopted/Amended by Resolution ~~2023-02-10~~ 2024-02-10

PURPOSE

This policy ("Policy") establishes the terms and conditions for members of the Board of Directors and Board-appointed advisory committees to receive per diem compensation and reimbursement of reasonable and necessary expenses when performing their official duties on behalf of Community PowerSDCP. This Policy is adopted pursuant to Government Code Section 53232 *et seq.* and must be adopted or amended by resolution.

POLICY

1. Per Diem Compensation for the Board of Directors and Advisory Committee Members.

- a. Directors' Per Diem and Eligible Meetings. Members of the Board of Directors ("Directors") shall be entitled to receive per diem compensation as follows:

- i. ~~\$300~~150 per day for attending meetings of the Board of Directors or Board committees, including standing and ad hoc committees.
- ii. \$300400 per day while on official business of Community Power, not including meetings of the Board of Directors or Board committees as provided in (i) above. Official business includes, but is not limited to:
 1. Scheduled meetings with SDPD staff, including but not limited to briefings.
 2. Meetings with members of the public or other public agencies regarding any pending or proposed matter within SDPD's purview.
 3. Visits of electricity generating facilities, including for purposes of attending ceremonial events, when presence is requested by Community Power staff.
 4. Participation in radio, television, or other mass media, on issues within Community Power's purview, when participation is requested by Community Power staff.
 - 4-5. Attendance at meetings or conferences on Community Power - specific or energy-related matters, when attendance is approved by the Board Chair.

- b. Alternates. An alternate director ("Alternate") shall be entitled to receive per diem compensation where the Alternate attends a meeting in place of the regular Director and may receive reimbursement of expenses on the same terms and conditions as Directors under Section 2. Alternates shall be subject to the terms and conditions applicable to Directors in requesting and receiving per diem compensation or reimbursement under this Policy.
- c. Advisory Committee Members' Per Diem and Eligible Meetings. Members of Board-appointed advisory committees ("Advisory Committees"), including the Community Advisory Committee, shall be entitled to receive per diem compensation as follows:

- i. \$100 per day for attending meetings of Advisory Committees.
- d. Claim Forms. All per diem requests must be submitted to the Secretary or their designee on a claim form provided by the Secretary within sixty (60) days of the date for which a per diem is requested.
- e. Limitations.
 - i. Directors and Members of Advisory Committees shall not receive more than four (4) per diem payments in any calendar month.
 - ii. Directors to whom [Community PowerSDCP](#) would pay a per diem under this Policy shall not receive a per diem if they are otherwise eligible to receive a per diem from their respective appointing agency for attendance at [Community PowerSDCP](#) meetings under this Policy.

2. Reimbursement of Reasonable and Necessary Expenses.

- a. Attendance at Meetings and Events on Behalf of [Community PowerSDCP](#). Directors and Advisory Committee Members may receive reimbursement for actual and necessary expenses, which may include but not be limited to, travel, meals, lodging, registration, and other expenses incurred in the performance of official duties, for attendance at:
 - i. Each meeting of other governmental entities and public agencies at which the Director or Advisory Committee Member have been designated by the Board of Directors to represent [Community PowerSDCP](#);
 - ii. A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c) at which the Director or Advisory Committee Member have been approved by the Board of Directors to attend; and
 - iii. Other additional meetings or activities at which the Director has been designated by the Board of Directors to represent [Community PowerSDCP](#).
- b. Rates of Reimbursement. Actual and necessary travel, meals, lodging, and other expenses incurred in the performance of official duties as authorized under this Policy shall be reimbursed at the rates established in Internal Revenue Service Publication 463 or any successor publication, except as limited below:
 - i. For mileage reimbursement using a private vehicle, a Director's mileage costs shall not exceed the cost of coach class airfare plus costs of transportation to and from the airport at the point of departure and destination. Mileage reimbursement shall be equal to the standard rate in effect for business miles deduction by the Internal Revenue Service, as such rate is established from time to time.
 - ii. For lodging in connection with a conference or other organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate is not available, the Director shall use comparable lodging consistent with this Policy.

- iii. Directors shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging whenever available.
- iv. If a Director chooses to incur additional costs that are above the rates established under this Policy, or are not otherwise pre-approved by the Board, then the Director may do so at their own expense.
- c. Child Care Expenses During Special Board Meetings. Directors may receive reimbursement for actual and necessary child care expenses incurred during the Director's attendance at any meetings of the Board of Directors other than regular Board meetings. Advisory Committee Members may receive reimbursement for actual and necessary child care expenses incurred during the Advisory Committee Member's attendance at any meetings of the Advisory Committee other than regular monthly meetings. The reimbursement rate for child care expenses shall not exceed \$20 per hour. If a Director or Advisory Committee Member chooses to incur additional costs that are above this rate, or are not otherwise pre-approved by the Board, then the Director or Advisory Committee Member may do so at their own expense.
- d. Pre-Approval by Board of Directors. ~~Except for reimbursements authorized under subsection (c), all~~ All expenses that do not fall within the rates provided in subsection (b) or (c) the rates provided therein shall be approved by the Board of Directors in a public meeting before the expense is incurred. ~~reimbursements under this Policy shall be approved by the Board of Directors in a public meeting before the expense is incurred. All expenses that do not fall within subsection (b) or (c) the rates provided therein shall be approved by the Board of Directors in a public meeting before the expense is incurred.~~
- e. Claim Forms. All expense reimbursement claims must be submitted to the Secretary or their designee within sixty (60) days of incurring the expense on a claim form provided by the Secretary. Claim forms for expense reimbursement shall be accompanied by the receipts documenting each expense. If no receipt is available, a written explanation and other proof of the expenditure (if available) is required.
- f. Reporting. Directors and Advisory Committee Members shall provide brief reports on attendance at meetings or events subject to reimbursement, excluding attendance at Community Power Board and Committee meetings or briefings, at the next regular meeting of the Board.
- g. Training Requirements. Directors and Advisory Committee Members eligible to receive per diem compensation or reimbursement of expenses under this Policy shall receive ethics training and sexual harassment prevention training in accordance with Government Code sections 53234 *et seq.* and 53237 *et seq.*

ITEM 12

ATTACHMENT C



San Diego Community Power

Board and Committee Compensation and Reimbursement Policy

Effective Date: January 1, 2025

Adopted/Amended by Resolution 2024-10

PURPOSE

This policy ("Policy") establishes the terms and conditions for members of the Board of Directors and Board-appointed advisory committees to receive per diem compensation and reimbursement of reasonable and necessary expenses when performing their official duties on behalf of Community Power. This Policy is adopted pursuant to Government Code Section 53232 *et seq.* and must be adopted or amended by resolution.

POLICY

1. Per Diem Compensation for the Board of Directors and Advisory Committee Members.

- a. Directors' Per Diem and Eligible Meetings. Members of the Board of Directors ("Directors") shall be entitled to receive per diem compensation as follows:
 - i. \$300 per day for attending meetings of the Board of Directors or Board committees, including standing and ad hoc committees.
 - ii. \$300 per day while on official business of Community Power, not including meetings of the Board of Directors or Board committees as provided in (i) above. Official business includes, but is not limited to:
 1. Scheduled meetings with SDPD staff, including but not limited to briefings.
 2. Meetings with members of the public or other public agencies regarding any pending or proposed matter within SDPD's purview.
 3. Visits of electricity generating facilities, including for purposes of attending ceremonial events, when presence is requested by Community Power staff.
 4. Participation in radio, television, or other mass media, on issues within Community Power's purview, when participation is requested by Community Power staff.
 5. Attendance at meetings or conferences on Community Power -specific or energy-related matters, when attendance is approved by the Board Chair.
- b. Alternates. An alternate director ("Alternate") shall be entitled to receive per diem compensation where the Alternate attends a meeting in place of the regular Director and may receive reimbursement of expenses on the same terms and conditions as Directors under Section 2. Alternates shall be subject to the terms and conditions applicable to Directors in requesting and receiving per diem compensation or reimbursement under this Policy.
- c. Advisory Committee Members' Per Diem and Eligible Meetings. Members of Board-appointed advisory committees ("Advisory Committees"), including the Community Advisory Committee, shall be entitled to receive per diem compensation as follows:
 - i. \$100 per day for attending meetings of Advisory Committees.

- d. Claim Forms. All per diem requests must be submitted to the Secretary or their designee on a claim form provided by the Secretary within sixty (60) days of the date for which a per diem is requested.
- e. Limitations.
 - i. Directors and Members of Advisory Committees shall not receive more than four (4) per diem payments in any calendar month.
 - ii. Directors to whom Community Power would pay a per diem under this Policy shall not receive a per diem if they are otherwise eligible to receive a per diem from their respective appointing agency for attendance at Community Power meetings under this Policy.

2. Reimbursement of Reasonable and Necessary Expenses.

- a. Attendance at Meetings and Events on Behalf of Community Power. Directors and Advisory Committee Members may receive reimbursement for actual and necessary expenses, which may include but not be limited to, travel, meals, lodging, registration, and other expenses incurred in the performance of official duties, for attendance at:
 - i. Each meeting of other governmental entities and public agencies at which the Director or Advisory Committee Member have been designated by the Board of Directors to represent Community Power;
 - ii. A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c) at which the Director or Advisory Committee Member have been approved by the Board of Directors to attend; and
 - iii. Other additional meetings or activities at which the Director has been designated by the Board of Directors to represent Community Power.
- b. Rates of Reimbursement. Actual and necessary travel, meals, lodging, and other expenses incurred in the performance of official duties as authorized under this Policy shall be reimbursed at the rates established in Internal Revenue Service Publication 463 or any successor publication, except as limited below:
 - i. For mileage reimbursement using a private vehicle, a Director's mileage costs shall not exceed the cost of coach class airfare plus costs of transportation to and from the airport at the point of departure and destination. Mileage reimbursement shall be equal to the standard rate in effect for business miles deduction by the Internal Revenue Service, as such rate is established from time to time.
 - ii. For lodging in connection with a conference or other organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If the group rate is not available, the Director shall use comparable lodging consistent with this Policy.

- iii. Directors shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging whenever available.
- iv. If a Director chooses to incur additional costs that are above the rates established under this Policy, or are not otherwise pre-approved by the Board, then the Director may do so at their own expense.
- c. Child Care Expenses During Special Board Meetings. Directors may receive reimbursement for actual and necessary child care expenses incurred during the Director's attendance at any meetings of the Board of Directors other than regular Board meetings. Advisory Committee Members may receive reimbursement for actual and necessary child care expenses incurred during the Advisory Committee Member's attendance at any meetings of the Advisory Committee other than regular monthly meetings. The reimbursement rate for child care expenses shall not exceed \$20 per hour. If a Director or Advisory Committee Member chooses to incur additional costs that are above this rate, or are not otherwise pre-approved by the Board, then the Director or Advisory Committee Member may do so at their own expense.
- d. Pre-Approval by Board of Directors. All expenses that do not fall within the rates provided in subsection (b) or (c) shall be approved by the Board of Directors in a public meeting before the expense is incurred.
- e. Claim Forms. All expense reimbursement claims must be submitted to the Secretary or their designee within sixty (60) days of incurring the expense on a claim form provided by the Secretary. Claim forms for expense reimbursement shall be accompanied by the receipts documenting each expense. If no receipt is available, a written explanation and other proof of the expenditure (if available) is required.
- f. Reporting. Directors and Advisory Committee Members shall provide brief reports on attendance at meetings or events subject to reimbursement, excluding attendance at Community Power Board and Committee meetings or briefings, at the next regular meeting of the Board.
- g. Training Requirements. Directors and Advisory Committee Members eligible to receive per diem compensation or reimbursement of expenses under this Policy shall receive ethics training and sexual harassment prevention training in accordance with Government Code sections 53234 *et seq.* and 53237 *et seq.*



SAN DIEGO COMMUNITY POWER Staff Report – Item 13

To: San Diego Community Power Board of Directors

From: Byron Vosburg, Chief Commercial Officer

Via: Karin Burns, Chief Executive Officer

Subject: 2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power’s 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Date: November 21, 2024

RECOMMENDATION

Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP’s 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label.

ANALYSIS AND DISCUSSION

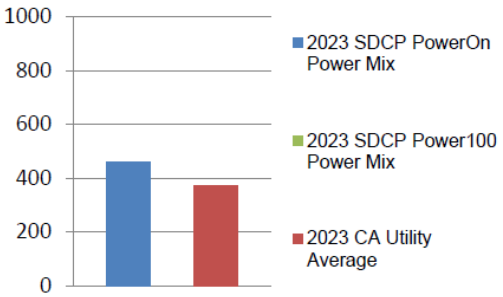
The California Public Utilities Code requires all retail sellers of electric energy, including SDCP, to disclose “accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gasses, that are used to provide electric services.”¹ Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for this communication, named the Power Content Label (PCL) by the California Energy Commission (CEC), is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. Similar to the presentation of information on a nutritional label, the PCL informs retail electricity customers of the power sources that were procured to serve their electric energy needs. Prior to distributing the PCL to its customers, SDCP must annually submit reports to the CEC detailing specified-source power purchases for each retail service offering that was made available during the previous year. These annual reports and the PCL are required elements of California’s Power Source Disclosure Program (PSD Program); information reflected in each annual report is contributory to the PCL (with the power supply breakout reflected in each annual

¹ California Public Utilities Code Section 398.1(b).

report inserted in SDCP's PCL template).

Information presented in the PCL includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its resource needs from unspecified resources/purchases, the report must identify such purchases as "unspecified sources of power." As your Board may be aware, a few of SDCP's power supply agreements reflect the delivery of unspecified/market power to satisfy a portion of SDCP's energy requirements. These purchases serve to promote budgetary certainty and rate stability – such purchases, as well as electric energy provided by the California Independent System Operation for purposes of grid balancing, have been appropriately identified as "unspecified sources of power" in SDCP's PCL.

During the 2023 calendar year, SDCP's third year of service, SDCP successfully delivered a substantial portion of its electric energy supply from various renewable energy sources, including wind, solar, geothermal, hydroelectricity and biofuel energy sources – for SDCP customers participating in the PowerOn service option, the percentage of supply attributable to renewable energy sources was 51.1 percent of the total (with 55.4 percent of total PowerOn energy purchases sourced from zero- or low-carbon sources). For the Power100 retail service offering, CEC-certified wind and solar resources were the exclusive sources of supply, which contributed to zero emissions for the Power100 portfolio. The following table reflects SDCP's 2023 PCL, presented in the CEC's required format.

2023 POWER CONTENT LABEL						
San Diego Community Power						
https://sdcommunitypower.org/resources/key-documents/						
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Power Mix
2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Utility Average	Eligible Renewable¹ Biomass & Biowaste Geothermal Eligible Hydroelectric Solar Wind Coal Large Hydroelectric Natural Gas Nuclear Other Unspecified Power² TOTAL	51.1%	100.0%	36.9%
460	0	373		7.3%	0.0%	2.1%
 <div><div>■ 2023 SDCP PowerOn Power Mix</div><div>■ 2023 SDCP Power100 Power Mix</div><div>■ 2023 CA Utility Average</div></div>				0.7%	0.0%	4.8%
				0.5%	0.0%	1.8%
				27.3%	50.0%	17.0%
				15.3%	50.0%	11.2%
				0.0%	0.0%	1.8%
				4.3%	0.0%	11.7%
				0.0%	0.0%	36.6%
				0.0%	0.0%	9.3%
				0.0%	0.0%	0.1%
				44.6%	0.0%	3.7%
				100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³ :				5%	0%	
<p>¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.</p> <p>²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.</p> <p>³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credit (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.</p> <p>The unbundled RECs retired in association with SDCP's portfolio were produced by an eligible renewable wind resource. SDCP received these RECs from SDG&E via a state-approved allocation process. The RECs were generated by a legacy renewable energy project built before the state's location-based renewable energy law took effect. For additional information, please reach out via email at info@sdcommunitypower.org.</p>						
For specific information about this electricity portfolio, contact:			San Diego Community Power 1 (888) 382-0169			
For general information about the Power Content Label, visit:				https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program		

Consistent with applicable regulations, SDCP will complete requisite customer communications following your Board's approval of pertinent information to be included in the 2023 PCL. Customers receiving 2023 PCL communications will include all those served by SDCP during the 2023 calendar year. This communication will be sent to customers no later than January 31, 2025.

While preparing SDCP's 2023 annual PSD reports and PCL, staff performed a detailed review of all power purchases completed for the 2023 calendar year. This review included an inventory of all renewable energy credit transfers within SDCP's Western Renewable Energy Generation Information System (WREGIS) account, related contract documents and pertinent transaction records associated with other specified energy purchases.

Based on staff's review of available data, the information presented in the annual reports and PCL was determined to be accurate.

To fulfill its obligations under the PSD Program, SDCP must also provide the CEC with an attestation of its Governing Board regarding the accuracy of information included in its PSD reports and PCL for the 2023 operating year. With regard to this internally administered attestation process, applicable regulations state²:

A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual report and power content label for the previous year.

Evidence of SDCP's attestation must be provided to the CEC no later than January 31, 2025.

In consideration of SDCP's internal review and applicable regulations, staff requests that the Board accept this determination of informational accuracy and based on this staff-level determination and related recommendation, attest to the accuracy of information included in SDCP's 2023 Power Source Disclosure reports and Power Content Label. Should your Board endorse staff's recommendation, a copy of: 1) this staff report; 2) Resolution 2024-11; and 3) a copy of SDCP's completed 2023 PCL template (in both Excel and PDF formats) will be forwarded to the CEC, thereby completing SDCP's obligations under the PSD Program for the 2023 calendar year.

Fiscal Impacts: Other than the typical cost of producing and distributing Power Content Labels to SDCP customers, there are no expected fiscal impacts.

Recommendation: Endorse the accuracy of information presented in SDCP's 2023 Power Source Disclosure reports for PowerOn and Power100 as well as SDCP's 2023 Power Content Label.

FISCAL IMPACT

N/A

ATTACHMENTS

- A. Resolution 2024-11 approving and attesting to the veracity of the 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label

² Note that Section 1393.2.(a)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.

ITEM 13

ATTACHMENT A

RESOLUTION NUMBER 2024-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, APPROVING AND ATTESTING TO THE VERACITY OF THE 2023 POWER SOURCE DISCLOSURE ANNUAL REPORTS FOR POWER ON AND POWER100 AND THE 2023 POWER CONTENT LABEL.

A. San Diego Community Power (“SDCP”) is a joint powers authority 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. Senate Bill 1305 was adopted in 1997 establishing an Electricity Generation Source Disclosure Program (“Power Source Disclosure Program”), which requires retail sellers of electricity to disclose to their customers each year the sources of electricity delivered to customers in the previous year and to annually submit a Power Source Disclosure Program report to the California Energy Commission (“CEC”).

C. SDCP is a retail supplier of electricity as defined by the Power Source Disclosure Program (20 C.C.R. § 1391(r)).

D. The Power Source Disclosure Program regulations were updated effective May 4, 2020 allowing the board of directors of a public agency providing retail electric service to approve at a public meeting the submission to the CEC of an attestation of the veracity of an annual report of each product’s Power Source Disclosure Program annual report and Power Content Label.

E. SDCP staff and consultants performed a detailed review of all power purchases completed for the 2023 calendar year, including an inventory of all renewable energy transfers within SDCP’s Western Renewable Energy Generation Information System account and transaction records.

F. Pursuant to California Code of Regulations section 1394.2, the SDCP Board of Directors is required to attest to the veracity of the 2023 annual report.

G. The SDCP Board of Directors held a public meeting on October 24, 2024 to consider approval and attestation of the veracity of the 2023 Power Source Disclosure Annual Report for the PowerOn and Power100 products and the 2023 Power Content Label.

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Approval and Attestation. The SDCP Board of Directors hereby approves the submission and attests to the veracity of the 2023 Power Source Disclosure annual report for SDCP’s PowerOn and Power100 products and the 2023 Power Content Label.

Section 3. Effective Date. 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 November 21, 2024.

Chair, Board of Directors
San Diego Community Power

ATTEST:

Maricela Hernandez, MMC, CPMC
Secretary, Board of Directors
San Diego Community Power

APPROVED AS TO FORM:

Veera Tyagi, General Counsel
San Diego Community Power



SAN DIEGO COMMUNITY POWER Staff Report – Item 14

To: San Diego Community Power Board of Directors

From: Karin Burns, Chief Executive Officer

Subject: 2025 Strategic Plan Update - Process and Timeline

Date: November 21, 2024

RECOMMENDATION

Receive and file the update describing the process and timeline to develop the FY 2026-FY 2028 updated Strategic Plan.

BACKGROUND

The Strategic Plan provides a comprehensive framework that ensures priorities set by the SDCP Board are clear to all staff and that SDCP is accountable to meeting community needs by setting objectives to meet identified goals.

On June 23, 2022, the SDCP Board adopted its mission, vision, core values and goals for 2023-2027 as part of its 2023-2027 Strategic Plan. Subsequently, on April 21, 2023, the SDCP Board met to consider updates to its Strategic Plan. Board and SDCP staff met in an all-day facilitated meeting and decided to 'stay the course' and continue executing the original strategic plan. SDCP then developed annual work plans tied into the FY24 and FY25 operating budget as part of its annual budget cycle adopted through its Budget Policy.

Through the first Strategic Planning process, SDCP defined its overall Mission Statement as, *"San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region"*. Our Mission summarizes at the highest level why we are here. Everything we do contributes to our ability to achieve the mission.

Through the first Strategic Planning process, SDCP also defined its Vision Statement as, *"A global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high quality jobs."* Our Vision describes what we aspire to be as an organization. This is where we are going. Our vision is our commitment to making bold progress in this direction.

Through the first Strategic Planning process, SDCP further defined its Core Values as Justice, Equity, Diversity, & Inclusion (JEDI); Impact; Integrity; Innovation; Servant Leadership; and Togetherness.

ANALYSIS AND DISCUSSION

Best practices in managing the organization include updating the Strategic Plan and related goals and measures on a regular basis and/or when the organization has undergone significant changes. With the addition of several new departments, the launch of the San Diego Regional Energy Network, and a three- fold increase in both customer meters served and staff, we are entering into a new growth phase which necessitates revisiting our goals and key focus areas. SDCP's next 3-year Strategic Plan will serve as a key document in the development of the FY26-FY28 annual budgets, work plans, individual employee and departmental goals, annual investment plans and annual staff performance reviews.

The CEO is leading the FY 2026 -2028 Strategic Plan update and is involving all staff, the Board, and the CAC in this initiative. This third strategic planning process does not seek to alter the above Mission-Vision-Values, but rather to review, reflect, and subsequently determine our next three-year course of action as we continue to grow and evolve the agency in service to the above.

The first step in updating the Strategic Plan, which is underway, is to review and evaluate current risks and opportunities. Subsequently, multiple iterations involving all staff members will be conducted to identify key priorities and departmental goals. Next, goals and key organizational priorities will be reviewed and updated by the Leadership and Executive teams through a series of retreats. An All-Hands retreat is currently scheduled to take place on January 31, 2025.

The Board of Directors and CAC will be informed throughout the process and input will be solicited and incorporated through 1:1 and small group meetings. The Board of Directors will be updated and will review draft iterations of the revised strategic plan at its January and February regular meetings. The CAC will be updated and will review draft iterations at its December and February regular meetings. Feedback from the public will also be solicited during these public meetings. During its March meetings staff will present the final Strategic Plan to the CAC on March 7 for its recommendation, and to the Board, for approval, on March 25th.

COMMITTEE REVIEW

The Community Advisory Committee will be updated and input will be solicited throughout the process.

FISCAL IMPACT

N/A

ATTACHMENTS

Attachment A: Original SDCP 2023-2027 Strategic Plan



ITEM 14

ATTACHMENT A

Strategic Plan 2023-2027



Mission Statement

San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region.



Vision Statement

A global leader inspiring innovative solutions to climate change by powering our communities with 100% clean affordable energy while prioritizing equity, sustainability, and high-quality jobs.



Core Values



Justice, Equity, Diversity, & Inclusion (JEDI)



Impact



Integrity



Innovation



Servant Leadership



Togetherness



Key Focus Areas and Goals

- 1 Financial Stability (Financial Sustainability)
- 2 Energy Portfolio Development (Power Procurement)
- 3 Community Program Delivery (Community Projects & Programs)
- 4 Marketing/Branding (Trusted Brand Building)
- 5 Legislative/Regulatory (Public Policy)
- 6 Customer Service (Customer Care)
- 7 Organizational Development/Culture (Organizational Excellence)

Key Focus Areas and Goals (expanded)

1

Financial Stability – Practice fiscal strategies to promote long-term organizational sustainability.

- Adopt financial controls and policies to meet or exceed best practices and manage risk.
- Obtain an investment grade credit rating by Nov 2025.
- Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH).
- Develop Rate Stabilization Reserve of \$70M to mitigate power cost fluctuations and economic downturns.

2

Energy Portfolio Development - Provide sufficient, reasonably priced, clean electricity to our customers.

- Manage portfolio to manage risk, cost and reliability objectives through risk management tools, sufficient staffing, and staff training.
- Develop secure Clean Energy Portfolio with goals of: 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035).
- 15% of our energy coming from new, distributed infill storage/solar+ storage resources within Member Agencies by 2035.
- Support development of innovative energy sources to improve resiliency through pilot programs, grant programs, and partnerships.
- Create high quality local jobs in renewable energy that support healthy families and vibrant communities.

3

Community Program Delivery - Implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups.

- Implement CPP recommended programs through continuous community engagement and assessment of community benefits while considering technology/ market changes and changing community needs.
- Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies.
- Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.
- Develop local support for deep decarbonization through building and transportation electrification.
- Develop workforce opportunities in the local clean energy economy (green careers).
- Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans.
- Provide all customers with actionable clean energy education.
- Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation.

4

Brand Building – Develop trusted brand reputation to help drive participation in programs and ensure support customer service and retention.

- Identify and address gaps between perception and desired brand identity.
- Translate policy issues into consumer-friendly information and communication.
- Become known as leadership experts on the CCA model and the industry.
- Foster relationships with city planning offices, CBOs, NGOs, and Trade Associations.
- Develop relationships with industry media and influencers.
- Engage community through participation in local events.

5

Public Policy – Advocate for public policies that advance SDCP organizational priorities.

- Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions.
- Sponsor and support legislation and regulation that is consistent with SDCP's mission, vision, and goals.
- Develop annual legislative plan to advance and support SDCP objectives and share plan with local Senate and Assembly members and staff.
- Develop plan to meet more proactively with and educate key decisionmakers (e.g. CEC, CPUC commissioners).
- Coordination with Member Agency government affairs' teams to align on legislative positions.
- Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts.

6

Customer Service – Ensure high customer retention and satisfaction.

- Ensure customer satisfaction through key relationships including back-office support and key stakeholders.
- Continually strive to offer competitive rates.
- Maintain and grow high levels of customer participation and satisfaction.
- Achieve 10% of our load at the Power 100 service level by 2027.
- Build a robust data ecosystem for effective procurement as well as program design, management and evaluation.

7

Organizational Excellence – Ensure excellence by adopting sustainable business practices and fostering a workplace culture of innovation, diversity, transparency and integrity.

- Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds organizational core values.
- Develop an annual staffing plan that identifies and addresses resource needs and gaps.
- Provide training and professional development opportunities that build new skills and abilities.
- Foster culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision.
- Design and implement an internship program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry.
- Build institutional capacity of CAC to support the mission and core goals of SDCP.