

Community Power Orientation

January 17, 2025





Agenda:

- Who we are: Overview of Community Power's mission and vision
- Board of Directors and Community Advisory Committee responsibilities
- Community Power's formation and customer base
- Current Community Power initiatives
 - Power purchasing
 - Financial stability
 - Competitive rate setting
 - Customer programs
 - Statewide policy influence
 - Local community engagement
 - Strengthening and streamlining internal operations
- Strategic planning
- Next steps





Mission — To provide affordable clean energy and invest in the community to create an equitable and sustainable future for the San Diego region





Vision — To become a global leader and inspire innovative solutions to climate change by powering our communities with 100% affordable clean energy while prioritizing equity and sustainability



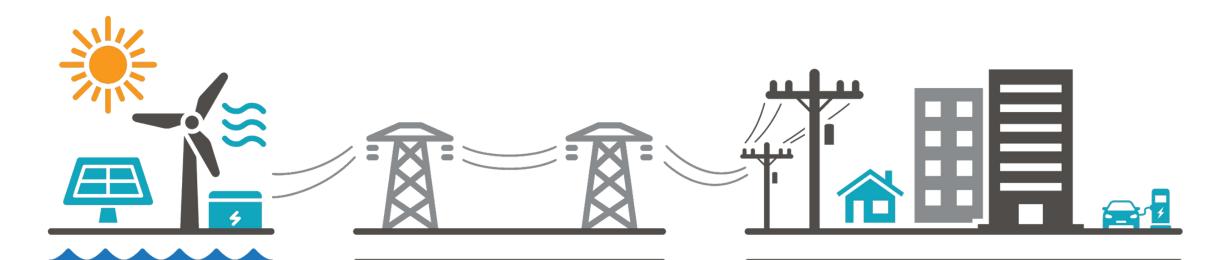
Our core values

The "JIST" of Community Power:

- Justice, Equity, Diversity and Inclusion (JEDI)
- Impact
- Integrity
- Innovation
- Servant Leadership
- Togetherness



How it works



Community Power →

purchase electricity from renewable sources

SDG&E →

delivers power and manages services

You

enjoy cleaner power at competitive rates



Executive Team introduction



Karin Burns
Chief Executive Officer



Eric WashingtonChief Financial
Officer/Treasurer



Jack Clark
Chief Operating Officer



Veera Tyagi General Counsel



Byron VosburgChief Commercial
Officer





Who does San Diego Community Power serve?



















Our primary Board of Directors (as of Feb. 16)



Michael Inzunza Chula Vista City Councilmember



Luke Shaffer Encinitas City Councilmember



Paloma Aguirre Imperial Beach Mayor



Genevieve SuzukiLa Mesa
City Councilmember



Ditas YamaneNational City
City Councilmember



Sean Elo-Rivera
San Diego
City Councilmember



Terra Lawson-Remer San Diego County Interim Board Chair



Our alternate Board of Directors (as of Feb. 16)



Jose Preciado Chula Vista City Councilmember



Bruce Ehlers
Encinitas
Mayor



Jack Fisher Imperial Beach City Councilmember



Lauren Cazares La Mesa City Councilmember



Marcus Bush
National City
City Councilmember



Joe LaCava San Diego City Council President



TBDSan Diego County
Supervisor



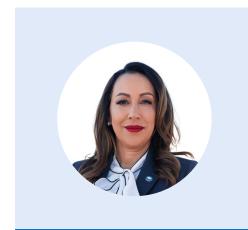
Key Board responsibilities

As Community Power's governing body, the Board of Directors:

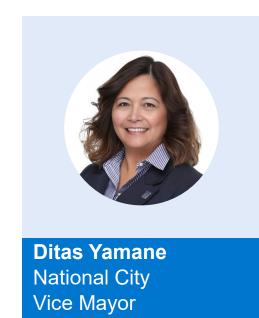
- Set retail rates for power generation (transmission and delivery costs set by SDG&E and approved by the Public Utilities Commission and are not included in our rates)
- Adopt a budget
- Conduct and oversee audits
- Approve power procurement and other contracts
- Set policies for procuring electric supply and non-delegated operational needs
- Develop and implement a strategic plan
- Establish committees and appoint members, including the Community Advisory Committee



Finance and Risk Management Committee



Paloma Aguirre Imperial Beach Mayor







Key Finance and Risk Management Committee responsibilities

The Finance and Risk Management Committee (FRMC) is a subcommittee of the Board

The three FRMC members:

- Provide input and oversight on the agency's funding plan and budgets
- Review financial and risk policies
- Receive detailed information about the agency's financial performance
- Make recommendations to the full board regarding financial matters



Community Advisory Committee Members

Chula Vista

- Anthony Sclafani (First term ends 2025)
- Vacant since January 2024

Encinitas

- Gary L. Jahns (Second term ends 2025)
- Tara Hammond (Second term ends 2026)

Imperial Beach

- Kenneth Hoyt (First term ends 2025)
- Ilian Sandoval (First term ends 2026)

La Mesa

- David Harris (Second term ends 2026)
- Vacant since December 2024

National City

- Aida Castañeda Secretary (First term ends 2025)
- Lawrence Emerson Vice Chair (Second term ends 2026)

San Diego

- Luis Montero-Adams (First term ends 2025)
- Matthew Vasilakis Chair (Second term ends 2026)

Unincorporated San Diego County

- Peter Andersen (First term ends 2025)
- Vacant since July 2023



Key Community Advisory Committee responsibilities

The Community Advisory Committee (CAC) is composed of two community members per agency.

CAC members:

- Advise the Board of Directors and engage in public conversations about residents' views on the strategic direction, goals and programs of Community Power
- Represent the views, concerns, priorities, and needs of their member agencies and the larger community, including equity, diversity and inclusion initiatives
- Support and attend community outreach events

- Support information sharing to community members about current rates, goals and available community programs
- Adopt an annual work plan that aligns with defined, Board-approved objectives and scope to assist in decision-making
- Provide monthly reports and quarterly updates to the Board on CAC activities and recommendations





Community choice in California

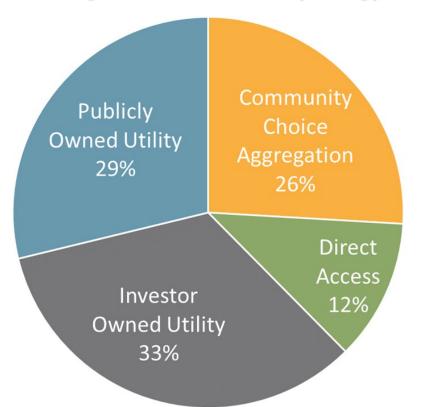
- 25 operating programs, 200 cities and counties
- 14,000+ megawatts of clean energy power signed by community choice aggregation programs
- More than 14 million customers served by community choice energy organizations in California





Not-for-profit organizations account for more than half of California's energy

2024 Percentage of CA Retail Load by Energy Provider



Energy Provider	2024 Deliveries (GWh)
Investor-owned utility	82,686
Community Choice Aggregation	63,743
Direct Access	28,672
Publicly-owned utility Total statewide electricity	70,795
Total statewide electricity deliveries	245,895



Source: 2023 IEPR Forecast. California Energy Demand 2023-2040 Forecast - Planning Forecast

What are CCAs doing to reduce electricity costs?

- On-bill savings: In 2023 alone, Community Choice Aggregators collectively saved their customers \$760 million compared to non-CCA counterparts via long-term power purchase agreements.
- Leveraging the power of "green" bonds: The California Community Choice Financing Authority has issued nearly \$10 billion in prepayment bonds, saving CCA customers about \$60 million per year and accelerating the clean energy transition
- Programs to help customers lower bills: CCAs design programs that help customers realize the benefits of the clean energy transition and reduce their electric costs



How it happened: Community Power's enrollment timeline







Community Power participation

Total customer accounts served:

955,094

Total load: ~ 8,000,000 MWh/year

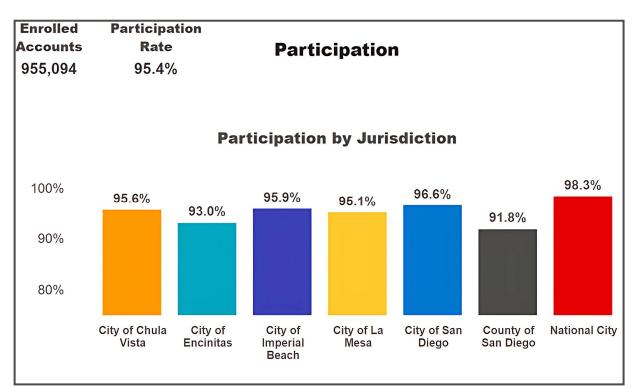
Percentage of load in California for scale:

~ 5%





Member agency participation as of Dec. 30, 2024



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	98,441	94,124	95.6%
City of Encinitas	Power100	28,763	26,758	93.0%
City of Imperial Beach	PowerOn	10,852	10,402	95.9%
City of La Mesa	PowerOn	29,364	27,928	95.1%
City of San Diego	PowerOn	623,534	602,053	96.6%
County of San Diego	PowerOn	190,414	174,790	91.8%
National City	PowerOn	19,359	19,039	98.3%
Total		1,000,727	955,094	95.4%





Current
Community Power
Initiatives





Power Purchasing

Byron Vosburg

Chief Commercial Officer



Energy Procurement goals

The Power Services team oversees Community Power's energy portfolio, ensuring:

Compliance

- Renewable Portfolio Standard (RPS)
- Long-term Contract Requirements
- Resource Adequacy (RA)
- Integrated Resource Planning (IRP)
- Voluntary Renewable Targets
- Local Development Goals
- Energy Risk Management Policy

Value

- Energy Costs directly impact rates
- FY25 Budget:
 - ∘ ~\$1.18 billion revenue
 - ~\$1.07 billion power cost (91%)
- Every "above market" expense reduces contribution to net position

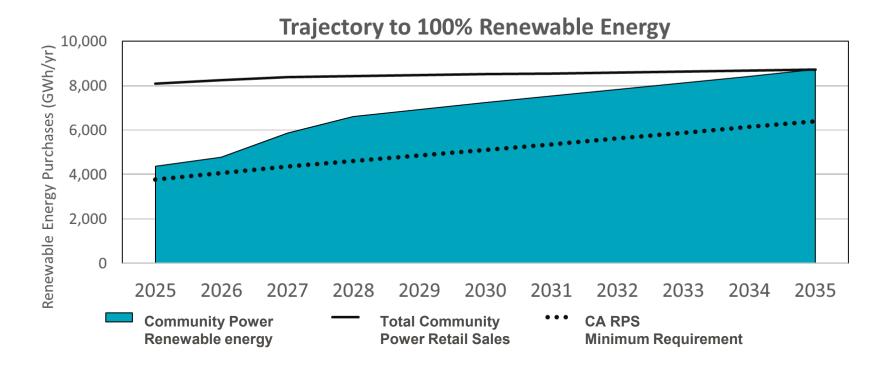
Risk Management

- Market price risk
- Counterparty credit risk
- Development risk
- Technology risk
- Locational risk
- Temporal risk



Renewable energy goals

Renewables Portfolio Standard (RPS): A policy that requires energy providers to supply a minimum amount of energy from renewable sources.



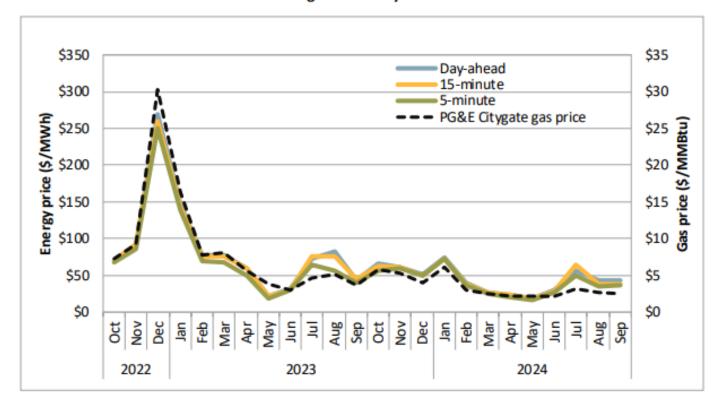
Community Power's RPS goals are more aggressive than the California State mandate. Some local jurisdictions have goals that are earlier than Community Power's.



Energy market fundamentals and challenges

Energy markets are volatile and correlated to natural gas prices

Figure 3.7 Monthly average PG&E Citygate gas price and load-weighted average electricity prices for balancing areas in day-ahead market





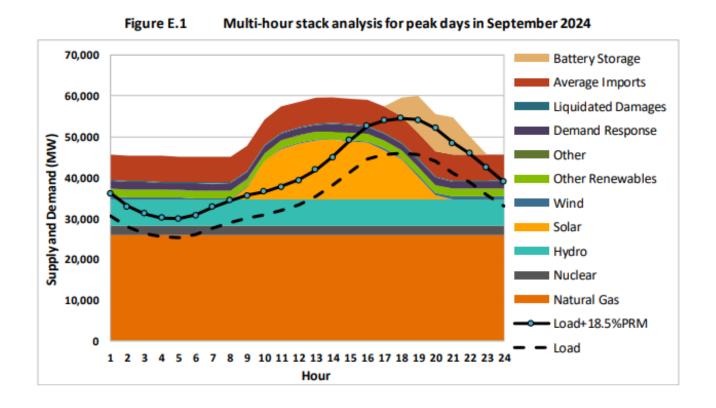
What is Resource Adequacy?

Resource Adequacy (RA) is "backup" power needed during heat waves and other high-energy usage events to avoid blackouts

California ISO

2024 Summer Loads and Resources Assessment

- RA requirements are set by the California Independent Systems Operator (CAISO) and California Public Utilities Commission
- Capacity in is extremely tight, so it's critical that Community Power find new resources and creative solutions to ensure compliance and reliability





Solutions: Power Purchase Agreements (PPAs)

2024

Power Purchase Agreements (PPAs) are contracts in which a buyer, such as Community Power, purchases electricity from a third party at a fixed rate, typically for 10 to 20 years

- Long-term PPAs are a key tool in Community Power's mission to meet Renewable Portfolio Standard and Resource Adequacy goals affordably and sustainably
- Ultimate benefit: Rate stability and predictability for customers

2028 (forecast) ~55%

2035 (forecast)
70+%

Energy from long-term, fixed-price PPAs



Renewable Power Purchase Agreement portfolio

Since its inception Community Power has signed:

- 13 long-term PPAs for 1,670 MW of renewable energy, enough energy to power 795,700 homes
- 14 contracts for 1,960 MW of energy storage capacity, the equivalent of 476,900 homes' peak usage

Operational PPAs	Developer	Technology	Gen MW	Storage MW	Commercial Operation Date (COD)
Duran Mesa	Pattern	Wind	50		Feb. 2022
Oberon	Intersect	PV	75		June 2023
Pomona 2	Ormat	BESS		9	January 2024
Vikings	Arevon	PV + BESS	138.8	145.5	June 2024
Arrowleaf	Ormat	PV + BESS	42	35	July 2025
Yellow Pine 3	NextEra	PV + BESS	35	35	June 2027
Vidal	Аура	PV + BESS	160	160	Dec. 2026
CVEC2	Wellhead	BESS		49.7	June 2026
Avocet	Arevon	BESS		200	April 2026
JVR	BayWa	PV + BESS	90	70	Oct. 2026
Sunzia	Pattern	Wind	150		Oct. 2026
Pelicans Jaw	SBE	PV + BESS	440	238.5	April 2027
Purple Sage	Primergy	PV + BESS	400	400	June 2027
Purple Sage	Primergy	PV + BESS	400	400	June 2027
Border	Middle River	BESS		51.25	Jan. 2026
Border	Middle River	BESS		51.25	Jan. 2026
Enterprise	Middle River	BESS		48.04	Jan. 2026
Enterprise	Middle River	BESS		48.04	lan. 2026





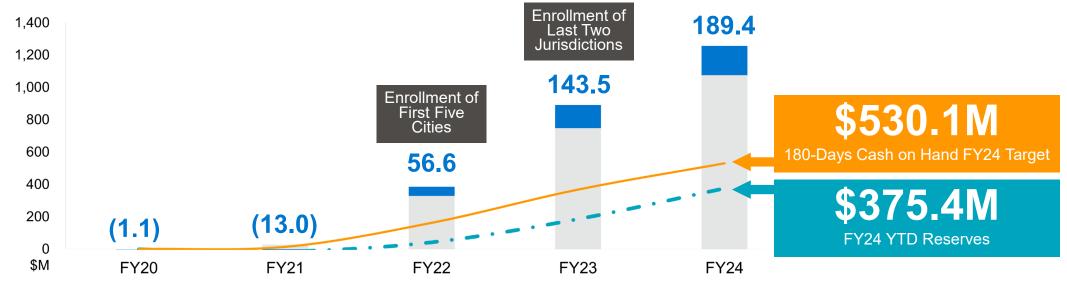


Dr. Eric Washington

Chief Financial Officer/Treasurer

Building a strong financial foundation

Financial stability ensures our start-up agency becomes a lasting institution

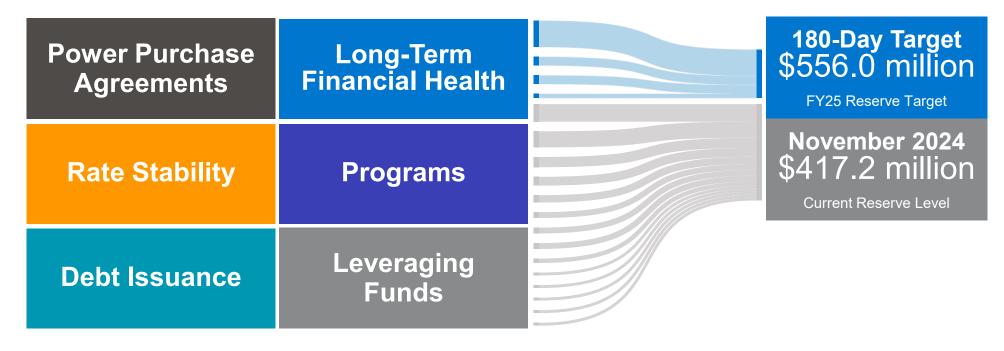


Historical Days' Liquidity, \$M	FY20	FY21	FY22	FY23	FY24
Net Revenue	0.0	14.8	386.3	891.2	1,264.4
Total Expense	1.1	27.8	329.7	747.7	1,075.0
Annual Net Position	(1.1)	(13.0)	56.6	143.5	189.4
Cumulative Net Position (Reserves)	(1.1)	(14.1)	42.5	186.0	375.4
180-Day Expense	0.5	13.7	162.6	368.7	530.1



Strong reserves for a resilient agency

Reserves are more than a rainy-day fund



Community Power's strategic goal is to achieve 180-days cash on hand by October 2025



Prepay benefits and savings

Goal

 Reduce cost of power purchases by 8% or more per prepayment transaction

How

 Leverage use of taxexempt bonding capacity to secure long-term supply

Background

- Codified in the U.S. tax law
- Used since the 1990s largely for natural gas transactions
- Over 100 transactions totaling over \$75 billion completed in the U.S. – mostly for gas

1st Transaction

Aggregate Bond Principle \$1.0 billion

Actual Discount 12.0%

Annual Savings **\$6.8M**



Pillars of financial goals

Rate Setting Objectives

Reserves

Rate Simplicity

Transparency

Avoid Cost-Shifting

Cost of Service



Cost Recovery

Rate Competitiveness

Rate Stability

Equity

Strategic Goals

- Adopt a plan to increase reserves to \$175M by Oct.
 2023 (90-Days Cash On Hand) and \$360M by Oct.
 2025 (180-DCOH).
- Obtain an investment grade credit rating
- Develop Rate Stabilization
 Reserve of \$70M





CompetitiveRate Setting

Jack Clark

Chief Operating Officer



Rate-setting process overview

What are the components of Community Power rates?

- Generation costs
- SDG&E Delivery costs
- Additional fees

- Power Charge Indifference Adjustment (PCIA) includes above-market costs related to power supply commitments that the utilities made many years ago
- Franchise fees is a surcharge applied to electricity transported over SDG&E systems that are constructed in public streets and highways. All customers i.e., bundled and un-bundled, are assessed Franchise Fees

Time of Use – TOUDR-Residential

Residential: TOUDR	SDG&E 44.8% Renewable	SDCP PowerBase 45% Renewable	SDCP PowerOn 54.2% Renewable + 12.8% Carbon Free	SDCP Power100 100% Renewable
Generation Rate (\$/kWh)	\$0.13878	\$0.12997	\$0.14690	\$0.15690
SDG&E Delivery Rate (\$/kWh)	\$0.25528	\$0.25525	\$0.25525	\$0.25525
SDG&E PCIA (\$/kWh)	\$0.00207	\$0.00727	\$0.00727	\$0.00727
Franchise Fees (\$/%)	\$0.00435	\$0.00435	\$0.00435	\$0.00435
Total Electricity Cost (\$/kWh)	\$0.40048	\$0.39684	\$0.41377	\$0.42377
Average Monthly Bill (\$)	\$150.98	\$149.61	\$155.99	\$159.76

Average Monthly Usage: 377kWh



We set our rates for predictability

Community Power typically sets its rates once per year

Year	Count of SDG&E Generation Rate Changes*	Count of Community Power Generation Rate Changes
2024	2	1
2023	1	1
2022	2	1
2021	5	2
2020	3	N/A
2019	4	N/A

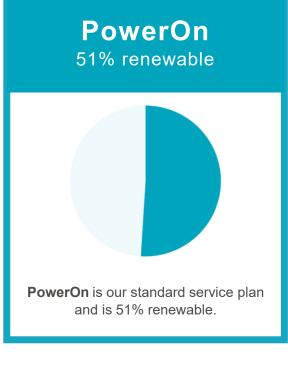
^{*}Per effective date changes observed in historical SDG&E's Schedule Electric Energy Commodity Cost (EECC).

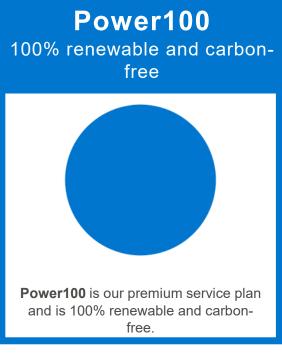


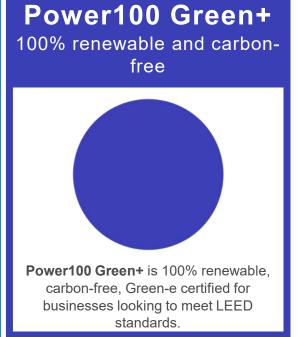
Our rates and service options

We want to empower customers to make choices about their electricity, whether they want to invest in the cleanest, most renewable power available or seek a lower-cost option

PowerBase is our most affordable service plan and is 45% renewable.











Customer Programs

Jack Clark

Chief Operating Officer



Programs that meet customer needs

Community Power Plan acts as a North Star for development of new programs

Prioritize programs that will:

- Provide customer bill reductions
- Reduce Community Power peak demand
- Increase access to clean energy technologies





Community Clean Energy Grants

Community Power's first program has injected nearly \$2 million into local nonprofits

2024 grantees:

- Chula Vista Elementary
 School District
- GRID Alternatives
- Groundwork San Diego –
 Chollas Creek
- SBCS (formerly South Bay Community Services)
- GoGreenish
- Suncoast Market Cooperative
- La Mesa Park & Recreation
 Foundation

- Ocean Discovery Institute
- South Sudanese
 Community Center
- La Mestra Foundation, Inc.
- Climate Action Campaign
- Hammond Climate
 Solutions Foundation
- MAAC Project
- San Diego 350
- I Am Green Inc.
- In Good Company



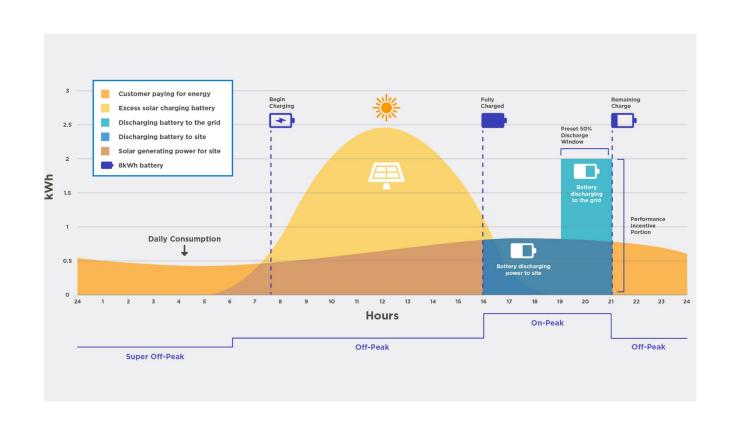
Community Clean Energy Grant Program Press Conference



Solar Battery Savings

A win-win-win for customers, local workforce and resource adequacy

- Solar Battery Savings was a pilot program Community Power launched in 2024 that provided an incentive to single-family residences that installed solar power and battery storage
- It helped boost the struggling local solar industry after the shift from Net Energy Metering (NEM) to the Net Billing Tariff (NBT)
- Supports local resiliency for highenergy usage periods and creates
 Resource Adequacy budget savings

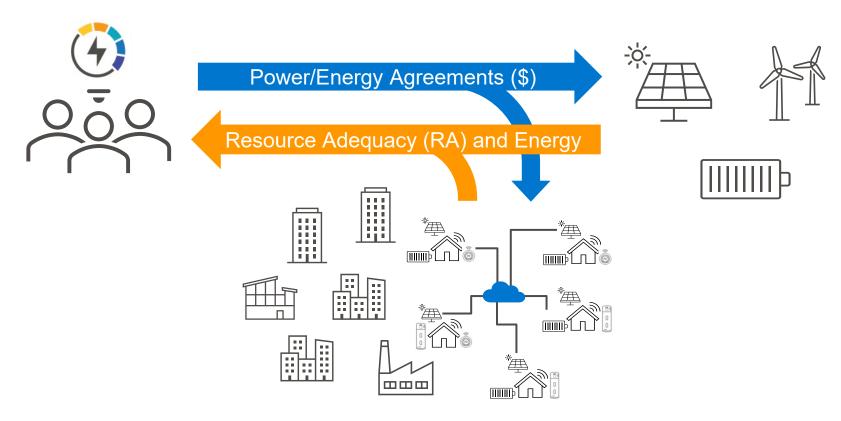




Flexible load as a resource

Reduce peak demand and deliver customer savings

Programs compensate customers for the energy and resource adequacy savings Community Power will receive – keeping revenues local and providing value back to our customers





San Diego Regional Energy Network (SDREN)

Collaboration with the County of San Diego to bring \$125 million in energy efficiency programs to San Diego residents

In 2012, the CPUC issued a decision inviting local governments to collaborate and submit proposals for a new model for administering energy efficiency programs.

REN criteria includes:

- Activities that utilities cannot or do not intend to undertake
- Pilot activities where there is no current utility offering and where there is potential for scalability to a broader geographic reach, if successful
- Activities serving hard-to-reach markets, whether or not there is another utility program that may overlap

San Diego was the only major populated region in the state without a REN as of 2023



Tan shaded areas indicate existing REN territory as of 2023



Regional support

SDREN received support from dozens of businesses, community-based organizations, public agencies and environmental groups throughout the San Diego region



























































































San Diego Regional Energy Network (SDREN)

SDREN programs

Sector	Program Name, Segment, and Target Audience	Budget
Residential	 Single Family (Equity) - Homeowners and renters of single-family residences Multifamily (Equity) - Tenants; Property owners/ managers 	- \$12M - \$23M
Commercial	 Small and Medium Business Energy Coach (Equity) - Small and medium businesses Efficient Refrigeration (Equity) - Small corner stores and food donation centers Market Access Program (Resource Acquisition) - Commercial property owners 	- \$7M - \$11M - \$17M
Public	 Climate Resilience Leadership (Market Support) - Public agencies Tribal Engagement (Equity) – Tribal communities 	- \$21M - \$2M
Workforce, Education & Training	 Energy Pathways Program (Market Support) - High school students Workforce Training & Capacity Building (Market Support) - Adult workforce & employers 	- \$7M - \$12M
Codes & Standards	Codes & Standards - Public agencies i.e., Permitting authorities	- \$7M





Statewide & National Policy Influence

Jack Clark

Chief Operating Officer



Fighting for San Diegans in Sacramento and Washington, D.C.

State- and Federal-level engagement gives us a seat at the table

- Full-time Community Power Senior Legislative Manager based in Sacramento
- Top-tier Sacramento and Washington, D.C. based lobbying firms on contract
- Participate in CalCCA Lobby Day in Sacramento and organize our own meetings with the San Diego delegation
- Advocacy missions to Washington D.C. to educate policymakers on issues within federal jurisdiction, including potential federal funding opportunities as well as proposed legislation that affects the energy grid
- Meet routinely throughout the year with policymakers at all levels of government
- Actively coordinate with industry associations, including CalCCA and Local Energy Aggregation Network (LEAN)





Policy wins result in \$100 million in savings for ratepayers

Leading at the state and federal level results in local impact

- Filed Petition for Modification at the CPUC on the modified cost allocation mechanism
 - Regulatory victory: After initial denial,
 CPUC reversed course and agreed
 with Community Power
 - The final decision conservatively saves bundled customers in San Diego more than \$100 million
 - The cost savings is the result of avoided procurement costs and PCIA costs for CCA ratepayers

- State law mandates Diablo Canyon Nuclear Power Plant operations be continued for 5 years and costs will be passed on to all ratepayers
 - Regulatory victory: CPUC decision agreed that it is fair and reasonable for the benefits to be allocated to all customers paying for extended operations, meaning:
 - Resource Adequacy benefits allocated automatically
 - GHG-free attributes for our power content label
 - \$60 million in energy procurement cost savings over 5-year period while significantly reducing the GHG intensity of both the PowerOn and PowerBase portfolios





Local engagement

Jack Clark

Chief Operating Officer



Locally-focused to serve our customers

Meeting stakeholders where they are to ensure mutual understanding

- Active local government affairs team ensures
 Community Power regularly checks in with member agencies and other local stakeholders
- Engagement has resulted in successful advocacy for updated Climate Action Plans, ensuring the continued development of utility-scale battery storage facilities in the unincorporated areas of San Diego County and support for Community Power initiatives through letters of support
- Community Power maintains memberships with over 20 local and national business chambers, trade organizations, academic institutions and nonprofits

Your local government affairs team



Lee FriedmanSenior Manager
Strategic Partnerships



Ashley Rodriguez
Local Government
Affairs Manager



Community engagement

Our on-the-ground team created opportunities to reach nearly 1 million people in 2024

- Community engagement team attends more than 100 in-person events every year to meet customers where they're at and answer questions
- Launching the Power Network to work more closely with nonprofits throughout the greater San Diego region and work with them to enroll hard-to-reach constituencies into programs
- Partnerships with trusted local brands such as CBS8 and the Padres help spread awareness









Power100 Champions

Local businesses opt in to 100% clean power and spread the word

- Power100 Champions are local businesses that have opted up and want to encourage others to do so
- Community Power creates co-branding opportunities to help support local businesses and build up a network of likeminded businesses











Strengthening and streamlining internal operations

Karin Burns

Chief Executive Officer



Community Power is evolving from startup to steady state

Infrastructure

- Information Technology
- Policy Review and Updates
- Standard Operating Procedures
- Enterprise Data Platform
- Brand Recognition and Web Design

Fiscal Sustainability

- Build Reserves
- Sign Long Term PPAs
- Manage Risk
- Launch ETRM
- Reduce arrearages
- Credit rating
- Slice of Day costs

People/HR

- Continue to build core team
- Retention, continuity & succession plans
- Institutional culture of managerial best practices
- Career development
- Team optimization & utilization





Strategic Plan high level timeline

Collaboration with our Team, CAC, and Board informs our plan and process

Sep

Oct-Dec

Jan-Mar

Apr-May

- Process overview
- Socialize with Exec Team, Leadership Team, All Staff and Chair
- Assess current situation, risks and opportunities
- Develop department three-year outlooks
- Determine high level priority areas
- Socialize w/ Board

- Board, Staff and CAC input
- Leadership retreats
- Strategic Plan Staff
 Retreat
- CACRecommendation/Board Approval

- Incorporate Strategic
 Plan into Annual Budget
- Develop Annual Work Plan, team, and individual goal setting
- Team utilization, optimization and resource planning





Next steps

Maricela Hernandez

Clerk of the Board



General information

What you need to know

Board and Committee Member Compensation Policy

- Board members are entitled to \$300 per day for attending meetings of the Board of Directors or Board committees, including standing and ad hoc committees, and while on official business of Community Power. This includes the orientation meeting. The per diem compensation is limited to four (4) payments in any calendar month. Policy can be found on Community Power's website under Resources; Key Documents; Agency Bylaws and Policies
- 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:
 - \$100 per day for attending meetings of Advisory Committees



Board member checklist

What you need to know



Submit Ethics and Sexual Harassment prevention training certificates



You should have received a notification by San Diego County Clerk of your requirement to file your Statement of Economics Interest (Form 700)



Please respond to the email from Maricela Hernandez that requests additional information



Next scheduled meetings



Regular Board meeting

Thursday, Jan. 23 at 5 p.m.



Special Board meeting

Friday, Feb. 7 at 10 a.m.





Appendix of Supporting Documents

Who we are: Overview of Community Power's mission and vision

• www.sdcommunitypower.org

Board of Directors and Community Advisory Committee responsibilities

- Amended and Restated Joint Powers Authority Agreement December 2021
- Bylaws
- Procurement Policy
- Public Meeting Agendas and Minutes
- Community Advisory Committee Policies and Procedures
- · Conflict of Interest and Ethical Conduct Policy
- Integrated Resource Plan
- Glossary
- Other <u>Key Documents</u> including financial statements and budgets, agency policies and regulatory documents

Community Power's formation and customer base

 Information about <u>CalCCA</u>, the trade association for California Community Choice Aggregators

Current Community Power initiatives

- Power purchasing
 - Energy Risk Management Policy
- Financial stability
 - Budget Policy
 - Financial Reserves Policy
 - Investment Policy
 - Debt Policy
 - Fiscal Year 2025 Budget Book
- Competitive rate setting
 - Rate Development Policy
- Customer programs
 - San Diego Regional Energy Network supporting documents
- Statewide policy influence
 - Legislative Priorities
 - Regulatory and Legislative Platform
- Local community engagement
 - Events page
 - Sponsorship Policy
 - Power100 Champions Hub
- · Strengthening and streamlining internal operations
- Strategic planning
- Next steps

