



# Board of Directors

Special and Regular Meetings

February 25, 2021



# **Special Meeting Agenda**

**Call to Order**

**Roll Call**

**Public Comments on Closed Session Items**

**Closed Session**

**1. Conference with Legal Counsel – Existing  
Litigation**

Pursuant to Government Code Section  
54956.9(d)(1)

Name: CPUC Resource Adequacy Proceeding

**Report from Closed Session**

**Adjournment**

# Closed Session

## Closed Session

### 1. Conference with Legal Counsel – Existing Litigation

Pursuant to Government Code Section 54956.9(d)(1)

Name: CPUC Resource Adequacy Proceeding

# **Special Meeting Agenda**

**Report from Closed Session**

**Adjournment**

# Regular Meeting Agenda

**Welcome**

**Call to Order**

**Pledge of Allegiance**

**Roll Call**

**Items to be Added, Withdrawn, or Reordered on the Agenda**

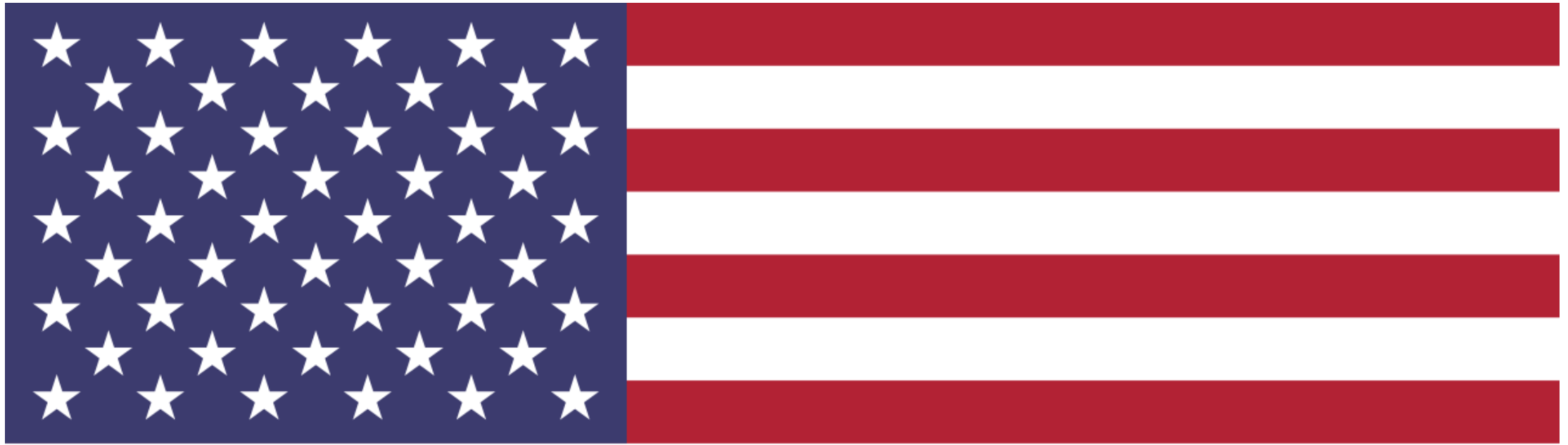
**Public Comments Not on the Agenda**

1. (Consent) Approval of Minutes from January 15 Special Meeting and January 28 Regular Meeting
2. (Consent) Treasurer's Report
3. Operations and Administration Report from the Interim Chief Executive Officer
4. Committee Reports

**Director Comments**

**Reports by Management and General Counsel**

**Adjournment**



# Item 3

## **Operations and Administration Report from the Interim Chief Executive Officer**

Receive and file staff presentation:

1. The presentation will discuss how operations will change within each functional area of SDCP as we move into the Phase 1 delivery stage of operations.

# San Diego Community Power Board Update

*February 25, 2021*



Ty Tosdal  
TosdalAPC





# Overview

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- Advice Letter Implementing SDG&E Rate Changes
- Customer Bill Debt Proceeding ([R.21-02-01](#))
- SDG&E GRC Phase II ([A. 19-03-002](#))
- 2020 RPS Procurement Plans ([R. 18-07-003](#))



# Advice Letter Implementing SDG&E Rate Changes

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- SDG&E 2021 ERRRA Forecast (A. 20-04-014) and 2020 ERRRA Trigger (A. 20-12-007) have been adopted by the Public Utilities Commission.
- Advice Letter scheduled to be issued February 23, 2021, for rate implementation March 1, 2021.
- There will be **no drastic reduction** in SDG&E rates, as proposed. Instead, **SDG&E rates will increase**.
- The System Average Percent Change (SAPC) allocation method will be applied among rate classes.



# Customer Bill Debt Proceeding

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- New proceeding launched to address customer bill debt that has accumulated during the COVID Pandemic.
- Residential arrearages for IOUs **increased by more than \$650 million last year, surpassing \$1 billion total.**
- Customers enrolled in low-income programs accounted for \$324 million of the increase.
- Rulemaking follows recent measures, including Arrearage Management Plan (AMP) and Percentage of Income Payment Plan (PIPP), to assist customers with bills.

# SDG&E GRC Phase II

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- SDG&E was seeking approval for adoption of sales forecast for later this year that again fails to take into account departing load.
- Sales forecast is part of a proposed settlement agreement.
- Adoption would likely lead to artificial reduction in SDG&E's rates, similar to the outcome of ERRRA forecast proceeding, had San Diego CCA programs not intervened.
- SDG&E will propose addendum to settlement agreement.



# 2020 RPS Procurement Plans

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- RPS Plans are forward-looking resource planning documents that demonstrate that an energy provider's portfolio will comply with RPS rules.
- Requirements prove challenging for brand new CCA programs like SDCP with limited portfolios.
- SDCP and other CCAs, ESPs and IOUs were ordered to provide additional details to multiple sections of the RPS Plans by February 15, 2021.
- SDCP Final Plan was filed on February 19, 2021.



# Questions ??

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# Life After Launch

October 2019

- Start Up
- Financing
- Staffing
- Policies
- Branding & Comms
- Back office setup
- Regulatory and Procurement “1.0”

March 1, 2021  
POWER FLOW BEGINS

June 2021

- Commercial & Industrial service begins

2022

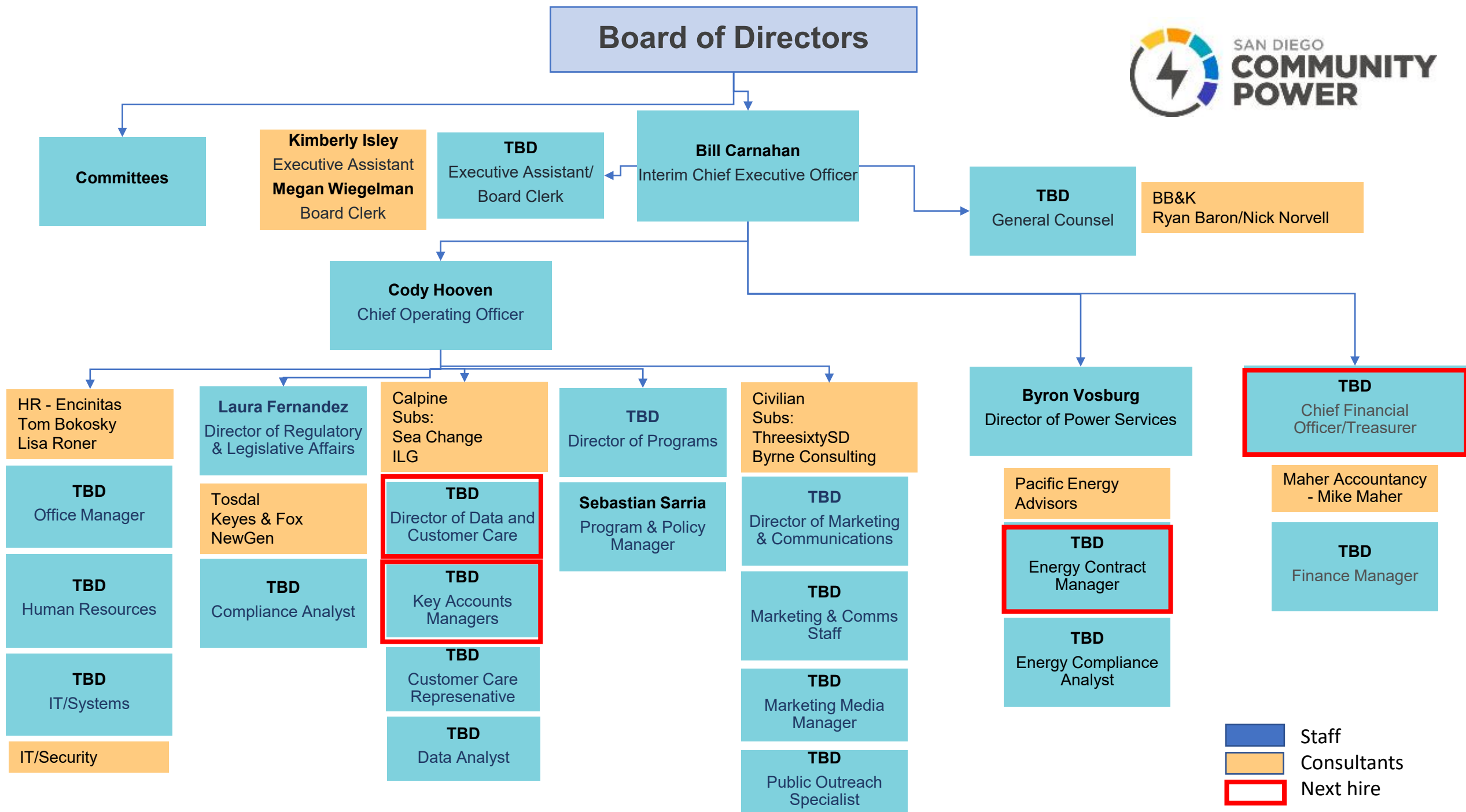
- Residential service begins

# Strategic Plan Development

## Potential Concepts

- **Human Capital**
  - Develop office space transition plan
  - Adopt plan to attract and retain qualified employees with emphasis on local candidates and promoting diversity
  - Develop internship/apprentice programs
  - Optimize use of consultant to supplement staff and direct assignments
- **Organizational**
  - Mission, Vision, Goals
  - Explore advantages and disadvantages of adding new members
- **Financial**
  - Adopt Reserve Targets
- **Power & Programs**
  - Develop 3-year plan for new projects and programs based on member needs and desires
  - Review phase in plan for Phase 3
  - Determine indirect benefits of local generation
  - Local program priorities – e.g., vehicle electrification, community solar, etc.
  - Secure grants





■ Staff  
■ Consultants  
■ Next hire

# Functional Areas

## Operations

Human Resources

Regulatory & Legislation

Marketing & Comms

Back Office/Data

Energy Programs

IT/Systems

Customer Care

## Power Supply

Portfolio Management

Long-term Planning

## Finance

Budget

Cash Flow

# Operations

## Regulatory & Legislation

- Reactive
  - Represent our ratepayers in regulatory proceedings
  - Ensure compliance
  - Legal and technical analyses
- Proactive
  - Develop a legislative platform
  - PCIA legislation
  - Partner with member cities
  - Manage consultants

### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS &  
ELECTRIC COMPANY (U902E) for  
Approval of its 2021 Electric Procurement  
Revenue Requirement Forecasts and GHG  
Related Forecasts

Application 20-04-014  
(Filed April 15, 2020)

### SAN DIEGO COMMUNITY POWER, CLEAN ENERGY ALLIANCE AND CALIFORNIA COMMUNITY CHOICE ASSOCIATION OPENING COMMENTS ON ALTERNATE PROPOSED DECISION

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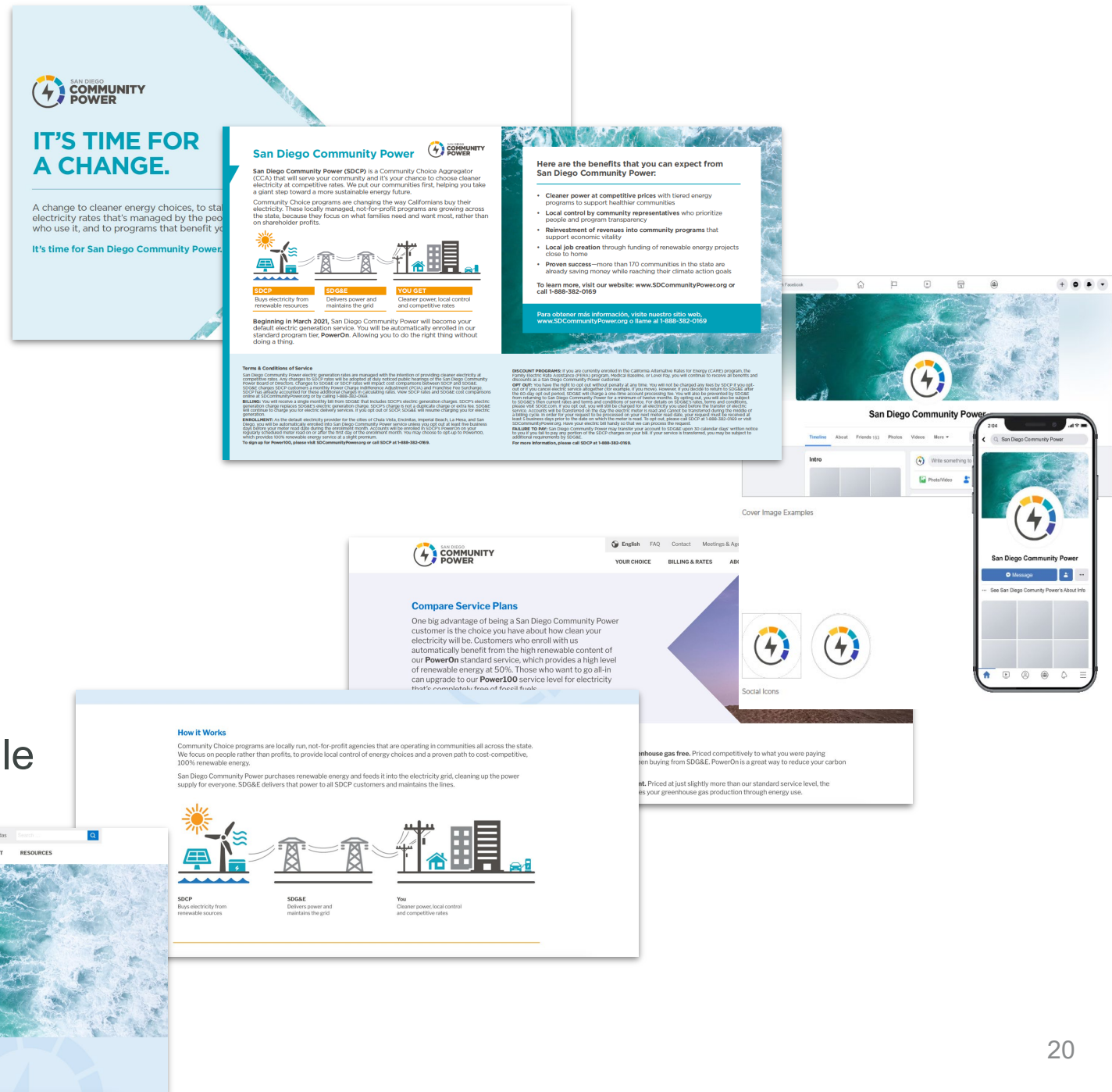
January 7, 2021

*Counsel to San Diego Community Power and  
Clean Energy Alliance*

# Operations

## Marketing & Communications

- New website
- Social media presence
- Communications with customers
- Manage and Collaborate with consultants
- Develop plan for possible reschedule of Phase 3



# Operations

## Back Office/Data

- Ensure accurate and synchronized billing
- Close direction and collaboration with SDG&E and Calpine
- Critical to revenue generation/cash flow
- Online Bill Comparison Tool to be ready by early April

### Account Information

[Where do I find my account information?](#)

Rate

Select Rate



Service Location

Select Location



Bill Ending Month

Select Month



**CALCULATE**



# Operations

## Energy Programs

- Net Energy Metering
- Feed-in Tariff
- DAC-GT & CS-GT
- Looking ahead:
  - Solar + battery incentives
  - Customized programs based on community needs



# Functional Areas

## Operations

Regulatory & Legislation

Marketing & Comms

Back Office/Data

Energy Programs

Human Resources

IT/Systems

Customer Care

## Power Supply

Portfolio Management

Long-term Planning

## Finance

Budget

Cash Flow

# Power Supply

## What Have We Been Doing To Prepare for Launch?

- Registrations and Administration
  - e.g. California ISO
- Load Forecast and Scheduling
- Energy Procurement
  - Resource Adequacy (“RA”)
  - Shaped Energy Contracts
  - Short-term Renewable and Carbon-free Energy
  - Long-term Renewable Energy Supply





# Power Supply

## What's Next?

- Portfolio Management (on-going)
  - Resource Adequacy
  - Energy market risk
  - Renewable energy
  - Carbon-free energy
- Long-term Planning and Procurement
  - Strategic Planning including evaluation criteria for project analysis
  - Integrated Resource Planning
  - Long-term renewable energy request for offers (timing TBD)
  - Local renewable energy request for information/offers (timing TBD)
  - Energy storage request for information/offers (timing TBD)

System Energy

Renewable  
Energy

Other GHG-  
Free Energy

Resource  
Adequacy (RA)  
Capacity

# Functional Areas

## Operations

Regulatory & Legislation

Marketing & Comms

Back Office/Data

Energy Programs

Human Resources

IT/Systems

Customer Care

## Power Supply

Portfolio Management

Long-term Planning

## Finance

Budget

Cash Flow

# Finance

- Lockstep with accounting consultant
- Budget
  - Preparation
  - Monitoring
- Forecast
  - Rate design
  - Pro forma
- Cash flow
- Contract management
- Invoices/bill pay
- Interface with River City Bank

	FY21 (July 2020-June 2021)
<b>REVENUE</b>	
Working capital from River City Bank	\$ 24,600,000
Rate payer revenues	\$ 22,688,892
Less Uncollectibles	\$ (36,722)
Revenue TOTAL:	\$ 47,232,170
<b>EXPENSE</b>	
<b>Ops and Admin</b>	
Professional Services/Consulting	\$ 330,000
Board and Committee Expenses	\$ 15,000
Staffing (assumes 8 staff)	\$ 1,300,000
Admin Costs (rent, insurance, equipment, IT, software, travel, etc.)	\$ 330,000
Estimated Debt Service and Bank Fees	\$ 1,048,000
TOTAL:	\$ 3,263,000
<b>CAISO/Utility Fees</b>	
CAISO deposit (to be a CRR holder; one time payment)	\$ 300,000
Financial Security "Bond" (CPUC; one time payment)	\$ 30,000
SDG&E billing service fees (@\$0.28 per account/month)	\$ 3,768
TOTAL:	\$ 555,768
<b>Technical/Energy Services</b>	
Power contracting, portfolio and rate design, scheduling, CRR management, et al	\$ 273,000
Scheduling Fees	\$ 8,000
Cost of Power	\$ 32,311,279
Collateral/Lockbox reserves	\$ 3,000,000
TOTAL:	\$ 37,792,279
<b>Communications/Customer Enrollment</b>	
Marketing strategy and branding	\$ 65,000
Permanent Website + Maintenance	\$ 45,000
Collateral Design/Video	\$ 60,000
PR/Advertising Campaign -- print, social, paid and earned media	\$ 130,000
Community Engagement	\$ 125,000
Materials for tabling and events (design/print)	\$ 30,000
Customer Notifications (@ \$0.80 each)	\$ 49,000
Community Sponsorships, etc.	\$ 25,000
TOTAL:	\$ 549,000
<b>Data Management/Call Center</b>	
Data Management/Call Center	\$ -
TOTAL:	\$ -
<b>Legal</b>	
General Counsel Services	\$ 120,000
Legal review of power supply and other vendor contracts	\$ 120,000
TOTAL:	\$ 240,000
<b>Regulatory/Legislative</b>	
Cal-CCA Membership	\$ 30,000
Regulatory Monitoring and Reporting	\$ 200,000
Participation in Regulatory Proceedings /Compliance Matters	\$ 100,000
Lobbyist	\$ 60,000
TOTAL:	\$ 410,000
<b>Operating Expenditures TOTAL:</b>	<b>\$ 42,810,047</b>
<b>NET SURPLUS</b>	<b>\$ 4,422,123</b>

[www.sdcommunitypower.org](http://www.sdcommunitypower.org)

@SDCommunityPwr





# Item 4

## **Committee Reports**

### Recommendation:

Receive and file update from the Community Advisory Committee.

# **Regular Meeting Agenda**

**Director Comments**

**Reports by Management and  
General Counsel**

**Adjournment**



# Board of Directors

Next Regular Meeting:  
March 25, 2021

