



Community Advisory Committee

Regular Meeting

June 12, 2025



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Welcome and Call to Order

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Roll Call



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Land Acknowledgement



Special Presentation & Introductions

Welcome Staff



Sara Saragosa
Executive Assistant

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Public Comment on non-Agenda Items



Items to be Withdrawn or Reordered on the Agenda

CONSENT CALENDAR

1. **Approval of May 8, 2025, CAC Regular Meeting Minutes**
2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
3. **Receive and File Update on Customer Operations**
4. **Receive and File Update on Programs**
5. **Receive and File Update on Power Services**
6. **Receive and File Update on Regulatory and Legislative Affairs**



Public Comment on Consent Calendar

REGULAR AGENDA

- 7. Tariffs, Tax Credits and Executive Orders: New-Build Market Outlook Update**
- 8. Presentation of Draft FY 2025-26 Operating Budget, FY 2025-26 Capital Budget, and FY 2026-30 Capital Improvement Plan**
- 9. Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2025-2026**

Item No. 7

Tariffs, Tax Credits and Executive Orders: New-Build Market Outlook Update

Recommendation:

Receive and File the Tax Credits and Executive Orders: New-Build Market Outlook Update.

Presenters:

Andrea Torres, Director of Origination

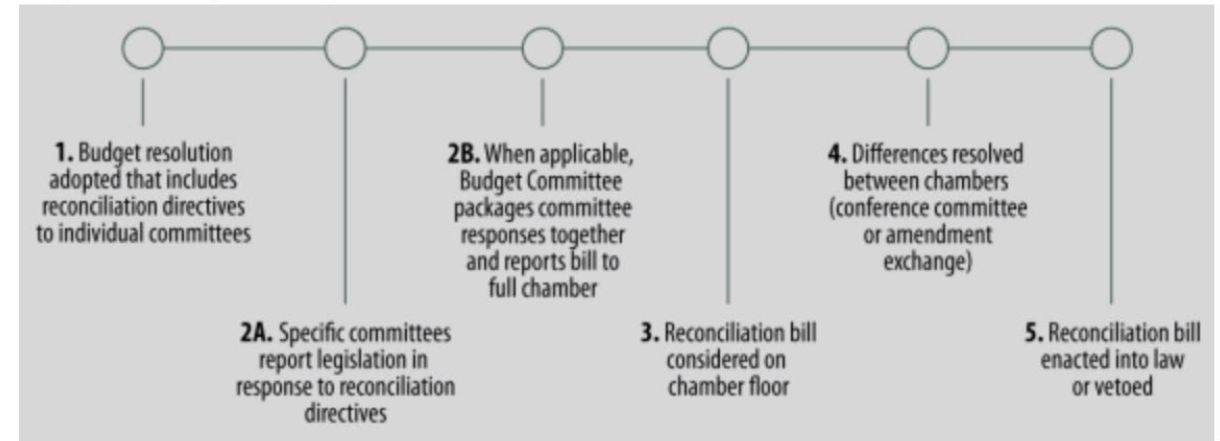
Patrick Welch, Associate Director of Legislative Affairs

Potential Federal Policy Changes

Overview – Clean Energy Tax Credits

- A prior Congress and Administration significantly expanded support for clean energy through tax credits and funding initiatives
- The current Congress is undertaking a budget reconciliation process that could result in reductions to energy tax credits
- The House of Representatives approved HR 1 (One Big Beautiful Bill) on May 22 that would roll back residential clean energy and utility scale tax credits
- It is a fluid situation, and the final outcome is unclear

Figure 1. Major Stages of the Reconciliation Process



Source: Congressional Research Service.

Federal Budget Reconciliation

Utility Scale Tax Credits in HR 1, The One Big Beautiful Bill Act

Current Law

- The Investment and Production Tax Credits provide a 30% credit when a clean energy project starts construction
- It is available for wind, solar, energy storage, geothermal, and other technologies
- It sunsets on 2032 or when greenhouse gas emissions fall 25% below 2022 levels

The One Big Beautiful Bill Act

- New sunset: Projects must begin construction 60 days after enactment or be placed into service by December 31, 2028
- Foreign entity requirements: Projects could not receive “material assistance” and could not be “influenced by” foreign entities of concern



Pelicans Jaw Project

Federal Budget Reconciliation

Residential Energy Tax Credits in HR 1, The One Big Beautiful Bill Act

Current Law

- The Residential Clean Energy Credit provides a 30% credit for rooftop solar and storage systems
- The Home Energy Efficiency Investment Credit provides up to \$3,200 for energy efficiency and electrification upgrades
- It must be claimed by December 31, 2032, with step downs thereafter
- There is a \$7,500 tax credit for electric vehicles

The One Big Beautiful Bill Act

- New sunset: December 31, 2025



Source: [CalMatters](#)

Federal Budget Reconciliation

Two Other Utility Scale Energy Tax Credit Legislative Proposals

HR 2838 Ending Intermittent Energy Subsidies Act

- Would phase out tax credits for utility-scale wind and solar projects only based on a "placed into service" standard
- Starting with 80% credit value in 2026 and lowering by another 20% each year thereafter; fully eliminated in 2030

HR 3291 Certainty for Our Energy Future Act

- Would create a new December 31, 2030 sunset for utility-scale wind and solar projects only
- Would maintain the "start of construction" standard and provide safe harbor for projects currently under construction

Neither would impact non-solar/wind technologies or residential clean energy tax credits



Brawley Project under construction

Federal Budget Reconciliation

Timeline and next steps

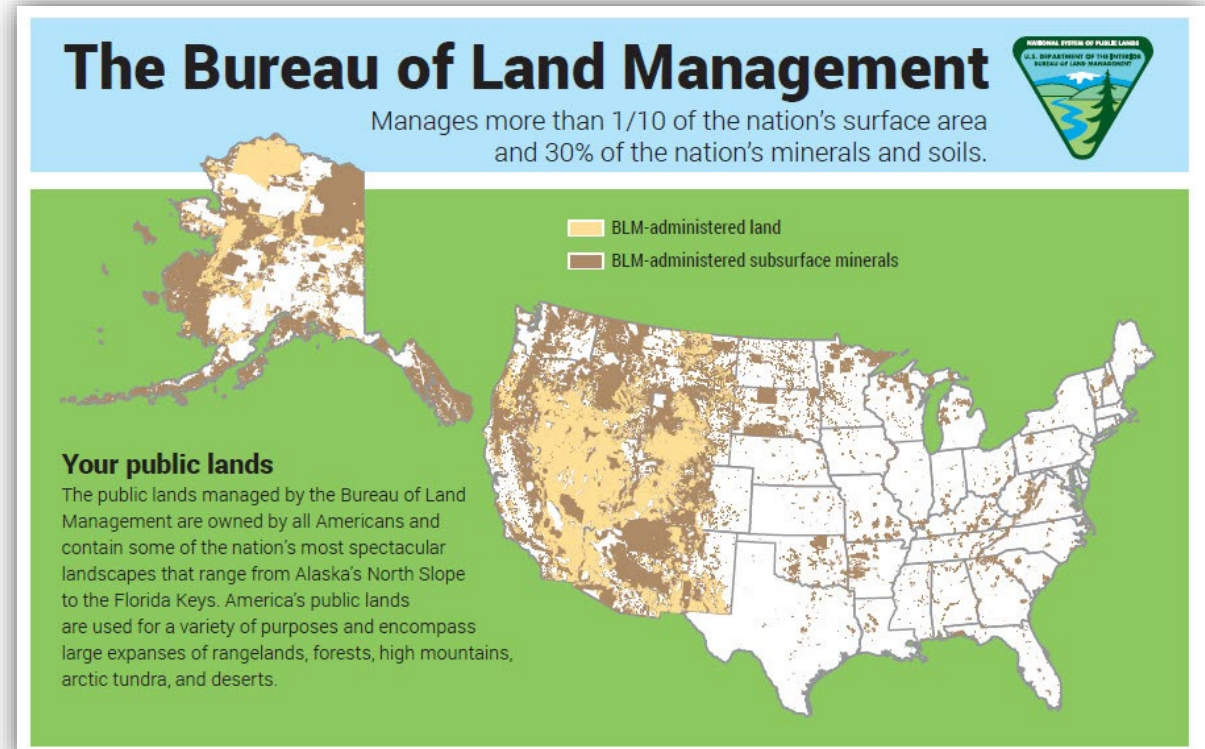
- The Senate may attempt to pass HR 1, or some version thereof, by July 4
- If the Senate approves a modified version of the legislation, then the House will need to vote on it again
- It's a fluid situation and the final outcome is unclear
- Community Power continues to monitor developments and stay in touch with our Congressional representatives about operational and customer impacts



Federal Energy Project Permitting

Executive Order Paused Bureau of Land Management (BLM) Processes

- The *Unleashing American Energy* executive order was issued on January 20
- It revoked *Tackling the Climate Crisis at Home and Abroad*, an executive order issued in 2021
- The Department of Interior issued a 60-day moratorium on renewable energy permitting, which has since been lifted
- BLM is not prioritizing renewable energy permitting on federal lands
- The initial pause and de-emphasis on prioritizing renewable energy impacts the pace and scale of project approvals, including Community Power's Purple Sage project



Tariffs

Background

- U.S. imposed varying levels of tariffs on Chinese goods during the first Trump administration and during the Biden administration
- Extreme tariff volatility since January
- Varying % of tariffs applied to all countries sourcing material supply for renewable energy and storage projects. 10% is a baseline
- China is a dominant supplier of raw materials/components along the PV supply chain, but **PV modules** themselves are primarily supplied by Vietnam, Thailand, Malaysia and Cambodia, as well as South Korea, India and the U.S.
- Steep tariffs have been imposed on aluminum and steel (doubled this week to 50%), which have impacted the cost of supply for renewable energy, and across other construction industries as well

Vietnam Example

Companies	Final AD rate	Final CVD rate	Total tariff amount
JA Solar	52.54%	68.15%	120.69%
JinkoSolar	120.38%	124.57%	244.95%
Blue Moon Vina	77.12%	124.57%	201.69%
Boviet Solar	77.12%	230.66%	307.78%
Elite Solar, Letsolar, Mecen Solar Vina, Nexuns, Trina Solar, Vietnenergy, Vietnam Sunergy (VSUN)	77.12%	124.57%	201.69%
GEP New Energy, HT Solar, New Energy Vina, Vietnam Green Energy	271.28%	542.64%	813.92%
All others	271.28%	124.57%	395.85%

Source: Solar Power World: <https://www.solarpowerworldonline.com/2025/04/commerce-reveals-final-tariff-amounts-on-southeast-asian-solar-imports/>

“AD” stands for “anti-dumping”; “CVD” stands for “countervailing duty”

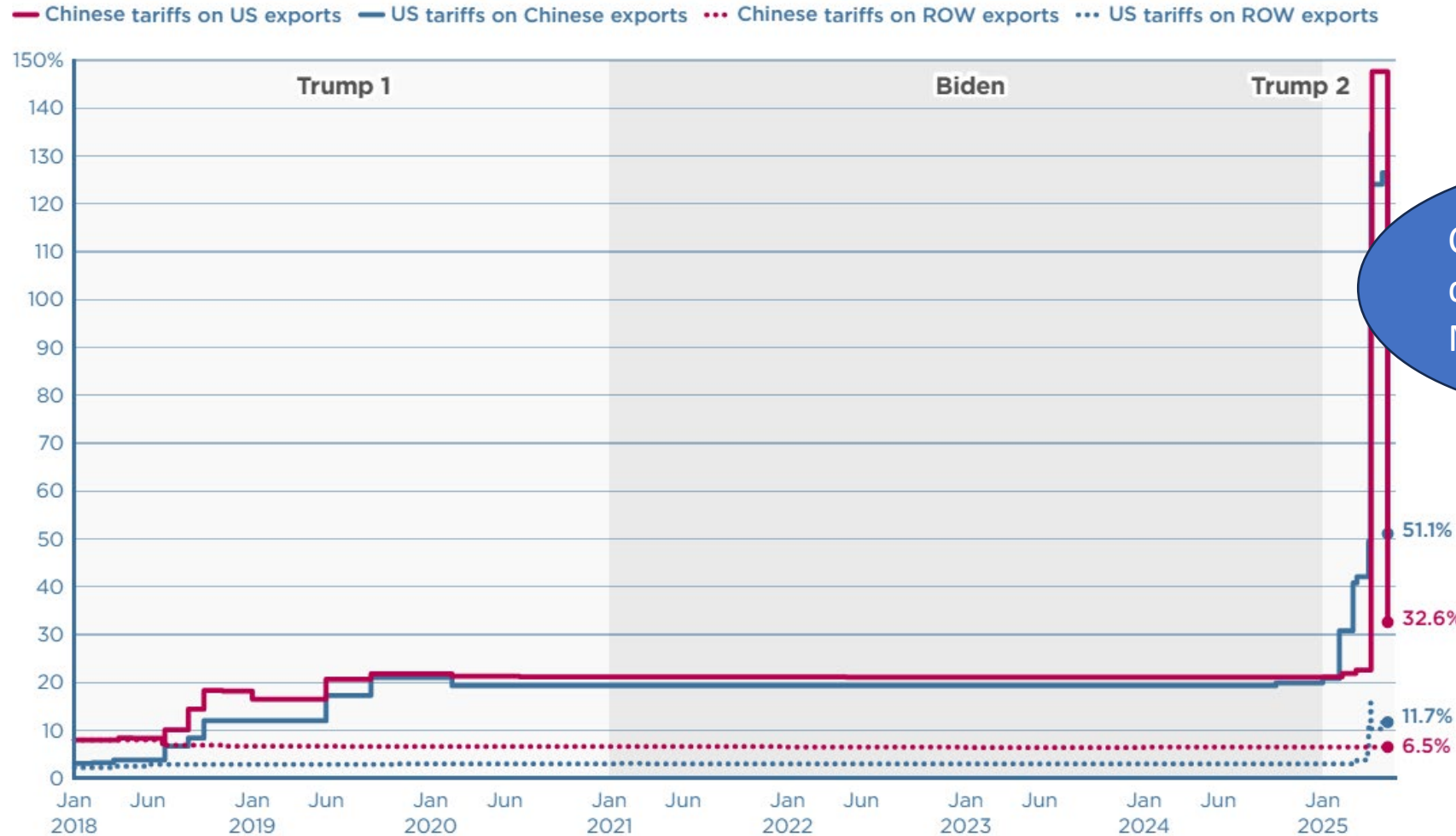
Tariffs

Legal challenges

- On May 28, the U.S. Court of International Trade froze sweeping tariffs on the basis that the Administration improperly used the International Emergency Economic Powers Act of 1977
- Federal appeals court has since allowed the Administration's most sweeping tariffs to remain in effect while it reviews a lower-court decision



Tariffs: a focus on China

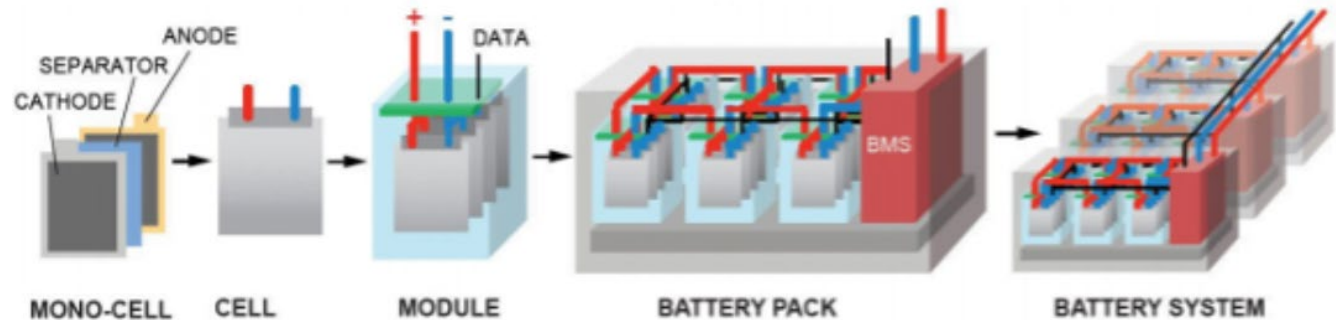


Currently in a 90-day pause starting May 12th.

Tariffs: a focus on China

- China is a dominant supplier of raw materials for **battery storage** including graphite, cobalt, as well as BESS module manufacturing
- Multiple points along the BESS supply chain that tariffs can affect
- To a lesser extent, China is also a supplier of **wind** turbines and generators, and other energy **high voltage equipment**

BESS component diagram



Source: <https://troescorp.com/what-is-battery-energy-storage/>

Impacts of Federal Actions on Portfolio

RPS PORTFOLIO*: Community Power remains well positioned to meet its 75% clean energy target by 2027 with ten years to meet its 100% target by 2035.

CONTRACTED UNDER

All of Community Power's developing RPS + storage portfolio is expected to come online prior to the end of 2028 with approximately 2/3 of SDCP's contracted volume under development having started construction with major equipment procured or having met safe harbor requirements, mitigating the risk of both tax credit eligibility losses or tariff increases.

CONTRACTED NOT YET UNDER

Community Power is monitoring project development closely. It is too soon to accurately quantify the risks to project costs and viability from tax credits eligibility losses or tariff increases. The cost of capital could increase due to both the volatility of tariff risk and the loss of tax credits.

PIPELINE

Tariffs: Community Power is prioritizing projects that are better positioned to mitigate tariff exposure due to developer-specific procurement and project financing strategies.

Tax credits: Procurement costs may increase for projects that don't meet the criteria



Public Comment on Item No. 7

ITEM NO. 7

**COMMITTEE
MEMBER
COMMENTS
AND
QUESTIONS**

**Tariffs, Tax Credits and Executive Orders: New-Build
Market Outlook Update**

**Recommendation:
Receive and File the Tax Credits and Executive
Orders: New-Build Market Outlook Update.**

Item No. 8

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

Recommendation:

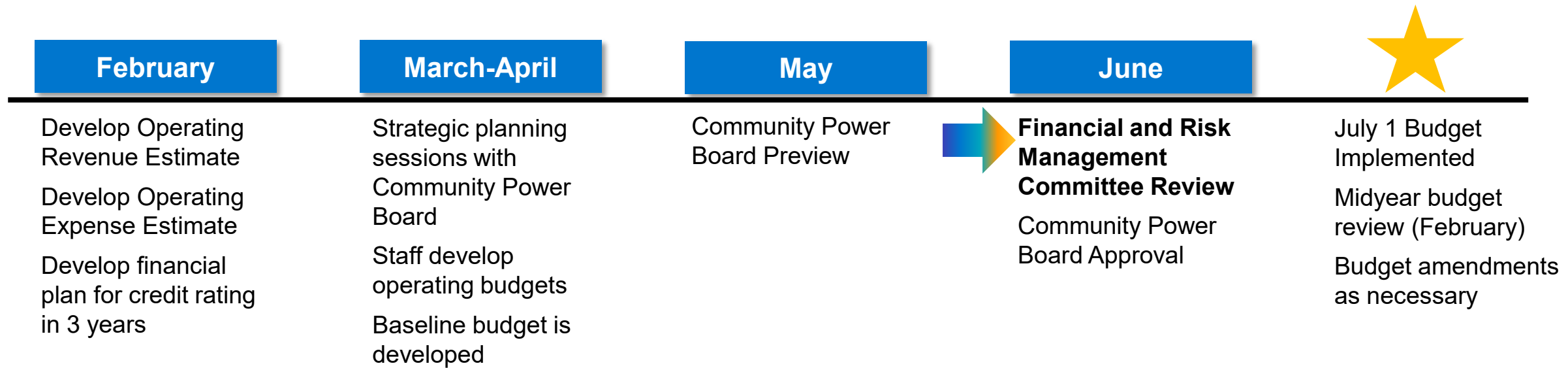
Receive and File the presentation on the preliminary proposed FY 2025-2026 Operating Budget, FY 2025-2026 Capital Budget, and FY 2026-2030 Capital Improvement Plan.

Presenter:

Dr. Eric Washington, Chief Financial Officer

Budget Development for FY 2025-2026

The Board adopted schedule for budget development is the following:

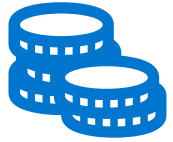


Budget Priorities

Community Power's guiding budget principles

- 1. Fiscal Responsibility.** Making budget decisions that allow for the short- and long-term success and stability of the agency
- 2. Ensuring Sufficient Funding.** Understanding the risks of a volatile market and setting rates appropriately while prioritizing affordability
- 3. Building Reserves.** Hitting reserve targets creates opportunities to lower rates and make them more stable for customers
- 4. Ensuring Transparency.** Providing accurate information and noting changes to plans allows for informed decision making from our Board of Directors
- 5. Keeping the Public Informed.** Hosting public meetings and making documents public as early as possible allows for the public to better understand where Community Power is investing ratepayer dollars and outside funding to advance renewable power, adopt clean energy technologies, and prioritize competitive rates

Budget Highlights



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



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



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



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



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



FISCAL YEAR
2025
2026



SAN DIEGO COMMUNITY POWER

Operating Budget

Fiscal Year 2025–2026

FY 2025-2026 Operating Budget

Item	FY 2024-2025 Amended Budget, \$M	FY 2025-2026 Proposed Budget, \$M
Gross Revenue	1,243.0	1,221.0
Less Uncollectible Accounts	(21.8)	(21.4)
Net Revenue	1,221.3	1,199.6
Cost of Energy	1,116.8	956.7
Non-Energy Costs	50.8	54.3
Subtotal Operating Expense	1,167.6	1,010.9
Debt Service	1.3	1.9
Capital Investment Plan	18.2	22.2
Total Expense	1,187.1	1,035.0
Net Position	34.2	164.6

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

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

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






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

+\$4.0M
CIP Contribution

+\$164.6
Net Position

Budget – Non-Energy Costs

Budget Changes by Category

	Professional Services	Professional Services remains relatively even.	FY 2025 \$24.3m	FY 2026 \$24.6m
	Personnel	Recruitment strategy of 7 new staff. Current staffing: Hired (80), previously authorized (7), new requests (7).	FY 2025 \$18.6m	FY 2026 \$21.1m
	Marketing and Outreach	Marketing and Outreach budget slightly lower.	FY 2025 \$3.0m	FY 2026 \$2.6m
	General and Administrative	Increase as Community Power has scaled in staffing.	FY 2025 \$4.9m	FY 2026 \$5.9m
	Capital Transfer	Continued Solar Battery Savings proposed funding of \$18.8 million.	FY 2025 \$18.2m	FY 2026 \$22.2m

Finance Highlights

Practice fiscal strategies to promote long-term sustainability

- **Affordability.** Execute clean prepayment transactions aimed at generating significant annual savings on power costs
- **Middle-Office Risk.** Building controls and oversight for Community Power's largest cost center given potential regulatory and legislative changes
- **Adding Two Positions.** Additional support to build the middle-risk office and to support expanded customer programs
- **Enterprise Resource Planning Software.** Implementation of Enterprise Resource Planning (ERP) to streamline processes and enhance efficiency, leading to reduced costs, better customer service, and improved decision-making in support of the enterprise-wide data platform

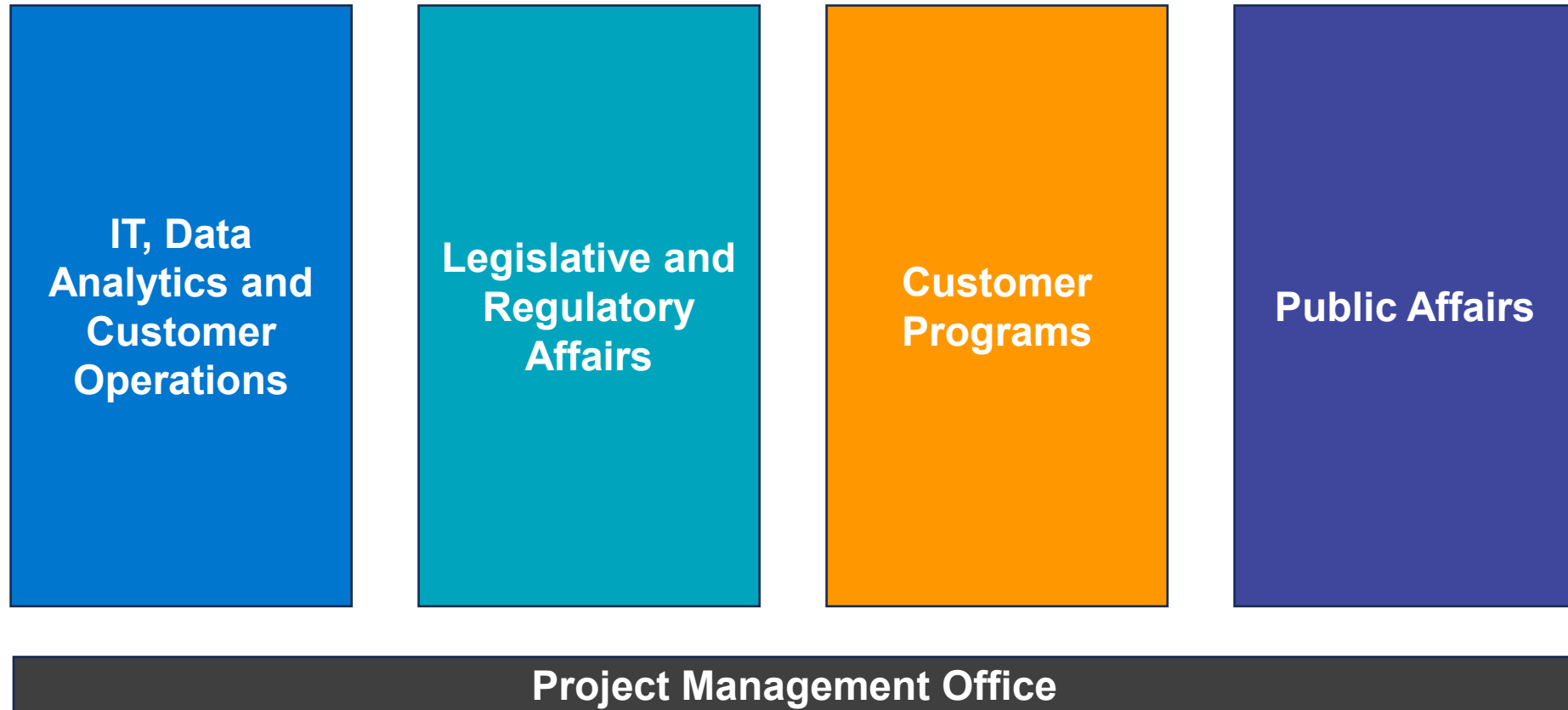
Power Services Highlights

Procuring renewable energy for our customers

- **Adjusting Assumptions.** Managing risk to account as best as possible for volatile energy markets
- **Adding Two Key Analyst Roles.** Both roles support the goal to reach 100% renewable energy by 2035 while keeping rates competitive
- **Cost-effective Compliance.** Budgeting appropriately to meet requirements for resource adequacy and renewable portfolio standards
- **Advanced Analytics to Mitigate Risk.** Implementing and integrating an Energy Trading and Risk Management system
- **Implementing the Solar Advantage Program.** Getting Disadvantaged Communities Green Tariff (DAC-GT) contracts in place advances local procurement targets while providing significant bill discounts for working families
- **Portfolio Diversity.** A variety of energy sources allows for more stable pricing and enhanced reliability

Operations Highlights

Advancing operational efficiency



IT, Data Analytics and Customer Operations Highlights

Making data-driven decisions to provide world-class service externally and internally

- **Cybersecurity Enhancements.** Protecting customer data and streamlining internal IT functions
- **Enterprise-wide Data Platform.** Centralizing and standardizing data to enhance internal collaboration and to better serve our customers
- **Improve Communications with SDG&E.** Aiming to resolve issues that affect customer experience
- **Contact Center Improvements.** Supporting training and performance monitoring to provide high-quality service
- **Customer Education and Awareness of Service Options.** Collaborating with the Public Affairs team to inform customers about their electricity choices
- **Implementing Competitive Rates.** Providing customers with the lowest rates possible while creating sustainable, equitable rate structures

Legislative and Regulatory Affairs Highlights

Advocating for local control at the State and Federal level

- **Participating in Trade Associations and Organizations.** Engaging and partnering with organizations such as CalCCA (California Community Choice Association) elevates Community Power's voice in legislative and regulatory advocacy
- **Maintaining Staffing.** The current team of five monitored or engaged with over 60 regulatory proceedings and approximately 150 pieces of legislation in FY2025
- **Promoting Affordability.** Advocating in Sacramento and at the California Public Utilities Commission to shape the legislative and regulatory landscape to better meet customer needs

Customer Programs Highlights

Advancing the clean energy transition for all

- **Launching the San Diego Regional Energy Network.** Launching 10 programs focused on energy efficiency with the goal of reducing customer energy use and generating bill savings
- **Expanding Solar Battery Savings.** An allocation of \$18.8 million nearly doubles the investment of the pilot program that incentivizes the adoption of solar plus storage systems and reduces Community Power resource adequacy requirements
- **Integrating a Distributed Energy Resource Management System and Flex Load Strategies.** Making it easier for customers to use electricity when it is least expensive, shifting consumption off of peak
- **Implementing the Solar Advantage Program.** Approving projects can provide bill discounts of 20% to nearly 10,000 low-income households
- **Adding Two Positions.** Six out of 14 total programs positions are funded externally through the San Diego Regional Energy Network and other grants

Public Affairs Highlights

Connecting with community

- **Scaling Back Costs.** Embracing digital tools to move away from printed materials and shifting marketing dollars from the operating budget to outside funding sources, saving \$800,000 from FY2025
- **Enhancing Strategic Communications.** Adding a strategic communications associate to increase earned media opportunities and develop more cohesive messaging
- **Maintaining Funding to Reinvest in Communities.** Partnerships, sponsorships and outreach activities that build trust with community stakeholders and create educational opportunities for the public
- **Utilizing the Power Network.** Working with local Community-Based Organizations to assist with translation, outreach and advocacy to lift their voices and provide value to Community Power customers
- **Educating the Public.** The marketing and outreach budget, along with external funding through SDREN, aims to encourage stakeholders to take advantage of programmatic and service offerings, engage in the clean energy transition, and save money

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Public Comment on Item No. 8

ITEM NO. 8

**COMMITTEE
MEMBER
COMMENTS
AND
QUESTIONS**

**Presentation of Draft FY 2025-26 Operating Budget,
FY 2025-26 Capital Budget, and FY 2026-30 Capital
Improvement Plan**

Recommendation:

**Receive and File the presentation on the preliminary
proposed FY 2025-26 Operating Budget, FY 2025-26
Capital Budget, and FY 2026-30 Capital Improvement
Plan**

Item No. 9

Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2025-2026

Recommendation:

Elect a Community Advisory Committee (CAC) Chair, Vice-Chair, and Secretary for Fiscal Year 2025-2026.

Presenter:

Xiomalys Crespo, Sr. Community Engagement Manager

Election of FY 2025-2026 CAC Officers

Chair

- Serve as the primary liaison and spokesperson for the CAC
- Support Staff with setting the CAC agenda
- Guide the CAC in developing an annual workplan consistent with the CAC Scope of Work and approved by the Board of Directors
- Determine if meetings are required or if a meeting should be canceled
- Lead and manage CAC meetings to ensure all CAC and community members are heard, work to keep meetings to allotted time, as well as manage public comments
- Represent the CAC at Board of Directors' meetings to provide updates, submit information, or respond to Board requests
- Represent the CAC within organizational processes, to other organizations, or at events, as appropriate

Vice-Chair

- Assume CAC Chair responsibilities if the Chair is absent from a meeting or otherwise unable to perform their duties

Secretary

- Take attendance and meeting notes, and work with staff to distribute relevant information to members



Public Comment on Item No. 9

ITEM NO. 9

**COMMITTEE
MEMBER
COMMENTS
AND
QUESTIONS**

Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2025-2026

Recommendation:

Elect a Community Advisory Committee (CAC) Chair, Vice-Chair, and Secretary for Fiscal Year 2025-2026.

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Discussion of Potential Agenda Items for Board of Directors Meetings

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Committee Member Announcements



Adjournment



Next Regular Community Advisory Committee Meeting

August 14, 2025

