



Community Advisory Committee Meeting

December 5, 2024





Welcome & Call to Order

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Roll Call



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Land Acknowledgement

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Special Presentations and Introductions



Public Comment for Items Not on the Agenda



Items to be Withdrawn or Reordered on the Agenda

Consent Agenda

- 1. Approval of October 10, 2024, 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 Regulatory and Legislative Affairs**
- 5. Receive and File Update on Programs**
- 6. Approval of the 2025 Community Advisory Committee Regular Meeting Calendar**

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Public Comment for Consent Calendar

Regular Agenda

- 7. San Diego Community Power Strategic Plan Process Overview**
- 8. Approval of Allocation from PG&E of GHG-Free Attributes from Diablo Canyon Nuclear Power Plant for 2025-2030**
- 9. Creation of a 2025 Community Advisory Committee Work Plan Ad-Hoc Committee**
- 10. San Diego Community Power Network Request for Qualifications Update**
- 11. Update on 2025 Projected Rate Changes**

Item No. 7

San Diego Community Power Strategic Plan Process Overview

Recommendation:

Receive and file the San Diego Community Power
Strategic Plan Process Overview

Presenter:

Karin Burns, Chief Executive Officer

Strategic Planning History

- Initial SDCP strategic plan developed and adopted in Q3 2022
- Plan reviewed on April 21, 2023 – decided to stay the course
- Early 2024 – decided again to stay the course
- Late 2024/ early 2025 – We are ready for the development of our next 3-year plan (FY 2026-2028):

Tremendous growth of both customers, operations and staff

5 new departments

Operational programs

SD Regional Energy Network approved and launching

- Visibility into our 3rd 'core growth' phase

SDCP Strategic Plan High Level Timeline



Four High Level Themes

Infrastructure

- Enterprise Data Platform
- Information Technology
- Legal Support
- Policy Review and Updates
- Standard Operating Procedures
- Short-Term Office Space
- Brand Recognition and Web Design

Customer Affordability

- Pre-Pay Bonds
- Rate Products
- RPS Trajectory
- Leg and Reg Strategy
- SD REN
- Expanded Flex Load & VPP
- Customer Bill & Energy Education

Fiscal Sustainability

- Build Reserves
- Manage costs
- Sign LT PPAs
- Manage Risk
- Launch ETRM
- Leg/Reg Changes
- External funds
- ST vs LT RPS
- Reduce arrearages
- Credit rating
- Slice of Day costs

People / HR

- Institutional culture of best practices for all managers
- Continue to build core team
- Retention, continuity & succession plans
- Resource constraints
- Career growth
- JEDI goals
- Team optimization & utilization

Mission - Vision - Values

(No Change At This Level)

High Level Focus Areas – Next 3 Years

Infrastructure - Customer Affordability -Fiscal Sustainability - People

Rate
Setting

3 -Year Department
Outlooks / Plans

Risks &
Opportunities Matrix

Financials / Budget

3 Year Strategic Plan

Annual
Work Plan

Annual
Budget
&
Mid-Year
Updates

Annual
Department
Goals

Annual
Individual
Goals

Annual
Hiring
Plan

Annual
Investment
Plan

Annual
Performance
Reviews

September

Strategic Planning Process overview

E Team -
Sep 6

Chair – Sept
10
L Team -
Sep 11

E Team –
Sep 18

JEDI Team –
Sep 19

All Hands -
Sep 25

Process
overview &
(Introduce/Ori
ent) Risks &
Opportunities
Matrix

Questions &
Feedback

Process
overview &
(Introduce/Ori
ent) Current
Situation &
Opportunities
Matrix

Questions &
Feedback

Risks &
Opportunities
Review &
discussion

Questions &
Feedback

Process
overview,
incorporate
JEDI actions
into Team
Retreat / SP
planning

Questions &
Feedback

Process &
Document
Overview

Questions &
Feedback

Ongoing: October - December

(Opportunities & Risks, Department 3-year Outlook; Board & CAC process overview)

E-Team &
L-Team
(through
Oct 11)

3 Year Outlook
All departments

(Due Nov 8)

Board Briefings
Board mtg –11/ 21
CAC mtg – 12/5

E-Team Retreat – 11/15
L & E-Team Retreat –
12/13
Board SP Update – 11/21

Complete
Opportunities
& Risks Matrix

Complete first
draft: 3-year
Goals &
Outlook

Vision, goals,
staff needs,
inter-
dependencies

Process
overview

Status Update
for Boards

Questions &
Feedback

Leadership
and/or E-
Team
Retreat

Questions &
Feedback

Expected: January - March

(Board & CAC input, Strategic Plan Workshop & Approval)

Board Orientation
1/17

First Draft SP –
1/23

All Hands Retreat
– 1/31

Incorporate JEDI
Actions - 1/31

CAC & Board SP
Goals Briefings –
2/3 – 2/11

Second Draft SP
2/12

CAC & Board SP
Presentation –
2/13; 2/27

Final Draft SP
3/5

CAC
Recommend
Adoption 3/13

All Hands 3/19

Board Adoption
of SP 3/27

Expected: April - May

(Strategic Plan Informs the Annual Budget, Annual Work Plan, and Individual & Team Annual goals)

Incorporate
Strategic Plan
into annual
budget, hiring,
investments, etc.

by 4/15

Develop Annual
Individual &
Department Goals

by 4/30

Develop Annual
Individual &
Department
Work Plans

by 5/15

Next Steps – Board of Directors

- **Seeking Initial Feedback**

- Core Process

- Engagement level

- Timing

- High level themes

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Public Comment for Item No. 7

Item No. 8

Approval of Allocation from PG&E of GHG-Free Attributes from Diablo Canyon Nuclear Power Plant for 2025-2030

Recommendation: Recommend Board elect to accept Community Power's allocation from PG&E of GHG-Free attributes from Diablo Canyon Nuclear Power Plant for 2025 through 2030

Presenters:

Byron Vosburg, Chief Commercial Officer
Stephen Gunther, Regulatory Manager

Legislative Background

- **Diablo Canyon Nuclear Power Plant (DCPP)**
 - Owned and operated by Pacific Gas & Electric (PG&E)
 - Located in San Luis Obispo County
 - Combined generation capacity of 2,240 megawatts (MW)
 - Began operating in 1985; scheduled to be decommissioned in 2024/25
- **Senate Bill 846 (Dodd)**
 - Signed into law in 2022 extending the operation of the DCPP until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2)
 - **Rationale:** address reliability challenges in the wake of the extreme heat events of August 2020 while avoiding increases in greenhouse gas (GHG) emissions
 - **Costs:** Given the extension is intended to meet the state's reliability needs, SB 846 authorizes the costs to be collected through a non-bypassable charge applicable to the customers of all load-serving entities under the jurisdiction of the California Public Utilities Commission (CPUC), including San Diego Community Power



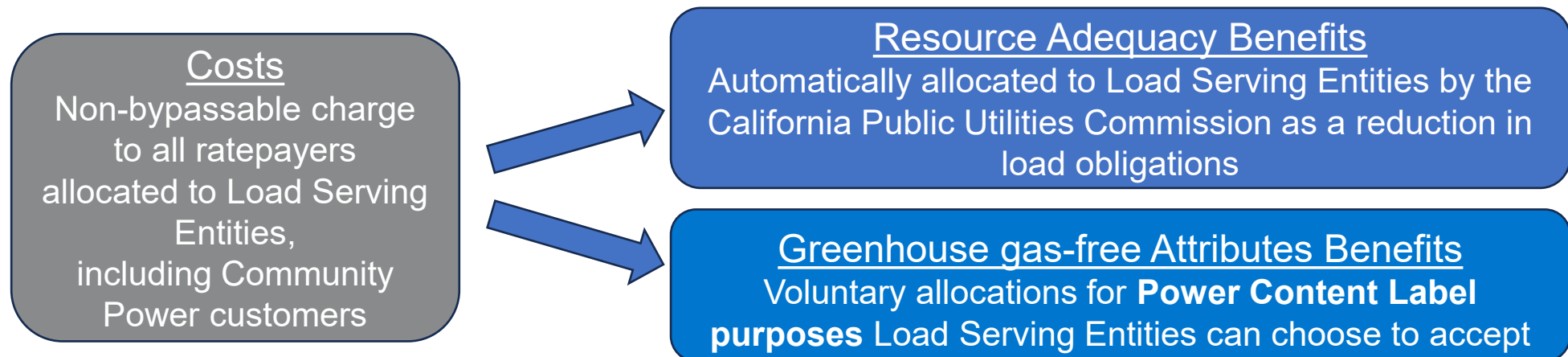
Source: calmatters.org/environment/2023/03/diablo-canyon-nuclear-power-plant/

California Public Utilities Commission

Decision on Costs and Benefits

On December 14, 2023, the California Public Utilities Commission adopted a [decision](#) directing and authorizing extended operations at Diablo Canyon Nuclear Power Plant pursuant to Senate Bill 846 and ruling on implementation details.

- **Costs** for extended operations will be borne by **all ratepayers through a non-bypassable charge**, allocated to each Load Serving Entity using the Cost Allocation Methodology based on 12-month coincident demand.
- The Commission agreed with CalCCA and other parties that it is **fair and reasonable for the benefits to be allocated to all customers paying for extended operations**.



Greenhouse Gas-Free Attributes Process

Pacific Gas & Electric (PG&E) shall offer to Load Serving Entities (LSEs) that are paying for extended operations of Diablo Canyon Nuclear Power Plant (DCPP) the ability to use their share of DCPP's greenhouse gas (GHG)-free attributes for their power content label.

The existing process for voluntarily offering the GHG attributes of certain resources to LSEs should be used as a model.

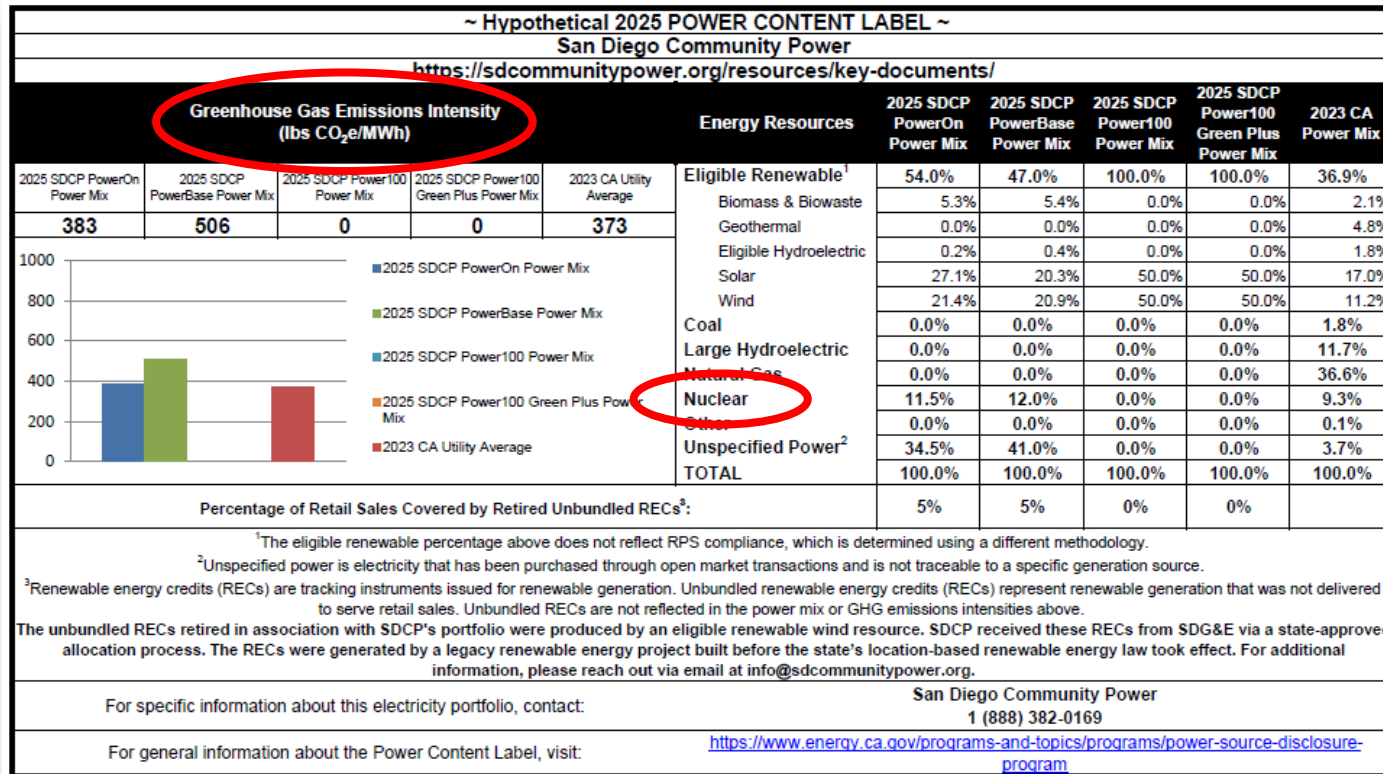
PG&E will receive percentage allocations from the California Public Utilities Commission by November each year.

PG&E will reach out to LSEs to determine whether they will accept their allocation by January 1 of the year.

Community Power must elect to accept or deny the allocation of GHG-free attributes for use on its Power Content Label.

Note: Unclaimed allocations, if any, would be unused for that delivery year and would not be reported on any individual Load Serving Entity power content label or other communications.

Impact of Accepting the Allocation



Does acceptance of the allocation...

...increase costs for Community Power?

No, Community Power customers are paying for Diablo Canyon Nuclear Power Plant (DCPP) through a non-bypassable charge either way.

...impact the operations of DCPP?

No, DCPP will operate through 2029/30 as mandated by state law.

...impact Community Power?

The Diablo Canyon Nuclear Power Plant allocation will impact Community Power's future reporting on the **Power Content Label** by:

- Including a percentage of nuclear
- Reducing the carbon intensity

Market Implications

- Community Power share:
 - An estimated 5% of Diablo Canyon Nuclear Power Plant output
 - Total output: ~18 million megawatt-hours(MWh)/year
 - ~900,000 MWh to Community Power
 - ~12% of PowerOn/Power Base
- 20% approximate reduction in greenhouse gas emissions intensity in the **PowerOn** and **PowerBase** portfolios
- Nuclear allocation value:
 - 900k MWh at \$10 = \$9.0 million/year
 - Same volume of carbon-free hydro @ \$27: \$24.3 million/year
 - Reduction of carbon-free hydro from 5% to 0%: \$9.5 million/year



Public Comment for Item No. 8

Item No. 9

Creation of a 2025 Community Advisory Committee
Work Plan Ad-Hoc Committee

Recommendation: Approve the creation of a 2025
Community Advisory Committee Work Plan Ad-Hoc
Committee and assign members.

Presenters:

Xiomalys Crespo, Sr. Community Engagement Manager

Community Advisory Committee (CAC) Ad-Hoc Committees

- The CAC may create an ad-hoc committee to discuss and recommend revisions to the CAC Work Plan for the 2025 calendar year.
- Ad-Hoc committees are temporary committees appointed for a specific purpose, such as updating the work plan.
- The CAC may establish temporary ad hoc advisory committees that:
 - Are composed of less than a quorum of the CAC;
 - Have no continuing subject matter jurisdiction;
 - Have no meeting schedule fixed by motion or other formal action of the CAC; and
 - Are not subject to Brown Act noticing and meeting requirements.



Public Comment for Item No. 9

Item No. 10

San Diego Community Power Network Request for Qualifications Update

Recommendation: Receive and file the San Diego Community Power Network Request for Qualifications Update

Presenters:

Xiomalys Crespo, Sr. Community Engagement Manager

San Diego Community Power Network

Goals

- Build relationships with community leaders by engaging in mutual partnerships that expand overall capacity to implement aligned goals
- Support the implementation of the Community Power Plan and other Community Power customer service offerings
- Co-create an ecosystem of partners that further Community Power's reach, community recognition, and trust
- Build shared ownership over San Diego Community Power's mission and vision



Southeast San Diego community members participating in a Community Power Plan listening session co-hosted by Project New Village at their Health & Healing Summerfest event.

San Diego Community Power Network

Structure



Phase 1: Information Gathering

Through a Request for Qualifications:

- Understand need and capacity
- Identify competencies and expertise currently not held by Community Power
- Define and engage in mutual, standing partnerships
- Support Community Power programming



Phase 2: Information-Sharing Infrastructure

Through frequent gatherings and communication:

- Build relationships with community leaders to foster collaboration, communication, and programming awareness
- Coordinate cross-organizational activities
- Recruit event attendees
- Organize advocacy around policy-making efforts
- Jointly seek out funding opportunities

Power Network Request for Qualifications

A Request for Qualifications was launched on **October 9, 2024** in which respondents could:

- Describe their organization's mission, services, and impact
- Indicate their level of capacity in working with Community Power
- Determine if additional resources are needed to build their internal capacity



Focus Area



Impact & Communities Served



Partnerships & Capacity



Engagement

Outreach

Thank you to everyone who supported outreach efforts!

- Announcements at 10+ community events with over 300 attendees
- Over 200 invitations and follow-ups
- 1 virtual session posted online
- 3 in-person Workshops in various locations for maximum participation
 - City of San Diego
 - North San Diego
 - Spring Valley (Unincorporated County)



*Power Network
Workshop at North
San Diego Business
Chamber – Oct. 2024*

Questions and Answers

- Received approximately 15 Questions focused on:
 - Service area alignment
 - Funding availability and sources
 - Types of eligible projects and collaboration models
- Responses were posted on the Community Power website on November 4, 2024

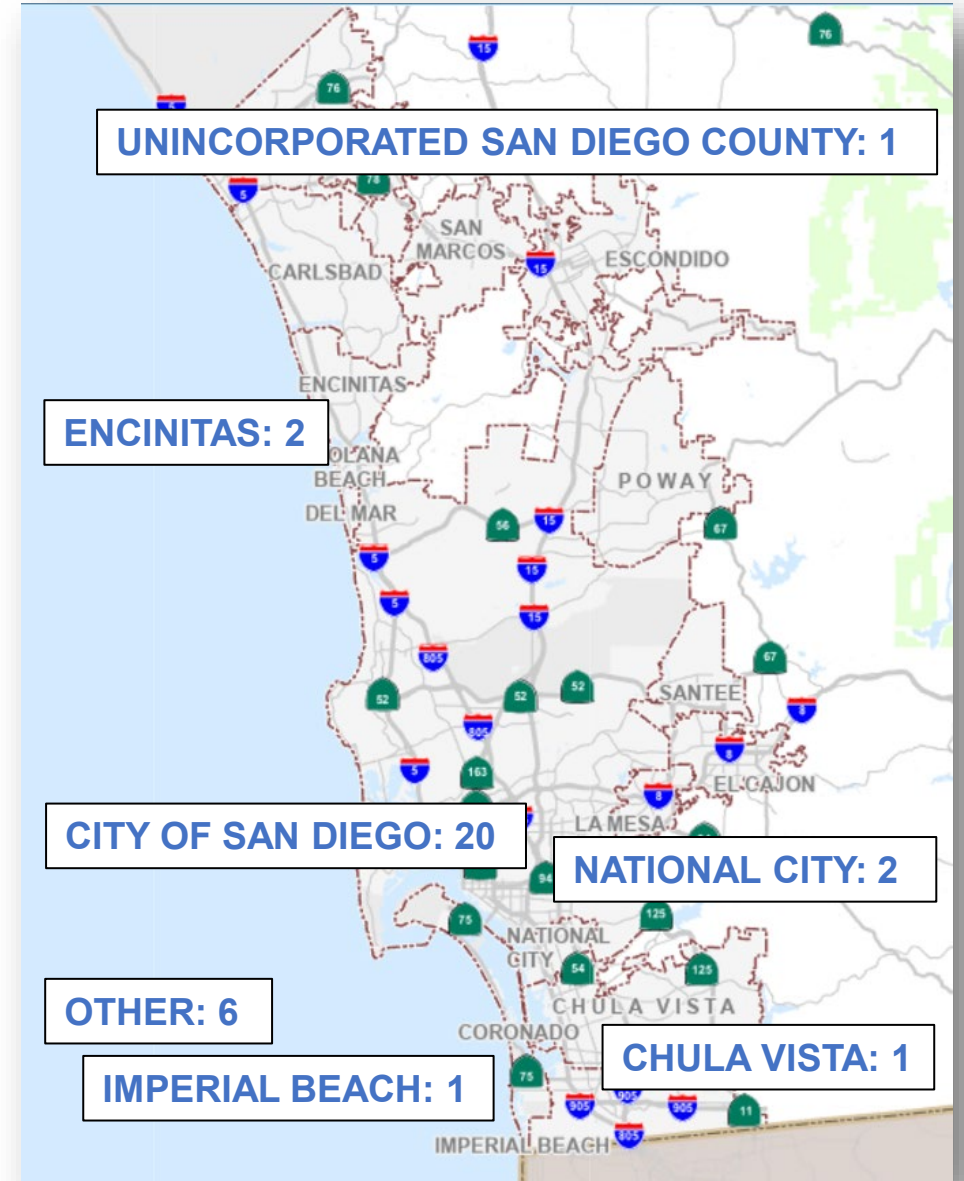
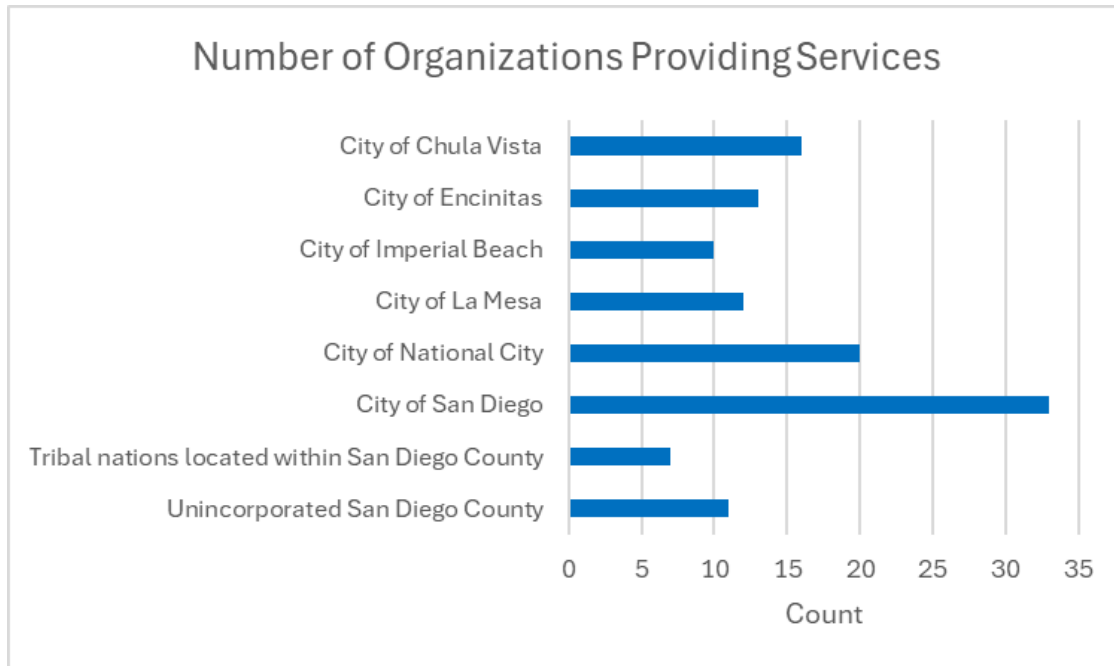


Power Network Workshop at Café X: By Any Beans Necessary – Oct. 2024

Responses Overview

Initial Submissions Analysis

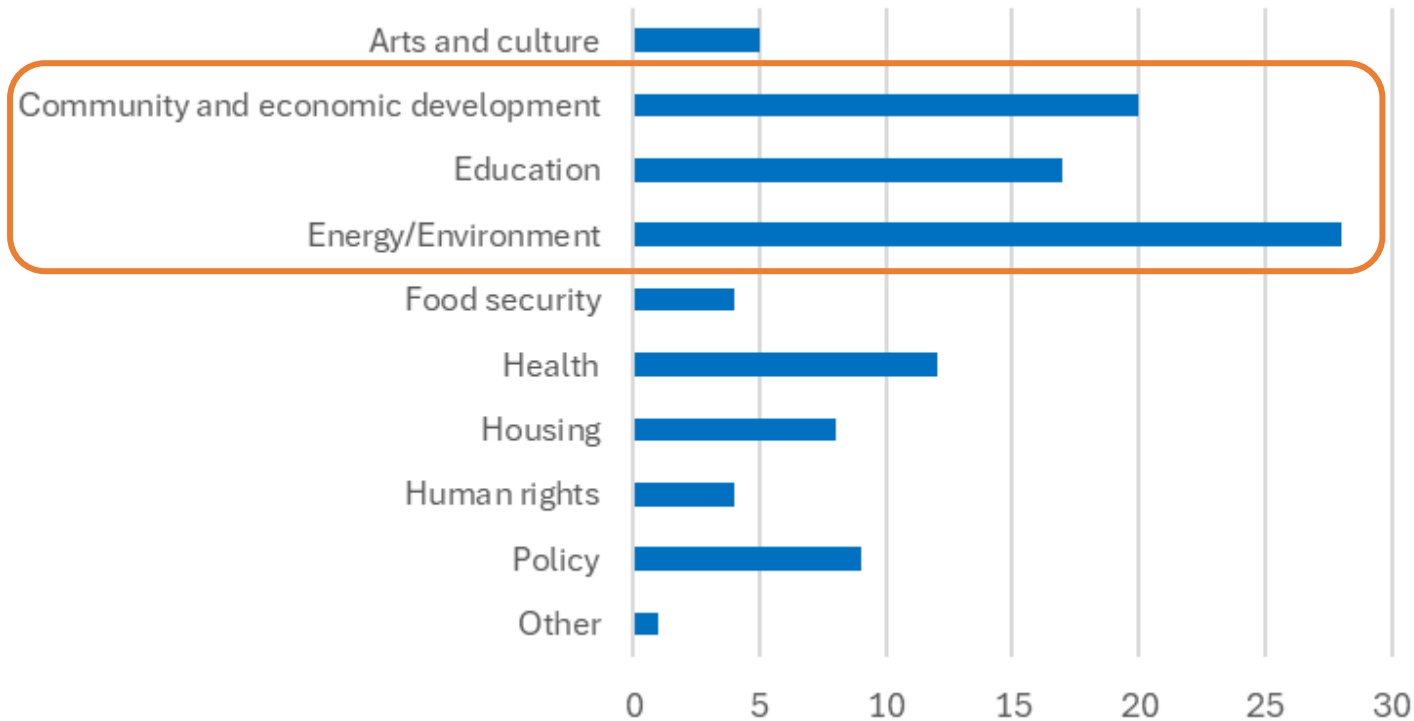
- 33 unique responses were received from:
 - Nonprofits
 - Corporations
 - Some with Fiscal Sponsors



Locations of Organizations by Member Agency

Responses Overview

Focus Areas



*Other - community-owned, not-for-profit electric company



"Understanding your Energy Bill" Workshop at Groundwork San Diego – Nov. 2024

Next Steps

Partner Qualification Process



Collaborative Spaces & Continuing Engagement

- Quarterly gatherings for collaboration and updates
- Shared database of resources and opportunities
- Co-designed infrastructure for information sharing



"Understanding your Energy Bill" Workshop at Groundwork San Diego – Nov. 2024



Public Comment for Item No. 10

Item No. 11

Receive Update on 2025 Projected Rate Changes

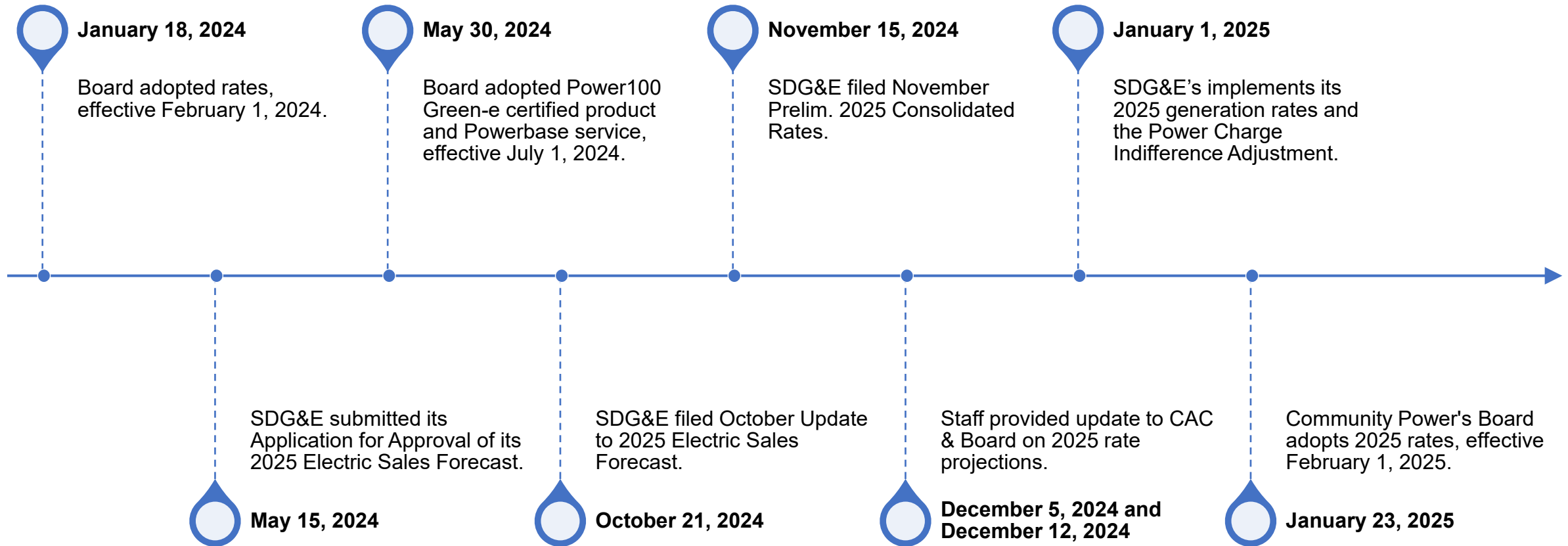
Recommendation:

Receive and File the Update on 2025 Projected Rate Changes

Presenter:

Lucas Utouh, Senior Director of Data Analytics and Customer Operations
Aaron Lu, Rates and Strategy Manager

2025 Rates Timeline



Rate-Setting Process Overview

Rate Development Policy Objectives

- Cost Recovery
- Reserves
- Rate Competitiveness and Customer Value
- Rate Stability
- Equity Among Customers
- Rate Structure Simplicity and Comparability
- Transparency
- Avoidance of Cost Shifting
- Cost of Service

Rate-Setting Process Overview

What are the components of Community Power rates?

- Generation 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.
- SDG&E Delivery costs

Time of Use – TOUDR-Residential

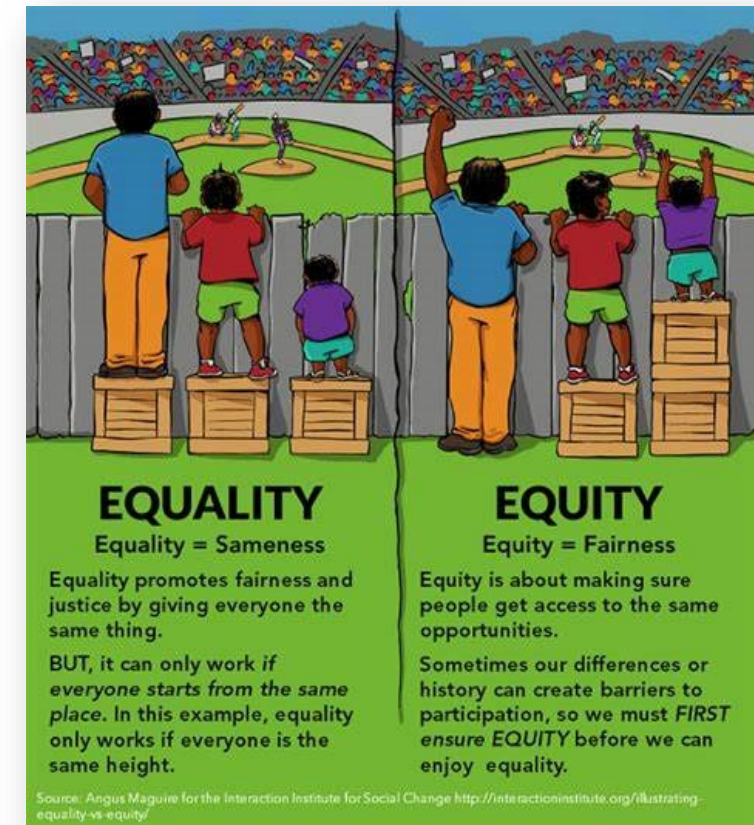
Residential: TOUDR	SDG&E 44.8% Renewable	SDCP PowerBase 45% Renewable	SDCP PowerOn 54.2% Renewable + 12.8% Carbon Free	SDCP Power100 100% Renewable
Generation Rate (\$/kWh)	\$0.13878	\$0.12997	\$0.14690	\$0.15690
SDG&E Delivery Rate (\$/kWh)	\$0.25528	\$0.25525	\$0.25525	\$0.25525
SDG&E PCIA (\$/kWh)	\$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

Rate Setting Mechanics

Equality vs. Equity

- Equality means an individual or a group of people is given the same resources or opportunities.
- Equity recognizes that each person has different circumstances and allocates the exact resources and opportunities needed to reach an equal outcome.
- This trifurcation will maintain a fair, equitable, and balanced rate structure that does not create winners and losers across our customers.

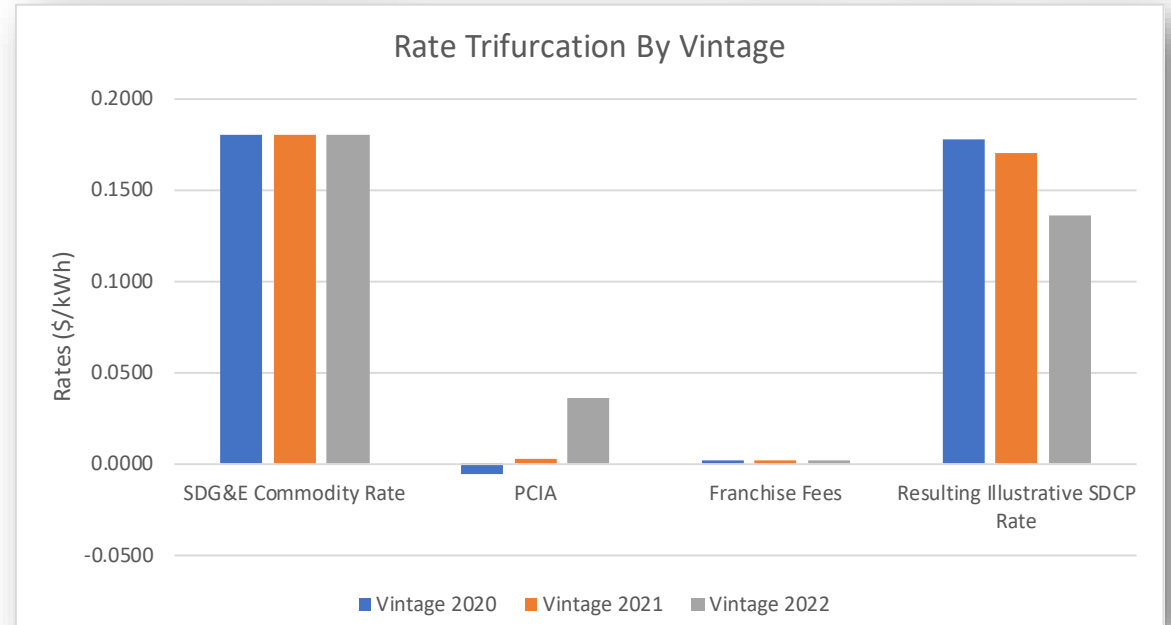


Rate Setting Mechanics

- Community Power's Phase 1 and 2 customers (vintage 2020), Phase 3 customers (vintage 2021), and Phase 4 customers (vintage 2022) are all charged a different Power Charge Indifference Adjustment (PCIA) by SDG&E because they are enrolled in different “vintage” years.
- Due to the substantial deltas expected between PCIA vintages 2020, 2021, and 2022, staff will recommend to the Board trifurcation of three sets of rates in 2025.

Illustrative Rate Setting Process Based On Trifurcation

Competitive Factor (Discount)	3%	3%	3%
Rates (\$/kWh)	Vintage 2020	Vintage 2021	Vintage 2022
SDG&E Commodity Rate	0.1800	0.1800	0.1800
PCIA	-0.0051	0.0027	0.0364
Franchise Fees	0.0020	0.0020	0.0020
Resulting Illustrative SDCP Rate	0.1777	0.1700	0.1362



2025 Commodity Rate Projections

Illustrative SDG&E commodity rates, effective January 1, 2025

Customer Class	SDG&E Avg. Commodity Rate (\$/kWh)						SDG&E Avg. Commodity Rate Change (%)			
	1/1/2023	1/1/2024	3/1/2024	10/1/2024*	1/1/2025**	1/1/2025***	1/1/2023 - 1/1/2024	1/1/2024 - 3/1/2024	3/1/2024 - 10/1/2024	10/1/2024 - 1/1/2025
Residential	0.1967	0.1514	0.1517	0.1517	0.1519	0.1622	-23.03%	0.19%	0.00%	6.96%
Small Commercial	0.1742	0.1283	0.1285	0.1285	0.1288	0.1385	-26.34%	0.19%	0.00%	7.78%
M/LC&I	0.2039	0.1578	0.1581	0.1581	0.1578	0.1660	-22.61%	0.18%	0.00%	5.04%
Agricultural	0.1455	0.1120	0.1122	0.1122	0.1116	0.1174	-23.00%	0.18%	0.00%	4.61%
Lighting	0.1286	0.0991	0.0993	0.0993	0.0995	0.1063	-22.92%	0.19%	0.00%	7.07%
System Total	0.1947	0.1499	0.1502	0.1502	0.1503	0.1595	-23.03%	0.19%	0.00%	6.20%

* SDG&E 10/1/2024 rate change did not revise commodity rates and PCIA.

** SDG&E proposed 1/1/2025 rates from Oct. 2025 ERR Update, filed 10/21/2024.

*** SDG&E proposed 1/1/2025 rates from Nov. Consolidated Rates Filing, filed 11/15/2024.

- SDG&E's system average commodity rates are projected to increase by 6.20%, on January 1, 2025.
- The primary drivers for the increase in commodity rates is adjustments between SDG&E's balancing accounts and impacts from its General Rate Case.

Next Steps

- Staff continues to monitor updates from SDG&E & California Public Utilities Commission (CPUC) throughout the remainder of the year and into 2025.
- SDG&E commodity rates and Power Charge Indifference Adjustment (PCIA) rates that will go into effect on January 1, 2025 will not be finalized until the last week of December.
- Staff will recommend to the Board in January to adopt a rate change, effective as of February 2, 2025.
- A few key early considerations are as follows:
 - Due to variation in PCIA for vintage years, staff will continue to recommend trifurcated rates.
 - Final SDG&E commodity costs and PCIA rates will determine the trajectory of Community Power's proposed 2025 rates.



Public Comment for Item No. 11

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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

January 16, 2025

