



Community Advisory Committee

Regular Meeting

January 14th, 2022



Regular Meeting Agenda

1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Withdrawn, or Reordered on the Agenda
5. Discuss and Provide Recommendation to the Board on Including CAC Report Update as a Standing Item on the Regular Meeting Agendas of the Board of Directors
6. Appoint One CAC Representative to Join the CEO Ad Hoc Search Committee
7. Receive and Discuss Update on Proposed 2022 Rates
8. Receive and Discuss Update on Residential Enrollment Public Relations
9. Standing Item: Discussion of Potential Agenda Items for Board of Directors Meetings
10. Committee Member Announcements
11. Adjournment

Item 5

**Discuss and Provide Recommendation to the Board on
Including CAC Report Update as a Standing Item on
the Regular Meeting Agendas of the Board of Directors**

Item 6

**Appoint One CAC Representative to Join the
CEO Ad Hoc Search Committee**

Item 7

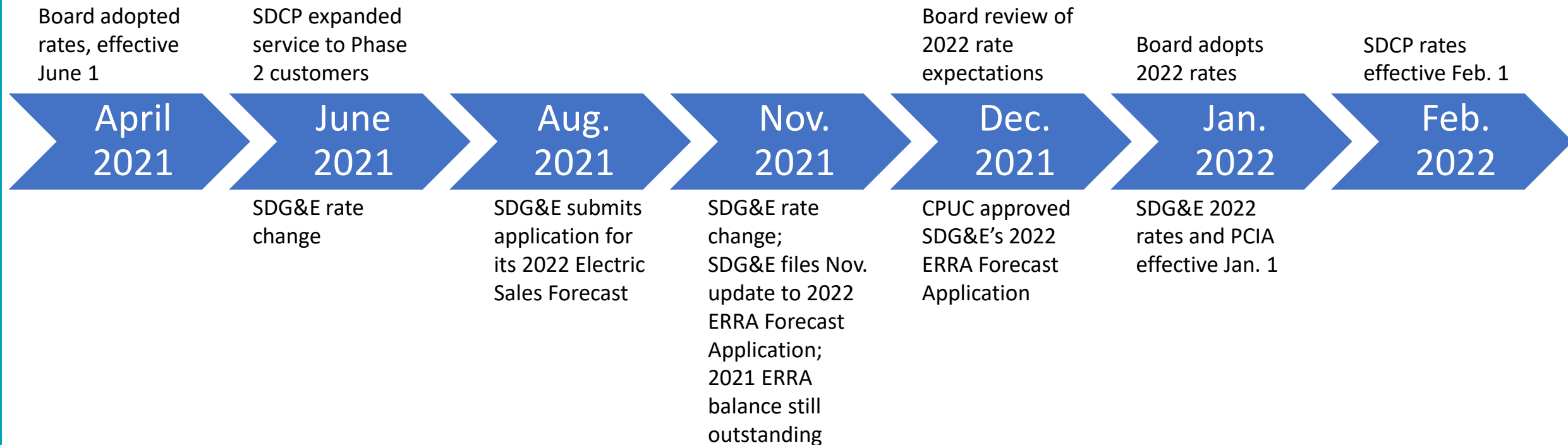
**Receive and Discuss Update on 2022 Rates Proposed
to SDCP Board of Directors on January 20, 2022**

Guiding Principles

Key Considerations

1. Determine costs
 - Power costs
 - Renewable and system power contracts
 - Resource Adequacy
 - Operations
 - Staffing, professional services, marketing, etc.
 - Programs – Community Power Plan, Feed-in tariff, community solar, etc.
 - Credit/bank obligations
 - Reserves
2. Customer Value
 - Quality – higher renewables at competitive costs
 - Stability – consider future years
 - Communication – ensuring transparency in rates and products for customers
 - Future enrollments – 2023 new customers
3. Compare to SDG&E
 - Ensure competitiveness in cost and quality

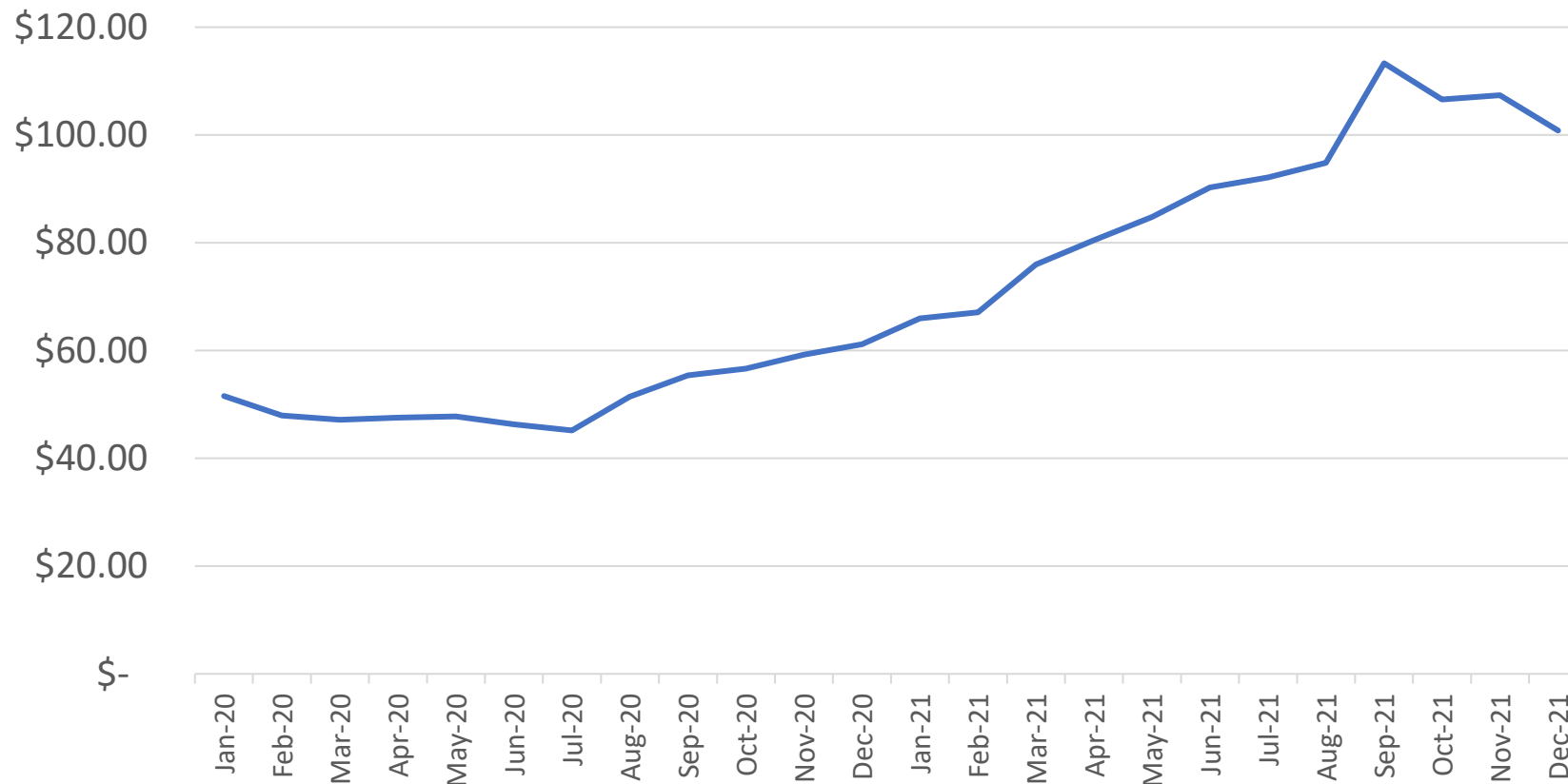
2021/2022 Rates Timeline



What's Changed

Market prices (\$/MWh) increased causing rates to increase across utilities and CCAs

On-Peak Power Prices for Summer 2022 (SP-15 Forwards)



Pro Forma Analysis

Fiscal impact with no rate change

- Projected revenues of \$353.6M for fiscal year ending June 30, 2022.
- Net surplus for FY22 is \$579K and a (-\$31M) Net Deficit in FY23
- Cash flow negative in some months
- Loss of confidence from creditors

Scenario 0: No Rate Change

Annual Pro Forma Projections

Year Ending:	2022	2023	2024	2025	2026
I. Revenue					
Base Retail Revenue	351,557,466	552,120,233	676,319,949	679,701,548	683,100,056
Power100 Premium	2,055,952	3,384,750	4,153,561	4,174,329	4,195,201
Subtotal Operating Revenue	353,613,418	555,504,983	680,473,510	683,875,878	687,295,257
II. Operating Expenses					
Power Supply	321,943,425	556,402,001	621,732,417	610,162,174	605,073,341
Staff	4,500,000	4,635,000	4,774,050	4,917,272	5,064,790
Professional/Technical services	843,483	941,194	1,007,560	1,031,853	1,056,845
Legal	300,000	309,000	318,270	327,818	337,653
Communications, Mktg, Enrollment	3,371,116	1,768,444	2,045,190	2,067,749	2,090,791
Other General and Administrative	420,000	432,600	445,578	458,945	472,714
Regulatory and CalCCA Fees	895,000	921,850	949,506	977,991	1,007,330
Data Management	1,670,376	8,975,759	11,494,481	11,666,041	11,724,371
Utility Service Fees	803,581	3,328,677	4,122,141	4,267,034	4,417,020
Uncollectibles/Other	1,673,735	2,888,573	3,234,446	3,179,384	3,156,224
Subtotal Operating Expenses	336,420,716	580,603,098	650,123,638	639,056,261	634,401,079
Operating Margin	17,192,703	(25,098,115)	30,349,872	44,819,616	52,894,178
III. Financing					
Interest	686,256	572,377	436,054	296,283	152,978
Principal	2,202,120	5,379,529	5,515,569	5,655,049	5,798,057
Reserve Contribution	-	-	-	-	-
Subtotal Financing	2,888,376	5,951,906	5,951,623	5,951,332	5,951,034
Operating Margin Less Financing	14,304,326	(31,050,021)	24,398,249	38,868,284	46,943,144
IV. Cash From Financing	-	-	-	-	-
V. Other Uses					
CPUC and CAISO Deposits	-	-	-	-	-
Collateral Deposits	13,725,000	-	-	-	-
Subtotal Other Uses	13,725,000	-	-	-	-
VI. Net Surplus/(Deficit)	579,326	(31,050,021)	24,398,249	38,868,284	46,943,144

Pro Forma Analysis

Fiscal impact of proposed rates

- Projected revenues of \$386.7 million during the current fiscal year ending June 30, 2022.
- Net surplus for FY22 is \$29.5M (7.65% reserve)
- Cash flow positive
- Reserve target builds toward a 90 days cash on hand target (policy adopted June 24, 2021)

	FY2022 (<u>No</u> Rate Change)	FY2022 (<u>Proposed</u> Rate Change)
Gross Revenues	\$353,613,418	\$386,707,472
Oper. Expenses	\$337,106,972	\$341,209,566
Net Surplus/(Deficit)	\$579,326	\$29,570,787
Cumulative Reserve Amount	\$579,326	\$30,150,113
Gross Rev. Reserves %	0.16%	7.65%
Days Cash on Hand (DCOH)	0.63	32.25

Projected Bill Comparison – Vintage 2020

Small Commercial		
Current Rates Effective 11/1/2021		
Rate: TOU-M (Small Commercial)	SDCP	SDG&E
Generation	\$576.69	\$861.68
*PCIA	\$247.13	
*Franchise Fees	\$18.48	
Total Generation Related Charges	\$842.30	\$861.68
SDG&E Delivery	\$1,136.26	\$1,136.26
TOTAL AVERAGE MONTHLY BILL	\$1,978.56	\$1,997.94

Proposed Rates Effective 2/1/2022		
SDCP	SDG&E	SDCP Savings
\$661.68	\$956.05	-
\$251.43		-
\$22.46		-
\$935.57	\$956.05	-2%
\$1,258.02	\$1,258.02	
\$2,193.59	\$2,214.07	-1%

Total Bill Change

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11%

11%



*PCIA and Franchise fees are included in SDG&E's generation costs
Ave. monthly usage: 7806 kWh

Projected Bill Comparison – Vintage 2021

Residential		Current Rates Effective 11/1/2021	
Rate: DR (Residential)		SDCP	SDG&E
Generation		\$35.73	\$54.67
*PCIA		\$16.85	
*Franchise Fees		\$1.45	
Total Generation Related Charges		\$54.03	\$54.67
SDG&E Delivery		\$97.82	\$97.82
TOTAL AVERAGE MONTHLY BILL		\$151.85	\$152.49

Proposed Rates Effective 2/1/2022		
SDCP	SDG&E	SDCP Savings
\$54.09	\$70.06	-
\$12.67		-
\$1.77		-
\$68.53	\$70.06	-2%
\$104.47	\$104.47	-
\$173.00	\$174.53	-1%

Total Bill Change

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14%

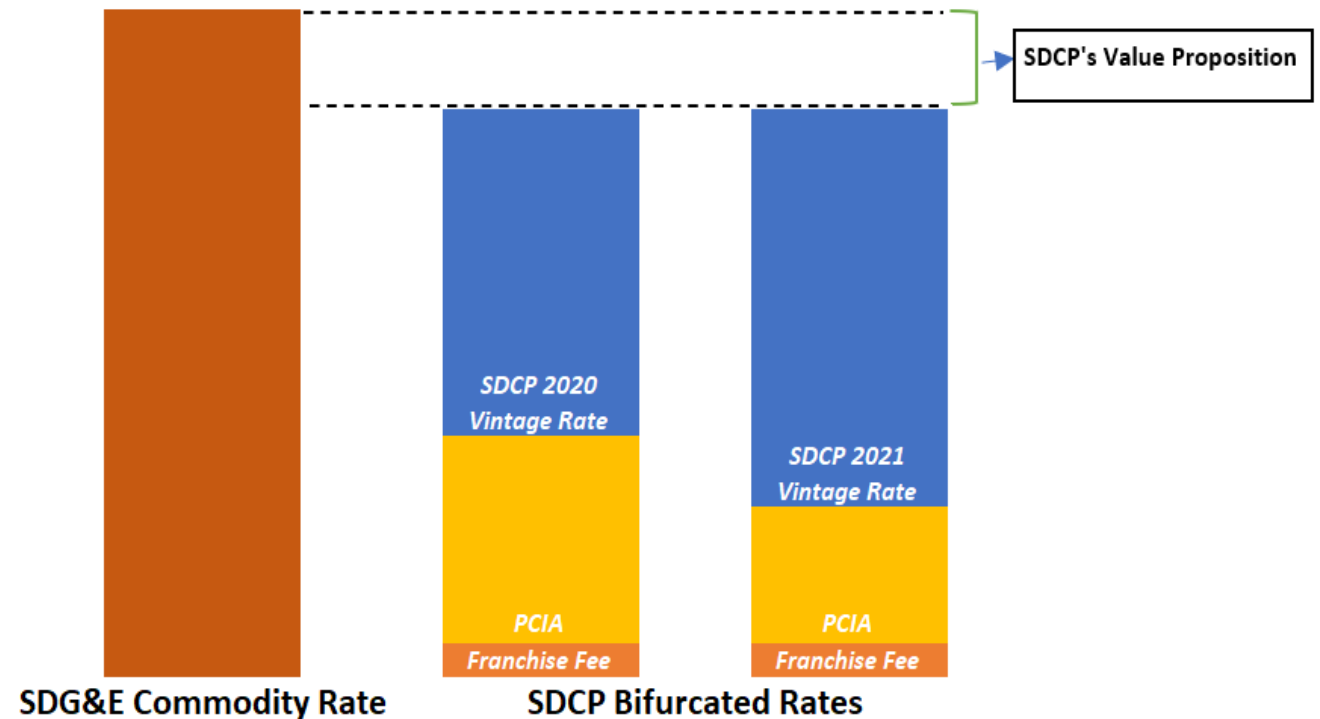
14%



*PCIA and Franchise fees are included in SDG&E's generation costs
Ave. monthly usage: 447 kWh

Bifurcation of Rates by Vintage

- 2022/Phase 3 customers will be assessed a different PCIA by SDG&E than Phase 1 and 2 customers because they are enrolled in different “vintage” years
- Two sets of rates are needed in 2022 to balance this
- Bifurcation will maintain a fair, equitable and balanced rate structure for all customers



Summary of Proposed Rates

How does SDCP compare to SDG&E?

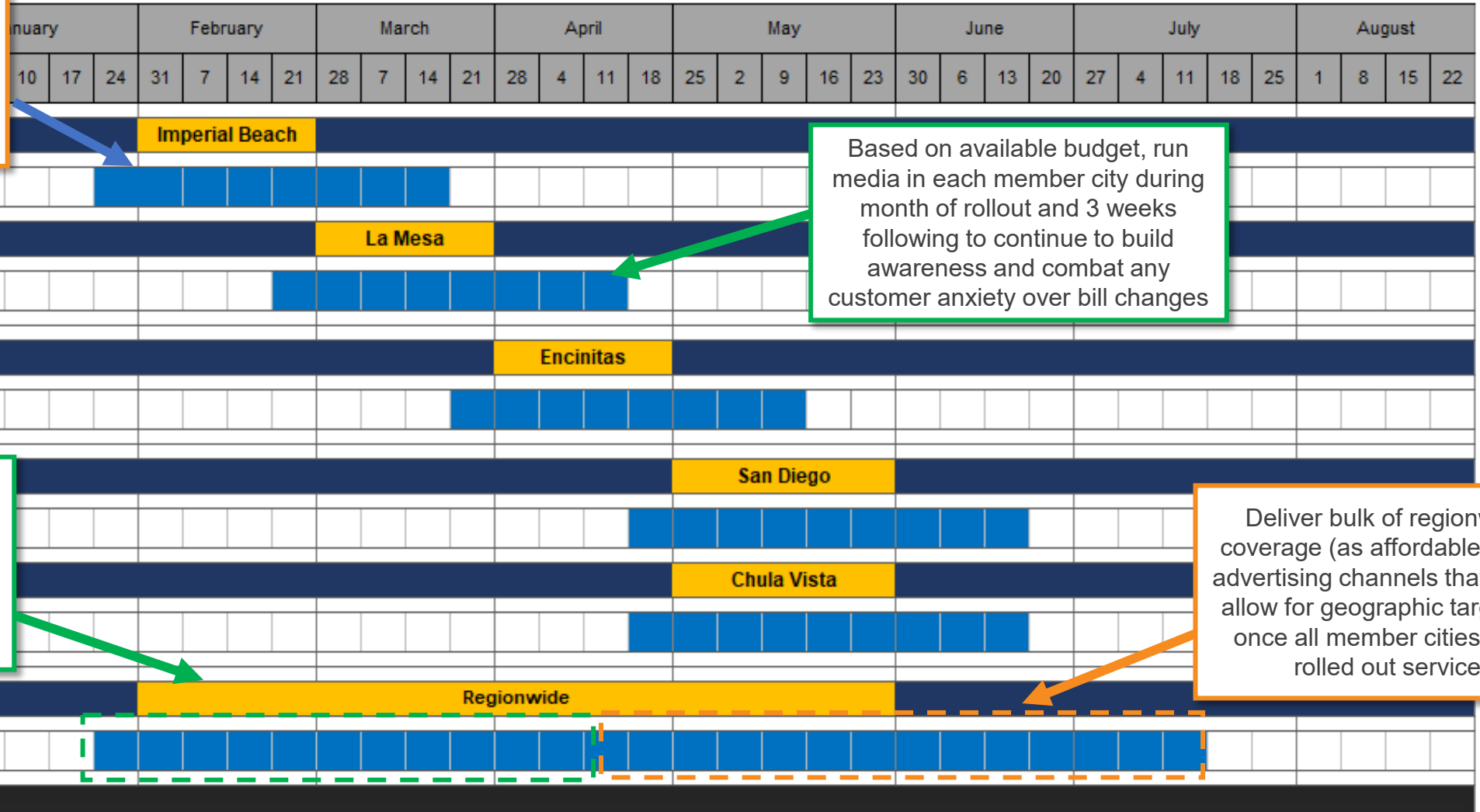
- Savings are maintained or increased from 1% to 2%
- Higher renewable content (50% SDCP vs 31% SDG&E)
- Power100 significantly lower cost than SDG&E's EcoChoice
- Community Power Plan and other customer programs underway
- 2022 contributions towards reserves maintain financial stability
- Prepares SDCP for 2023 expected market/costs shifts and unexpected costs
- Satisfies credit obligations

Item 8

Review and Discuss Update on Residential Enrollment Public Relations

Media Roll-out Periods

Launch member city-specific media 1 week prior to service rollout to establish public awareness of SDCP



Based on available budget, run media in each member city during month of rollout and 3 weeks following to continue to build awareness and combat any customer anxiety over bill changes

Phase in Digital Display regionwide coverage as service rolls out in each member city to allow for campaign to optimize against performance

Deliver bulk of regionwide coverage (as affordable) using advertising channels that do not allow for geographic targeting, once all member cities have rolled out service

Public Engagement Events



Recent:

- 12/8/21 Business For Good Booth/Award Presenter
- 12/10/21 Climate Action Plan CCE Forum
- 1/6/22 SD Better Business Bureau Presentation
- 1/9/22 Cyclovia Encinitas Booth

Upcoming:

- 1/22/22 Imperial Beach Small Business Saturday
- 1/30/22 American Lung Assoc LUNG FORCE Walk
- 2/5/22 Imperial Beach Clean-up
- 3/4/22 La Mesa Farmer's Market

Creative Concepts

“I am excited that Imperial Beach residents and businesses now have more options to use clean, renewable energy.”

– Kim Rivero Frink
SunCoast Market Co-op Board President,
Imperial Beach



Welcome to San Diego Community Power!

Learn more at
SDCommunityPower.org



I know I'm making a difference using SDCP's clean energy.

Same! We're helping protect our environment and create a better future for our kids 😊.



Welcome! Learn more at
SDCommunityPower.org

Did You Know Social Media Series

Did you know?

SDCP is your new, local provider of electricity. We are what's known as a Community Choice Aggregator – a type of public agency that provides you with a choice of receiving more renewable electricity at competitive prices. We make our decisions with public input to benefit the communities we serve.



Bill Explainer Video



Communications and PR Overview

FEBRUARY

Residential Awareness Launch

- Press release
- Regional and statewide earned media outreach
- Organic social campaign

FEBRUARY THROUGH MAY

Community outreach

- Bylined articles from local CAC member
- Community outreach events
- Local media and social outreach
- Partner toolkit to include press release, email and social posts

JUNE

Community Impact Event

- Share combined impact of five city launches
- Celebrate with a community-wide event

Item 9

Standing Item: Discussion of Potential Agenda Item for Board of Directors Meetings

Regular Meeting Agenda

**Committee Member
Announcements**

Adjournment



Community Advisory Committee

Next Meeting

February 11th, 2022

