Community Advisory Committee
Regular Meeting
May 14th, 2021
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 Items to be Withdrawn, or Reordered on the Agenda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 Input on Strategic Plan Development
6. Receive Informational Presentation from San Diego Workforce Partnership
7. Discuss and Review Staff Recommendation to the Board on the Net Surplus Compensation (NSC) for Net Energy Metering (NEM) Customers
8. Discuss and Provide Recommendation to the Board on AB 1139
9. Discuss and Provide Input to the Board on the NEM 3.0 Proceeding Engagement
10. Standing Item: Discussion of Potential Agenda Items for Board of Directors Meetings
11. Committee Member Announcements
12. Adjournment
Item 5

Discuss and Provide Input on Strategic Plan Development
San Diego Community Power Strategic Planning Kick-Off and Survey Launch

Facilitator: Lisa Gordon
Lisa Gordon/CEO of Lisa Inspires
Facilitator, Trainer, & Consultant

- Boards of Directors
- Corporate
- Government
- Non-Profit
- Colleges & Universities
- Board & Staff Retreats
- Facilitation Services
- Training & Workshops
- Executive Coaching
San Diego Community Power
Strategic Planning Process

Strategic Planning Kick-off:
• Surveys
• Interviews
• Input & Feedback: Board/Staff/CAC

Strategic Planning Session #1:
• Mission Development
• Vision Development
• Priorities
• Goals

Strategic Planning Session #2:
• Organizational Culture
• Core Values
• Relationships/Teambuilding
San Diego Community Power
Strategic Planning Process/Survey Launch

Survey Participants: Board, Staff, & Community Advisory Committee

Survey Launch: Thursday, May 13, 2021
• Online Survey/Survey Questions (14 questions/open-ended)
• Participants will receive e-mail from Lisa Gordon with Survey link

Survey Deadline: Wednesday, May 19, 2021 at 5 p.m.

Questions or Comments?
San Diego Community Power Strategic Planning Kick-Off and Survey Launch

Facilitator: Lisa Gordon
Item 6

Receive Informational Presentation from San Diego Workforce Partnership
San Diego Workforce Partnership

Energy, Construction and Utilities Initiatives
- Bringing key partners together for the benefit of job seekers
- Connecting job seekers with the training and resources to secure QUALITY jobs

San Diego Workforce Partnership

Government

Businesses

Education

Philanthropy

Job seekers
Investing in a Sustainable San Diego

- Strengthen the green infrastructure in our region
- Diversify & extend the talent pipeline
- Provide San Diego residents with quality jobs and career pathways for a better future
• HRCC created the Apprenticeship Readiness Collaborative (ARC) which is committed to breaking barriers to employment in construction careers.
• The ARC brings all stakeholders together to leverage resources, building a unified and streamlined pathway into pre-apprenticeship programs.
• Key Partners Include:
  • San Diego Building Trades Council
  • San Diego Continuing Education Foundation
  • Urban Corps of San Diego County
  • San Diego Unified School District
  • San Diego Association of Governments (SANDAG)
Apprenticeship Readiness Training

• 12-week Multi-Craft Core Curriculum

• Weeks 1 & 2: Classroom Only (80 hours)
  • Career Readiness, Introduction to Skilled and Technical Trades, OSHA 10 and CPR Training, Applied Mathematics & English

• Weeks 3 - 12: Classroom and Work Site Placement (400 hours)
  • Skilled and Technical Trades Certificate, Forklift/Scissor Lift Certificates, California Division of Apprenticeship Standards credential, Multi-Craft Core Curriculum (MC3) Certificate from the National Association of Building Trades Union, Applied Mathematics & English, field trips, enrichment activities, financial responsibility

• Paid internships on a construction worksite (16 hours/week, 160 hours)
  • Training at Urban Corps of San Diego County and local current construction sites
Construction Career Jumpstart

- The program aims to diversify the entry-level pipeline for careers in the priority sectors of energy construction and utilities.
- Workers in this pathway can become welders, linemen/linewomen, electricians, laborers, and other skilled trades people.
- Seeks to serve those underrepresented in construction:
  - Women
  - Veterans
  - Black Indigenous People of Color
Connecting Participants with Quality Jobs

Job Seekers
- Underrepresented Populations
- Women
- Veterans
- Minorities
- Justice Involved

Training
- 140 hours of classroom and hands on training
- Power tool/jackhammer skills, safety training & trades math
- Simulated job site projects such as building a solar panel and inspecting building electrical codes
- Job readiness

Quality Jobs
- Telsa
- SDG&E
- Agorus
Construction Career Jumpstart Training

• 4 weeks (140 hours) of classroom and hands on training
  • Power tool/jackhammer skills, safety training & trades math
  • Simulated job site projects such as building a solar panel and inspecting building electrical codes
  • Job readiness

• $1000 stipend and supportive services
The Future

• Focus on community outreach to meet people where they are
  • Partner with community-based organizations, affordable housing providers and community leaders
  • Focus on black and veteran outreach

• Partner with additional training providers
  • Future: Training offered in each region of the County

• Expand employment opportunities
  • More employer partners will enable us to quickly place cohorts in quality jobs
  • Enhance job satisfaction because participants will have options
Contact Info:

Melanie Woods  
Director of Energy, Construction & Utilities Talent Initiatives  
San Diego Workforce Partnership  
Office: (619) 228-2946 | Cell: (925) 323-9884  
melaniewoods@workforce.org
Item 7

Discuss and Review Staff Recommendation to the Board on the Net Surplus Compensation (NSC) for Net Energy Metering (NEM) Customers
What We Will Talk About

Net Energy Metering (NEM)

- Background Information
  - Number of Existing NEM Customers
  - How Net Energy Metering (NEM) Works
  - True-Up Process & Billing
- Discuss & Review Items
  1. Establishing a SDCP Net Surplus Compensation Rate
  2. Establishing a Net Surplus Compensation Cap
  3. Standardize on Monthly True-Up & Billing for All NEM Customers
Background: Existing NEM Customers
Current NEM Customers

Current NEM Customer Landscape

As of February 2021, we have:

- Over 89,800 eligible NEM accounts
- 8,232 are CARE/FERA customers
- 1,839 accounts are considered Commercial
- 46 accounts are considered Industrial
- 87,936 accounts are considered Residential
Net Energy Metering

Net Energy Metering (NEM) is a complicated subject.

We are NOT affecting Transmission & Distribution charges, minimum bill payments, grid access, and other charges the utility can, may, and will charge customers.

We will have an opportunity to weigh in on those issues through the CPUC and legislation. Those items will be discussed later.
Background: How Net Energy Metering Currently Works
How NEM Works

Nelson Lomeli Inc. installs a solar storage system and interconnects with SDG&E
How NEM Works

Nelson Lomeli Inc. installs a solar storage system and interconnects with SDG&E.

The energy produced by the system will first be used by the building.
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The energy produced by the system will first be used by the building.

When the customer consumes less electricity than what the system produces, the extra electricity produced is sent to the grid.
How NEM Works

Nelson Lomeli Inc. installs a solar storage system and interconnects with SDG&E

The energy produced by the system will first be used by the building.

When the customer consumes less electricity than what the system produces, the extra electricity produced is sent to the grid.

When the customer consumes more electricity than what the system produces, the extra electricity consumed is drawn from the grid.

On a **monthly** basis, the utility determines how much electricity was sent to the grid and how much electricity was consumed and adds it up.
How NEM Works

On a **monthly** basis, if the amount of electricity sent to the grid is more than the electricity consumed from the grid, this is called **net generation**.

- **Ex:** 900 kWh consumed + (-1,000 kWh) generated = -100 kWh net generated
  - **Note:** all generation is considered negative usage by the utility

- This monthly net generation is **credited (paid)** **based on the customers rate schedule and time-of-use period** (peak/off-peak) of the net generation.
How NEM Works

On a **monthly** basis, if the amount of electricity sent to the grid is more than the electricity consumed from the grid, this is called **net generation**.

- Ex: 900 kWh consumed + (-1,000 kWh) generated = -100 kWh net generated
  - **Note**: all generation is considered negative usage by the utility

- This monthly net generation is **credited (paid) based on the customers rate schedule and time-of-use period** (peak/off-peak) of the net generation.
  - **Ex**: TOU-A-S
    - **Peak**: 4:00 PM – 9:00 PM
      - Summer Rate = $0.19/kWh
      - Net generation = -50 kWh
      - Amount credited = -$9.63 \((0.19 \times -50)\)
    - **Off-Peak**: All other hours
      - Summer Rate = $0.09/kWh
      - Net generation = -50 kWh
      - Amount credited = -$4.47 \((0.09 \times -50)\)

<table>
<thead>
<tr>
<th>Month</th>
<th>TOU Period</th>
<th>TOU-A-S $/kWh</th>
<th>Net Usage kWh</th>
<th>Charges $</th>
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How NEM Works

On a **monthly** basis, if the amount of electricity consumed from the grid is more than the electricity generated from the system, this is called **net consumption**.

- Ex: 1,000 kWh consumed + (-900 kWh) generated = 100 kWh net consumed
  - *Note: all consumption is considered positive usage by the utility*

- This *monthly* net consumption is **charged based on the customers rate schedule and time-of-use period** (peak/off-peak) of the net consumption.
How NEM Works

On a **monthly** basis, if the amount of electricity consumed from the grid is more than the electricity generated from the system, this is called **net consumption**.

- Ex: 1,000 kWh consumed + (-900 kWh) generated = 100 kWh net consumed
  - Note: all consumption is considered positive usage by the utility

- This **monthly** net consumption is **charged based on the customers rate schedule and time-of-use period** (peak/off-peak) of the net consumption.
  
  Ex: TOU-A-S
  - Peak: 4:00 PM – 9:00 PM
    - Summer Rate = $0.19/kWh
    - Net consumption = 50 kWh
    - Amount charged = $9.63 ($0.19 x 50)
  - Off-Peak: All other hours
    - Summer Rate = $0.09/kWh
    - Net consumption = 50 kWh
    - Amount charged = $4.47 ($0.09 x 50)

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Background: NEM True-Up & Billing
How NEM Works

Monthly net consumption and net generation by time-of-use periods are tracked monthly for 12-months (referred to as the relevant period). The associated generation credits and consumption charges are calculated and banked for those 12-months as well.

At the end of 12-months, a True-Up is conducted where the monthly generation credits, monthly consumption charges, and minimum bill payments are added up.

- If a customer has more generation credits than charges, the customer owes nothing!
- If a customer has more charges than generation credits, the customer is billed and required to pay the difference.
## NEM Billing & True-Up

Nelson Lomeli, Inc. is on the rate schedule **TOU-A-S**

### Scenario 1: Annual net consumer of electricity

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**NET TOTAL**: 525 kWh

-$188.09
NEM Billing & True-Up

Nelson Lomeli, Inc. is on the rate schedule **TOU-A-S**

Scenario 2: Annual net generator of electricity

<table>
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**NET TOTAL**

-450 kWh

- $301.10
Discuss & Review Item #1: Establish A Net Surplus Compensation (NSC) Rate
Net Surplus Compensation

- Net Surplus Compensation is **only paid for annual net generation** to compensate those customers that net exported electricity in the **year**.
- The Net Surplus Compensation rate for the utilities is set at the wholesale cost of electricity and varies by month.
- Net Surplus Compensation Rate is **NOT** used to calculate monthly generation credits for NEM customers.
  - Generation credits are calculated using the customers’ applicable rate schedule (*i.e.* TOU-A-S, EV-TOU, DR-TOU, etc.)
# NEM Billing & True-Up

**Example: Nelson Lomeli, Inc.**

Scenario 2: Annual net generator of electricity for the last 12-months.

Annual net generator of -450 kWh

Trued-up in May 2021

<table>
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<tr>
<th>Month</th>
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**NET TOTAL**

-450 kWh

-301.10
Net Surplus Compensation

Example: Nelson Lomeli, Inc.

Scenario 2: Net generator of electricity for the last 12-months.

Annual net generator of -450 kWh

Trued-up in May 2021

<table>
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<tr>
<th>Annual Net kWh Exported</th>
<th>-450 kWh</th>
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<tr>
<td>SDG&amp;E April Net Surplus Compensation Rate</td>
<td>$0.03068</td>
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<tr>
<td>Total Paid to Customer by SDG&amp;E</td>
<td>$ (13.81)</td>
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Setting Our Net Surplus Compensation Rate

Item Before the Board:

- Establish a Net Surplus Compensation Rate for SDCP.

Staff Recommendation:

- Set the Net Surplus Compensation to match SDG&E’s monthly Net Surplus Compensation
- Add a $0.0075/kWh adder as an incentive for customers generating 100% renewable, local electricity.
## CCA Compensation Landscape

### Using the NSC Method
- Apple Valley Choice Energy
- Baldwin Park Resident Owned Utility District (BPROUD)
- Central Coast Community Energy
- Clean Power Alliance (CPA)
- CleanPower SF
- Desert Community Energy
- East Bay Community Power
- Lancaster Choice Energy
- MCE
- Pico Rivera Innovative Municipal Energy (PRIME)
- Pioneer Community Power
- Pomona Choice Energy
- Rancho Mirage Energy Authority
- San Jose Clean Energy
- Sonoma Clean Power
- Valley Clean Energy

### Using the Retail Credit Balance Method
- Silicon Valley Clean Energy
- Peninsula Clean Energy
- Redwood Energy Authority
Setting Our Net Surplus Compensation Rate

Item Before the Board:

- Establish a Net Surplus Compensation Rate for SDCP.

Staff Recommendation:

- Set the Net Surplus Compensation to match SDG&E’s monthly Net Surplus Compensation
- Add a $0.0075/kWh adder as an incentive for customers generating 100% renewable, local electricity.
- Potential financial payment to customers of $2.8M per year for net generators.
  - Estimate based on a conservative SDG&E’s Max 3-year NSC rate of $0.04452/kWh + $0.0075/kWh adder
  - Impact will vary depending on numerous factors such as system size, weather, customer behavior, electrification measures, etc.
Discuss & Review Item #2: Establish a Compensation Cap
Establish a Compensation Cap

Item Before the Board:

• Establish a Limit (Cap) for Net Surplus Compensation from SDCP.

Staff Recommendation:

• Limit net surplus compensation at $2,500 per account per year
• Cap set to minimize financial impacts to SDCP and our customers.
• Protect SDCP customers in the unlikely event that the wholesale market prices (thus the NSC rate) are ever volatile and spike.
  • Note: The 10-year average NSC is $0.035/kWh. Highest it’s gone is $0.05082/kWh back in Nov. 2014.
• Vast majority of customers will never approach this cap.
  • Our net generator customers on average, generate 1,773 kWh/year, receiving an avg. compensation of $100.
Discuss & Review Item #3: Standardize True-Up & Billing Method
Standardize True-Up & Billing Method

Current Status

Current SDCP NEM Program Policy states that:

- Residential customers will be trued-up and billed annually.
- Commercial and industrial customers (non-residential) are trued-up and billed monthly.
Year vs. Monthly True-Up & Billing

Yearly True-Up (current)

- Recall – generation credits are calculated and banked for 12-months.
- All consumption charges are calculated and banked for 12-months.
- Once a year, generation credits and consumption charges, plus minimum bill payments are added up.
  - If customer has more generation credits than charges, customer owes nothing!
  - If customer has more consumption charges than credits, they are billed and required to pay the remainder.

Monthly True-Up

Generation credits are still calculated but now added to a NEM credit balance account.

Any consumption charges are “paid” from the NEM credit balance account first.

If a consumption charge is larger than the amount of NEM credits in the NEM credit balance account, the customer is sent a monthly bill and required to pay it that month.

This helps customers avoid large end-of-year charges for customer.
  - (Imagine getting one bill for an entire years worth of electricity usage!)

More customer centric as it helps customers budget accordingly.
Monthly Billing (True-Up)

Example: Monthly True-Up & Billing

Generation credits are still tracked but now added to an NEM credit balance “account”

Any consumption charges are “paid” from the NEM credit balance “account”

If a consumption charge is larger than the amount of NEM credits in the “escrow account,” the customer is sent a monthly bill and required to pay.

This helps customers avoid large end-of-year charges for customer.

<table>
<thead>
<tr>
<th>Month</th>
<th>TOU Period</th>
<th>TOU-A-S $/kWh</th>
<th>Net Usage kWh</th>
<th>Charges $</th>
<th>Total Monthly Charges</th>
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<td>200</td>
<td>$7.53</td>
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Yearly True-Up Billed to Customer: $102.94
Standardize True-Up & Billing Method

Benefits of Monthly True-Up & Billing

Aligns all customer classes to one true-up and billing method simplifying an already confusing program.

Allows customers to have smaller monthly billing payments instead of potentially one giant bill.
  - Avoids the “bill shock” if customers is a net consumer.
    - (70% of our NEM customers are net consumers)
    - Potential risk of customers opting-out when they receive one large bill.

Aligns with where the industry is going.
  - Numerous NEM 3.0 proposals call for monthly true-ups and billing.
Standardize True-Up & Billing Method

Item Before the Board:

• Standardize True-Up & Billing Method for All NEM Customers

Staff Recommendation:

• Establish that all NEM customers will receive monthly true-up & billing
Thank You

Nelson Lomeli, Program Manager
Item 8

Discuss and Provide Recommendation to the Board on AB 1139
Discuss and Provide Recommendation to the Board on AB 1139
Overview

• What’s in AB 1139?
• Background of AB 1139
• Where is it now and where it could go?
• Previous steps by the CAC
What is in AB 1139?

Prior to Asm Committee on Utilities & Energy on Apr 21

- Authored by Gonzalez
- Phases out NEM 1.0 and 2.0 customers into new tariff by 2024
- Expands CARE discount from 30-35 percent to 40-45 percent
- Institutes a monthly grid access charge
- Changes the Credit excess generation calculation from retail to wholesale rate
- Allocates discount on initial purchase of renewable generation by CARE customers in multifamily housing or in underserved communities
- Allocates $300m to eliminate any rate premium and provide 10% discount for CARE customers in the GTSR
What’s in AB 1139?

Current version as of May 11

• Coauthored by Assembly Members Gonzalez, Carrillo and Quirk
• Phases NEM 1.0 and 2.0 customers into new tariff after 10 years on prior tariff
• Requires CPUC to ensure alternatives for growth in DACs, ensure NEM 3.0 based on equal costs/benefits
• Certain parts of bill only applicable if CPUC does not adopt a NEM 3.0 tariff by February 1, 2022
  • Examples: monthly fixed charges, interconnection fees, and changing from retail to wholesale
• Eliminates sustainable growth of DERs requirement from statute
• No longer includes expanded CARE discount
• No longer includes discount on purchase of renewable generation, elimination of rate premium, and further CARE discount in GTSR
Where is it now and where it could go?

- Referred to Committee on Utilities and Energy on March 4th
- Passed out of committee with amendments on April 21st and sent to Appropriations
- Amended and re-referred to Appropriations twice
- Where it could go:
  - If it passes Appropriations, it will go to the Assembly floor for a second and third reading.
  - After that, same process will apply for the Senate
Previous steps by the CAC

• Discussion was held at the March meeting over concerns AB 1139 could have if it became law

• Voted at the April meeting to send a message to the SDCP Board of Directors stating that rooftop solar and storage should be prioritized in the region and within our Communities of Concern

• Mentioned that if AB 1139 moved out of the Asm Utilities and Energy Committee, a vote to oppose the bill could be taken at the next regularly scheduled CAC meeting
Item 8

Discuss and Provide Input to the Board on the NEM 3.0 Proceeding Engagement
Discuss and Provide Input to the Board on NEM 3.0 Proceeding
CPUC NEM 3.0 Rulemaking

How it started

• In 2016, CPUC committed to review the NEM 2.0 tariff in 2019 or later
• In 2020, opened a rulemaking to address the development of a successor to NEM 2.0

How it’s going

• SDCP is a party to the proceeding and filed comments earlier this year
• On March 15, eighteen proposals for a successor to the current NEM tariff were filed by a wide range of parties in the proceeding
NEM 3.0 Proceeding -- Next Steps

• May 28, 2021 - Cost Effectiveness Analysis Results Provided to Parties
• June 18, 2021 – Opening Testimony Served
• July 16, 2021 - Rebuttal Testimony Served
• July 26-August 6, 2021 – Evidentiary Hearings
• August 27, 2021 – Completion of Settlement Talks/Opening Briefs Due
• September 10, 2021 – Closing Briefs Filed
• Within 90 days of closing briefs (December 2021) – Proposed Decision Issued
Potential Issues to Support

- Support for distributed energy resources/rooftop solar generally
  - Potentially support CalSSA position that meeting California GHG reduction goals through utility-scale renewables is not realistic
- Support monthly true-ups
  - Consistent with SDCP staff recommendation
- Support incentivizing/encouraging storage adoption
- Support equity proposals/ideas for increasing adoption in Communities of Concern
Standing Item: Discussion of Potential Agenda Items for Board of Directors Meetings
Committee Member Announcements

Adjournment