



Community Advisory Committee

Special Meeting

December 9th, 2021



Special 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 Items to be Withdrawn, or Reordered on the Agenda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. Provide Input to Alliance Resources Consulting on Ideal SDCP Chief Executive Officer (CEO) Candidate
6. Discuss and Provide Recommendation to the Board on Amending the Joint Powers Authority (JPA) Agreement to allow all Qualified Candidates to Apply for the Top Leadership Position at SDCP
7. Appoint Two CAC Representatives to Assist in Recruitment of Community Power Plan (CPP) Firm
8. Receive Briefing and Provide Comment on the Local Renewable Energy and Energy Storage Request For Information (RFI)
9. Receive Briefing and Provide Comment on the Pattern Power Purchase Agreement (PPA) Project
10. Discuss and Provide Recommendation to the Board Approval of the Updates to the Feed-In Tariff Program and Delegation of Authority to the CEO to Execute and Amend FIT PPAs
11. Approval of 2022 CAC Regular Meeting Schedule
12. Standing Item: Discussion of Potential Agenda Items for Board of Directors Meetings
13. Committee Member Announcements
14. Adjournment

Item 5

**Provide Input to Alliance Resources Consulting on
Ideal SDCP Chief Executive Officer (CEO) Candidate**

Item 6

**Discuss and Provide Recommendation to the Board
on Amending the Joint Powers Authority (JPA)
Agreement to allow all Qualified Candidates to Apply
for the Top Leadership Position at SDCP**

Item 7

Appoint Two CAC Representatives to Assist in Recruitment of Community Power Plan (CPP) Firm

Item 8

Receive Briefing and Provide Comment on the Local Renewable Energy and Energy Storage Request for Information (RFI)

Local RFI: Overview

Timeline

- Issued on 8/18
- Initial response deadline 9/1
- Rolling RFI submission – staff will routinely review submissions

Technology:

- Renewable energy/hybrid facilities and standalone storage facilities

Location

- Renewable: San Diego and Imperial Counties
- Storage: San Diego Local RA

Initial Date of Delivery

- No later than December 31, 2024

Term of Agreement

- No less than 10 years and no more than 20 years

Local RFI: Initial Response

Initial response deadline: 9/1/2021

Submissions Received:

- 17 complete proposals
- 300+ MW of Hybrid Renewable Energy and Energy Storage Capacity
- 1200+ MW of Energy Storage Capacity
- Several notices of interest with formal proposals to follow

Local RFI: Next Steps

- Provide feedback to proposals received
- Potentially, enter bilateral negotiations with compelling projects
 - Per direction of Ad Hoc Contracts Committee
- Review additional submissions as they are received
- Inform design of our next formal RFO for Renewable Energy and Energy Storage
 - Expected Q1 2022

Item 9

Receive Briefing and Provide Comment on the Pattern Power Purchase Agreement (PPA) Project

Renewable PPA with Duran Mesa, LLC

Long-term RPS Requirements

- California Renewables Portfolio Standard (“RPS”) requires purchase of renewable energy under long-term contracts (“PPAs”) of 10 years or longer
- Starting in 2021, at least 65% of RPS obligation must be secured via long-term RPS contracts
- Long-term RPS requirement is measured across multi-year compliance periods (e.g. CP4 is 2021-2024)

Renewable PPA with Duran Mesa, LLC

SDCP 2020 LT RPS RFO Timeline

June 29, 2020: RFO Launched

July 24, 2020: Responses Due

Aug 18, 2020: Shortlist Reviewed with Ad-Hoc Contracts Committee

Sep 2020 – March 2021: Negotiations on-going with all Shortlisted Respondents

April 22, 2021: SDCP Board Approves PPA with Vikings Energy Farm

May 27, 2021: SDCP Board Approves PPAs with IP Oberon and JVR Energy Park

June – November 2021: Negotiations on-going with remaining Shortlisted Respondents

December 16, 2021: SDCP Board Meeting

Renewable PPA with Duran Mesa, LLC

SDCP 2020 LT RPS RFO Timeline

Respondent	Counterparty	Technology	Location	Term (yrs)	Expected Commercial Online Date
RAI Energy	Vikings Energy Farm, LLC	100 MW Solar 150 MW 4-hr Battery Storage	Imperial Co, CA	20	Q2 2023
BayWa r.e.	JVR Energy Park, LLC	90 MW Solar 70 MW 4-hr Battery Storage	San Diego Co, CA	20	Q4 2022 – Q1 2023
Intersect Power	IP Oberon, LLC	150 MW Solar	Riverside Co, CA	15	Q2 2023
Pattern Energy	Duran Mesa, LLC	50 MW Wind	Torrance Co, NM	10	Q1 2022

Renewable PPA with Duran Mesa, LLC

Company Overview: Pattern Energy Group LP

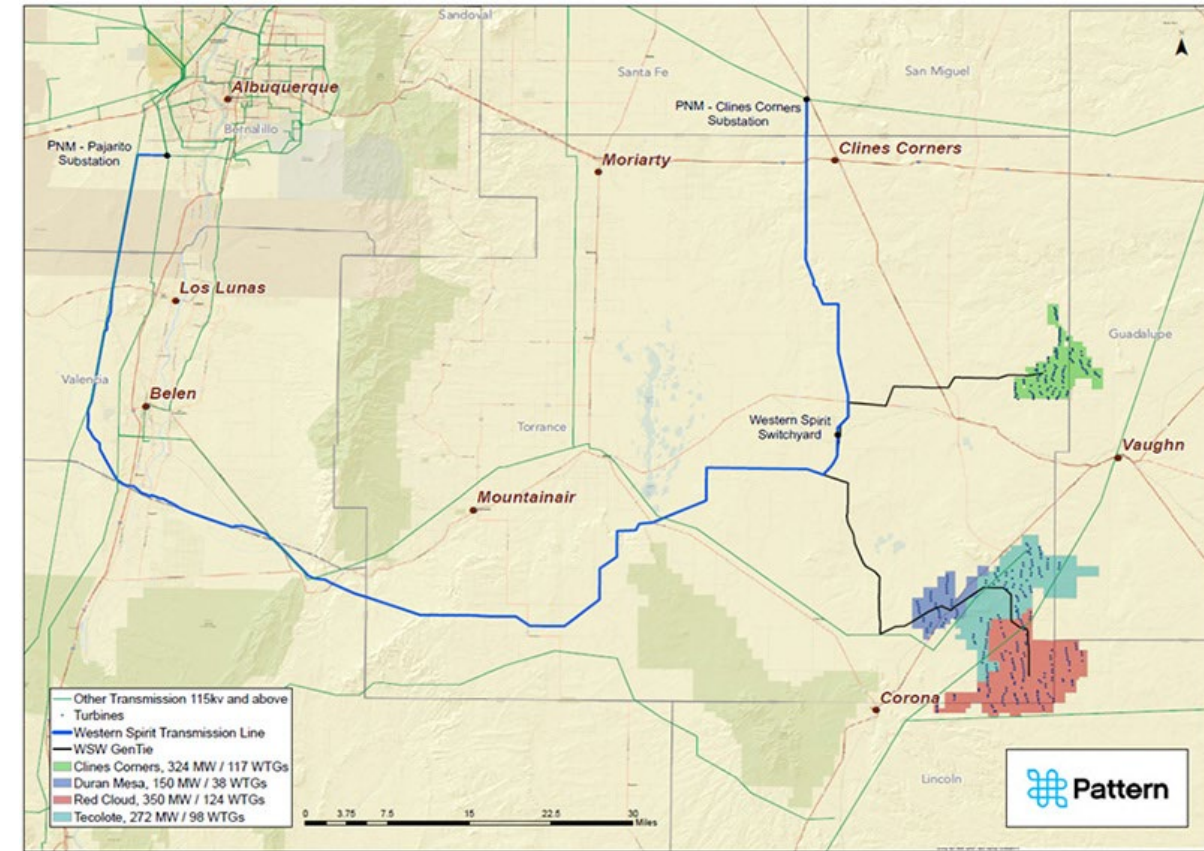
- Established in 2009
- Headquartered in San Francisco, CA
- Developer and operator of wind, solar, transmission, and energy storage
- Operational portfolio includes 30 renewable energy projects totaling 4,400 MW in USA, Mexico, Canada, and Japan
- Owned by Canada Pension Plan Investment Board, Riverstone Holdings LLC, and Pattern Energy executives



Renewable PPA with Duran Mesa, LLC

Project Overview: Duran Mesa, LLC

- 50 MW Wind PPA
 - Share of 105 MW Duran Mesa project
 - Duran Mesa is part of ~1,050 MW Western Sky Wind project in New Mexico
- Location: Torrance County, New Mexico
- Expected Commercial Operation Date: 12/31/21
- Expected Energy Production: ~180 GWh/year
 - Equivalent of ~36,000 San Diego homes
 - ~2% of SDCP energy requirements
- New Mexico wind: strong resource, complimentary to CA solar



Renewable PPA with Duran Mesa, LLC

Contract Overview: Duran Mesa, LLC

- Contract Term: 10 years
- Guaranteed Energy Production: 75% of projected annual deliveries
- Energy Price: fixed, no escalation over 10-year term, competitive price provides value to SDCP customers
- No collateral obligations for SDCP
- In the unlikely event of Seller's failure to achieve development milestones, SDCP would receive financial compensation
- 2022 COD supports SDCP compliance with SB 350 long-term contracting requirements in CP4 (2021-2024)



Item 10

**Discuss and Provide Recommendation to the Board
Approval of the Updates to the Feed-In Tariff Program
and Delegation of Authority to the CEO to Execute and
Amend FIT PPAs**

History

- In January 2021, the Board adopted a Feed-In Tariff (FIT) Schedule, Application, and update to the Inclusive & Sustainable Workforce Policy
- The update to the Inclusive & Sustainable Workforce Policy required that:
 - *“contractors and subcontractors performing work on any SDCP Feed-In Tariff project to pay at least the prevailing rate of wages”* and
 - Encouraged *“construction contractors or subcontractors to its Feed-In Tariff program to utilize local businesses, local apprenticeship programs, fair compensation practices including proper assignment of work to crafts that traditionally perform the work, and the use of a skilled and trained workforce.”*
- The Schedule established a standard offering Feed-In Tariff and application process as follows:

Overview of the Current Approved Program

- Total Program Capacity Limit: 3 MW
- Base Price: \$80/MWh (\$0.08/kWh) flat rate
- Bonus Incentives: Applicable for the first five (5) years
 - Local Business: \$2.50/MWh (\$0.0025/kWh)
 - Previously Developed Site: \$2.50/MWh (\$0.0025/kWh)
 - Sited within a Community of Concern: \$2.50/MWh (\$0.0025/kWh)
- System Size Limit: must be smaller than 1 MW_{AC}
- Eligible Resource: must qualify & be certified by the CEC as an Eligible Renewable Energy Resource (RPS)
- PPA Term: 20 years
- Interconnection: must be interconnected through SDG&E

Proposed Updates to Program

Goal of Proposed Changes:

- Incentivize delivery of energy during hours when system carbon emissions (and market prices) are highest.
- Replace generation from peaking gas plants to reduce emissions.
- Avoid causing utility-scale renewable energy from being curtailed during the middle of the day
- Ensure viable and ready-to-go projects have the opportunity to apply

Proposed Updates to Program

Program Capacity & Standard Pricing

- Total Program Capacity Limit: 6 MW
- Price: Switch to Time-of-Delivery rate
 - Incentivize delivery of energy during Peak hours
 - Deliver during:

Time-of-Delivery Period	Hours	Price per MWh
Premium Hours	7:00 PM – 12:00 AM	\$120/MWh
Standard Hours	All other hours (12:00 AM – 7:00 PM)	\$60/MWh

Proposed Updates to Program

Reservation Security Deposit

- A Reservation Security Deposit of \$5 per kilowatt (kW) of the proposed generator size is due at the time of application
 - Example: Proposed project generator size of 100 kW
 - Reservation Security Deposit due: $\$5/\text{kW} \times 100 \text{ kW} = \500
- This will help protect the program queue from applications from projects that are not viable
- It will ensure that the projects that are ready to go can be considered by SDCP.
- Returned to the applicant when Commercial Operation is achieved.
- If the project does not reach Commercial Operation, SDCP retains the Security Deposit in full.

Proposed Updates to Program

Development Security Deposit

- A Development Security Deposit of \$5 per kilowatt (kW) of the proposed generator size is due at the time of PPA signing
- Ensure that the projects achieve COD as expected
- The Development Security Deposit is returned to the applicant when Commercial Operation is achieved
 - If the project does not reach Commercial Operation, SDCP retains the Development Deposit in full.

Proposed Updates to Program

Performance Security Deposit

- A Performance Security Deposit of \$10 per kilowatt (kW) of the proposed generator size is due at the Commercial Operation Date (“COD”)
- Ensure that the projects delivers the product contracted and protect SDCP and our customers.
- SDCP will hold the Performance Security Deposit for the term of the PPA and be returned in full once complete.
 - If product is not delivered, SDCP keeps the Performance Security Deposit

Proposed Updates to Program

Delegate Authority to CEO or designee to Execute & Amend the Standard Power Purchase Agreement (“PPA”)

- The terms of the FIT PPA will be **standard** across all projects:
 - Option of 10, 15, or 20-Year Term
 - Standard pricing
 - Collateral requirements, Indemnity, Insurance requirements, and General conditions, etc.
- PPA Terms will be **non-negotiable** and publicly available
- Before Execution or Amendment, Legal Counsel will review and sign off

Requested Committee Action

1. Recommend to the Board of Directors Approval of the proposed updates to the Feed-in Tariff (FIT) program & Delegate authority to the CEO or their designee to execute and amend the FIT power purchase agreements

Item 11

Approval of 2022 CAC Regular Meeting Schedule

Item 12

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

Special Meeting Agenda

**Committee Member
Announcements**

Adjournment



Happy Holidays

and a happy new year!



Community Advisory Committee

Next Meeting

January 14th, 2022

