1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn, or Reordered on the Agenda
5. Treasurer’s Report for Period Ending 8/31/21
6. Discuss and Provide Input on the Draft Collections/Delinquency Policy
7. Discuss and Provide Recommendation to the Board on the Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Tariff
8. Discuss and Provide Recommendation to the Board on the Approval of Phase 3 Net Energy Metering (NEM) Enrollment Schedule
9. Committee Member Announcements
10. Adjournment
Item 5

Treasurer’s Report for Period Ending 8/31/21

Presenter:
Dr. Eric Washington,
Chief Financial Officer
Financial results for the FY2022:

- $78.8 million in net operating revenues
- $61.5 million in total expenses (includes energy costs-$60.4 million)
- $17.3 million change in net position
Item 6

Discuss and Provide Input on the Draft Collections/Delinquency Policy

Presenter:
Lucas Utouh, Director of Data Analytics and Account Services
Objectives of a Collections/Delinquency Policy

1. Provide a framework for SDCP staff and Back Office Service provider to better serve our customers, to treat them with respect and dignity, and to set clear expectations on the handling of past due customer charges (arrearages).

2. Minimize and mitigate bad debts for the overall long term financial viability, resiliency and competitiveness of our organization.
State of Arrearages in Our Region

Arrearages during COVID-19 (all customers)

*Data from the California Public Utilities Commission (CPUC).
State of Arrearages in Our Region

Arrearages during COVID-19 (CARE/FERA)

- SDG&E has not yet reported CARE/FERA data for April and May 2021.

*Data from the California Public Utilities Commission (CPUC).*
Programs to assist customers with Arrearages

1. Low-Income Home Energy Assistance Program (LIHEAP) program.
   - Federally funded and administered by the California Department of Community Service and Development (CSD), offers up to $1,000 in financial aid for SDG&E customer bills.

2. Arrearage Management Payment (AMP) program.
   - Enrollee must be a current SDG&E residential customer and must participate in the CARE or FERA program.
   - Must have been a customer for minimum of six months and had at least one on-time payment in the last two years.
   - Customers with electric service must have a past due balance of $500 or more, of which some portion is 90 days past due or older.
   - Once enrolled, participants must make on-time payments of their current month's bill amount for 12 consecutive months.
   - AMP will forgive a maximum of $8,000 upon successful completion in the program.

3. California Arrearage Payment Program (CAPP).
   - $1 billion state budget allocation for past-due energy bills during COVID;$694.5 million allocated for IOUs and CCAs
   - Administered by Dept of Community Services (CSD)
   - Utilities will apply on behalf of customers and apply credits automatically for arrearages between 3/4/2020 and 6/15/2021; please note that not all customers will receive payments.
4. Percentage of Income Payment Plan (PIPP) pilot program.
   • Allows a participant to pay a predetermined affordable percentage of their monthly income toward their electricity or natural gas bill.
   • Participants will receive a monthly bill cap for current charges set at four percent of their household’s monthly income.
   • Monthly bill caps will be standardized for households in two income tiers: 0-100 percent of Federal Poverty Guidelines, and 101-200 percent of Federal Poverty Guidelines.

5. Automatic Extended Payment Plans.
   • Ordered by the CPUC in June 2021 whereby:
     ❆ IOUs directed to automatically enroll eligible customers per the below:
       • Residential and small business customers
       • With arrears 60+ days old as of 9/30/2021
       • 24 month plans for residential customers, 24+ for small business customers
       • Small business customers’ monthly bill increase for payment plan capped at 10%
       • 5% for small business customers located in a Disadvantaged Community
       • Customers may miss up to 3 payments before the payment plan is considered broken and arrearages may result in disconnection
       • CAPP relief may reduce length of payment plans or amount to be repaid
SDCP’s Collections/Delinquency Policy Draft

Highlights for Active SDCP Customers’ handling:

1. Any active SDCP customer who has overdue SDCP charges that exceed $250 depicted on their SDG&E bill will receive a late payment notification letter from SDCP.

2. The letter will be sent after being 60 days past due and a second letter at 90 days past due, informing the customer of their overdue status and the avenues available to pay the overdue SDCP charges.

3. The customer will be provided 30 days after the second and final late payment notification letter is sent to either pay in full or make arrangements to cure the past due balance in installments.

4. If payment in full is not received within the prescribed 30 days, or the terms of an activated payment arrangement are not fulfilled, the delinquent SDCP customer account will be closed and returned to SDG&E bundled generation service on the next account meter read date.

* Customers already on any SDG&E payment arrangement plans who are meeting the payment plan requirements will be excluded from receiving late payment notifications and/or being subjected to our collections and delinquent accounts handling protocols.
Highlights for Non-Active SDCP Customers’ handling:

1. Any overdue SDCP charges (120 days or more past due) totaling $20.00 or more which have not been paid by the customer who is no longer active and being collected by SDG&E may be referred to a collections agency for settlement.

2. Any overdue SDCP charges (120 days or more past due) totaling $19.99 or less which have not been paid by the customer and are no longer being collected by SDG&E may be considered bad debt and written off.

3. No accrued interest will be charged on any customer account.

4. SDCP will select a local collections agency to enforce this policy.

5. If a customer has not paid within 180 days following the initiation of the collections process, the collection agency may file credit reporting information on the customer with all applicable agencies.

6. Under the guidance of SDCP, the collections agency may be authorized to pursue legal action on any customer with an outstanding balance of $750 or more.
Item 7

Discuss and Provide Recommendation to the Board on the Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Tariff

Presenters:
Sebastian Sarria, Program and Policy Manager
Lucas Utouh, Director of Data Analytics and Account Services
Item 7 What is RES-BCT?

- Enacted by the legislature effective Jan 1, 2009.
- RESBCT allows local governments to install one generation facility and allocate generation bill credits to other accounts not served by the generating facility to offset bills.
- Local government is defined as a city, county, school district, local public agency, etc.
- Eligible system size to be within 5 MW in one generating account.
- Generating and benefiting accounts may participate in either RES-BCT or NEM – but not both
Item 7 How does it work?

• Local government installs a generating system on an owned property or one that it controls. This becomes the “generating account.”

• The generating account has a meter that measures the imported and exported electricity.
  o Exported energy = “generation credits”

• The local government can then choose a maximum of up to 50 “benefitting accounts” and designates the credits to offset generation charges of the benefitting accounts.
Item 7 How does it work?

- RES-BCT is limited to 20.25 MW within SDG&E territory.

- Eligible customers must first interconnect into the system via the Rule 21 process with SDG&E.

- The local government can then choose a maximum of up to 50 “benefitting accounts” and designates the credits to offset generation charges of the benefitting accounts.

- As of 10/1/21, 2.84 MW remain for new generating accounts within all SDG&E territory
Item 7 How is the customer billed?

- Mechanics remain the same as with SDG&E.
- Credits are applied on a monthly basis, and excess credits accumulate over 12 months (relevant period).
- Remaining credits at the end of relevant period will be applied towards eligible SDCP electric charges.
- SDCP will not compensate for electricity generated in excess of bill credits that apply to a benefiting account.
- Generating account is served under time-of-use (TOU), and is eligible for Schedule DR.
- Benefiting account is served under TOU and may be eligible for Schedule DG-R if it connects to a distributed generation project.
Why adopt a RESBCT tariff?

• Customers that currently enjoy the RESBCT tariff with SDG&E may choose to opt-out of service with SDCP if no equivalent is provided.

• Staff has also determined that serving these accounts will have little financial impact on the budget.

• RESBCT customers would be properly noticed ahead of their Phase 3 enrollment so the Transfer Request form is timely completed.

• Therefore, in order to ensure customer retention, Staff recommends that the FRMC recommend to the Board that an SDCP-RESBCT Tariff be adopted for Phase 3.
Item 8

Discuss and Provide Recommendation to the Board on the Approval of Phase 3 Net Energy Metering (NEM) Enrollment Schedule

Presenter:
Lucas Utouh, Director of Data Analytics and Account Services
In April 2021, the Board approved the following phase-in schedule for Phase 3 customer enrollment:

- February 2022: Imperial Beach
- March 2022: La Mesa
- April 2022: Encinitas
- May 2022: Chula Vista and San Diego

Subsequently in May 2021, the Board approved updates to the Net Energy Metering (NEM) program and amended the NEM program policy wherein:

- Under section D, the amendment called for us to phase in NEM customers into our service on a monthly basis. As stipulated in this section of the Board approved policy, the transition to our service will occur at the conclusion of a NEM customer’s relevant period with SDG&E. This approach is to minimize any impacts from when the SDG&E NEM customers’ true-ups occur and when SDCP’s service begins.
The benefits of phasing in NEM customers on a monthly basis at the conclusion of their relevant period:

• Customer-centric enrollment to make transition into SDCP service as seamless as possible.

• Allows for customers to effectively complete the 12 months relevant period whereby they’re able to use the credits accrued to offset the charges incurred throughout the period covering both Winter and Summer months.

• Allows for better logistics from a statutory mailing of customers’ Pre and Post Enrollment notices.

• Overall provides for the best and seamless customer experience.
Proposed Overall Phase 3 Enrollment Schedule:

- By Member City
  - Feb 2022 – Imperial Beach
  - Mar 2022 – La Mesa
  - Apr 2022 – Encinitas
  - May 2022 – San Diego
  - Chula Vista

And,

- By NEM true-up month starting February 2022; regardless of member city.

Estimated counts as of 10/01/2021 based on Meter Read Date (MRD) month

All customers included in Phase 3 mass enrollment will have vintage year 2021.
Meeting Agenda

Item 9: Committee Member Announcements

Item 10: Adjournment
Finance and Risk Management Committee

Next Regular Meeting
November 16, 2021