

Board of Directors & Community Advisory Committee

Special Meeting

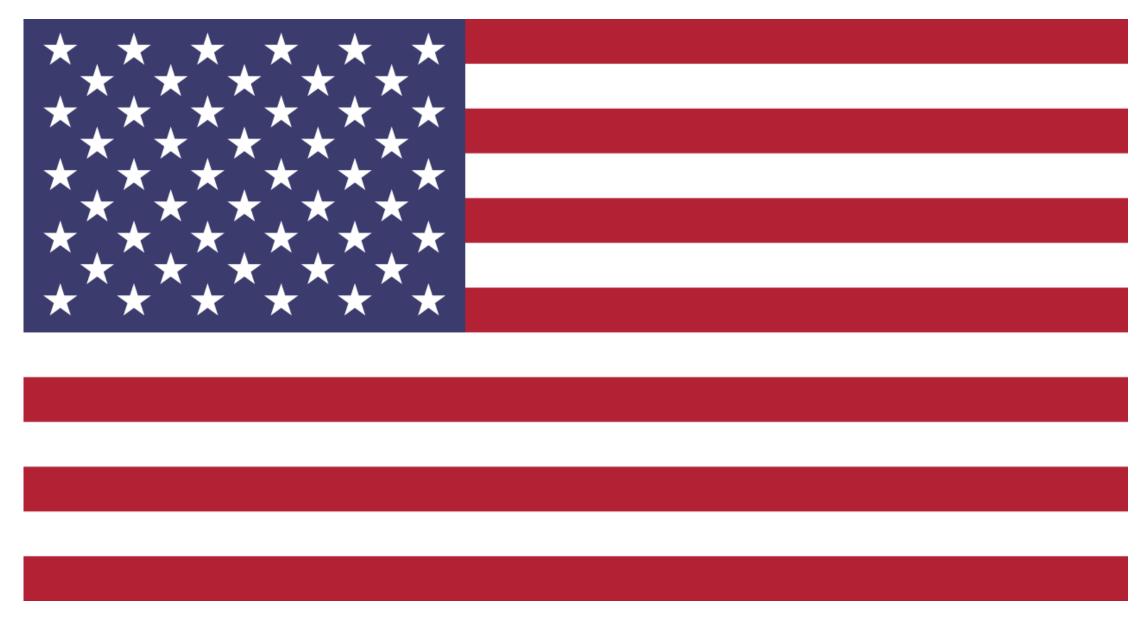
Board Workshop

April 21, 2023











We welcome you to visit the Centro and invite you to enjoy our vibrant art and culture!



THANK YOU El Centro Cultural De La Raza for the use of this beautiful space. The Centro has been a sacred space instrumental in Chican, Latin, and Indigenous art and culture. They support local artisans and artists. Rental fees for the use of this space are used on community programs. All staff here are volunteers.

Current exhibition is entitled Walking in Beauty – Indigenous Resilience. To bring awareness and advocacy for missing and murdered women and relatives.



WELCOME

Jaya Bajpai Chief Operating Officer

> Charlene Hoffman Human Resources Analyst

SDCP Welcomes You!



Workshop Agenda

- Introduce Facilitator / Adopt Session Objectives / Adopt Ground Rules and Facilitation Guidelines / Housekeeping
- Board Reflection / Strategic Plan Overview
- Status Report of 2023-2027 Key Focus Areas and Goals
- Strategic Planning Discussion Topic #1 Draft
 Community Power Plan / Proposed Program Types
- Strategic Planning Discussion Topic #2 Distributed Energy Resource Plan (DER Plan)
- 2023-2027 Strategic Plan Discussion Key Challenges
- Discussion on Modifications to 2023-2027 Strategic Plan
- Confirm Assignments / Evaluation / Lessons Learned / Closing Reflection
- Closing Comments









San Diego Community Power



















Our Board Members



Mayor Paloma Aguirre City of Imperial Beach



Councilmember Colin Parent City of La Mesa



Councilmember Joe LaCava City of San Diego



Mayor John McCann City of Chula Vista



Supervisor Terra Lawson-Remer County of San Diego



Councilmember Ditas Yamane City of National City



Councilmember Kellie Hinze City of Encinitas



Our Alternate Board Members



Mayor Tony Kranz City of Encinitas



Councilmember Jack Shu City of La Mesa



Councilmember Marcus Bush City of National City



Supervisor Nora Vargas County of San Diego



City of San Diego



Councilmember Marni Von Wilpert Councilmember Carolina Chavez City of Chula Vista



Councilmember Jack Fisher City of Imperial Beach



CAC Members



Chula Vista

- Carolyn Scofield
- Anthony Sclafani



County of San Diego

Peter Andersen



Encinitas

- •Gary L. Jahns
- •Tara Hammond



Imperial Beach

- •Anna Webb, Secretary
- (vacant)



La Mesa

- David Harris
- Lauren Cazares



National City

- ·Aida Castañeda, Vice Chair
- Larry Emerson



San Diego

- •Eddie Price, Chair
- Matthew Vasilakis





SDCP Mission Statement

San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region.



SDCP Core Values

The 'JIST' of SDCP

- Justice, Equity, Diversity, & Inclusion (JEDI)
- Impact
- Integrity
- Innovation
- Servant Leadership
- Togetherness



The Culture of 'We'

Our Top Five 'We' Statements



We will put our customers and community at the heart of our decision-making process and in the actions we take; serving them with care, honesty and transparency



We will value and make space for diversity and different perspectives when confronting challenges, making decisions, and working towards our common goals



We will work together to build trust, empathy, togetherness, and understanding within our teams and office at large



We will work towards collaborative consensus, hear divergent views, and support the ultimate decisions of the team



We will act with integrity in all that we do



Key Milestones & Accomplishments

\$1.0 Billion cumulative revenues since launch

Doubled team size from 16 to 35 - purposefully, inclusively and optimally

Enrolled 833,000 customers and counting, with one of the highest participation rates at 95.9% of eligible load

Negotiated 6 PPAs, 2 of which will create 600 high paying jobs directly and 4 will support another 1,850

8.7 million bills processed; 99% billing accuracy rate. 38,000 customer calls directed to contact center

Invested \$3.5 million in our community through sponsorships, grant programs and locally owned vendors

Managed through an historic summer heat wave this past September at a time when the organization was still in its infancy



SDCP Staff - #DreamTeam

Current SDCP Team



Kimberly Isley



Laura Fernandez



Byron Vosburg



Lee Friedman



Nelson Lomeli



Lucas Utouh



Eric Washington



Carlos Gomes



Carly Newman



Ryan Hanke



Tim Manglicmot



Colin Santulli



Lorena Puga Bernaden



Stephen Gunther



Karin Burns



Rachel Hommel



Sandra Vences



Kenny Key



SDCP Staff - #DreamTeam

Current SDCP Team (cont'd)



Victoria Abrenica



Tacko Diate-Koumba



Alyson Scurlock



Tessa Tobar



Jen Lebron



Chris Do



Samantha Gunzl



Asikeh Kanu



Andréa Torres



Sheena Tran



Karlee Mink



Chandra Pugh



Chris Stewart



Morgan Adam



Britt Williams



Jill Monroe



Jaya Bajpai



Charlene Hoffman









GOALS

- ✓ Adopt financial controls and policies to meet or exceed best practices and manage risk.
- ✓ Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH).
- ✓ Obtain an investment grade credit rating by Nov 2025.

✓ Develop Rate Stabilization Reserve of \$70M to mitigate power cost fluctuations and economic downturns.

Goal 1: Adopt financial controls and policies to meet or exceed best practices and manage risk

- Reviewed CalCCA Model Practices Guide & sample state audits for alignment with all best practices
- ✓ Policy development including:
 - Approved policies Financial Reserves Policy, resolution providing signature authority, Rate Development Policy, Budget Policy, and adopted the NIST Privacy and Security Policy
 - Draft policies Debt Policy, Investment Policy, Debt Collection Policy



Goal 2: Adopt plan to increase reserves to \$175M by 10/2023 (90 DCOH) and \$360M by 10/2025 (180 DCOH)

- ✓ Set rates in January to enable reserve building to 90- and 180-DCOH by 10/23 and 10/25 goals
- ✓ Maintained focus on controllable costs; underbudget on energy expenses
- ✓ Reserve balance of \$203M projected by fiscal-year end, June 30, 2023



Goal 3: Obtain an investment grade credit rating by Nov 2025

- ✓ Expand access to credit Secured \$150M credit line to enhance liquidity -February 2023
- ✓ Improved financial management and forecasting tools
- Opened conversations with credit rating agencies





GOALS

- Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training.
- ✓ Develop secure Clean Energy Portfolio with goals of 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035).
- √ 15% of our energy coming from new, distributed infill storage/solar+ storage resources in Member Agencies by 2035.
- √ 600MW of new Local Wholesale Energy and/or Battery Storage Projects (utility scale projects within San Diego and Imperial counties) by 2035.
- ✓ Create high quality local jobs in renewable energy that support healthy families and vibrant communities.
- ✓ Support development of innovative energy sources to improve resiliency through pilot programs, grant programs, and partnerships.

Goal 1: Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training

- ✓ Grew team from 2 to 8 in line with hiring philosophy
- Maintained energy and capacity portfolios, risk hedging program, and other foundational elements of the power team while operating in an extremely volatile energy market
 - Hedging strategy has saved customers \$200mm+ since SDCP inception
- ✓ Transacted ~100+ Resource Adequacy (RA) contracts since SDCP inception



Goal 2: Develop secure Clean Energy Portfolio with goals of 50% RE (2022), 75% (2027), 85% (2030), and 100% (2035)

- √ 5 long-term, renewable PPAs
 - One online
 - One expected to achieve COD in June 2023
 - Two renegotiated to remain viable
 - VAMO contract with SDG&E
- ✓ Transacted ~40 short-term renewable and carbon-free energy contracts
- ✓ Launched Local RFI, Clean-Firm RFO, and Nov 2022 and March 2023 Long-term Renewable RFPs
 - 4-8 PPAs expected for board review in April-June 2023
- ✓ Power Content expected to be ~52% Renewable and ~60% Carbon-Free in 2022.



Goal 3: 15% of our energy coming from new, distributed infill storage/solar+ storage resources in Member Agencies by 2035

- ✓ Hired Sr. Manager of Local Distributed Energy Renewable Portfolio Development
- ✓ Reviewed various structures and methods for developing a local DER portfolio
- ✓ Presenting in April to Board on initial ideas for feedback and guidance to prioritize efforts



Goal 4: 600MW of new Local Wholesale Energy and/or Battery Storage Projects (utility scale projects within San Diego and Imperial counties) by 2035

- ✓ 226.8 MW of Local Solar+Storage capacity under contract
- ✓ Initiated Local RFI, Clean-Firm RFO, and Nov 2022 and March 2023 Long-term Renewable RFPs
 - 4-8 PPAs expected for board review in April-June 2023
- ✓ In negotiation with developers about multiple additional potential projects



Goal 5: Create high quality local jobs in renewable energy that support healthy families and vibrant communities

- ✓ 250 construction jobs to be created by Viking Solar Farm
- √ 350 construction jobs to be created by Jacumba Solar & Storage Energy Farm





Community Program
Delivery / Energy
Programs

Implement energy projects and programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups



GOALS

- ✓ Implement CPP recommended programs through continuous community engagement and assessment of community benefits while considering technology/market changes and changing community needs.
- ✓ Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies.
- ✓ Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.
- ✓ Develop local support for deep decarbonization through building and transportation electrification.

GOALS (Continued)

- ✓ Develop workforce opportunities in the local clean energy economy (green careers).
- ✓ Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans.
- ✓ Provide all customers with actionable clean energy education.
- ✓ Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation.

Goal 1: Implement CPP recommended programs through continuous community engagement and assessment of community benefits...

Goal 2: Invest in programs that target underserved communities (communities of concern) and are distributed throughout our Member Agencies

- Completed draft Community Power Plan (CPP)
 - Added 1 FTE to support CPP development and related projects
- ✓ Initiate Regional Energy Network (REN) formation process
 - Added 1 FTE dedicated to REN formation
- ✓ Created Community Grant Program \$300K expected to be granted end of this FY



Goal 3: Invest in programs that promote residential and commercial solar, infill solar and/or distributed battery storage.

- ✓ Received approval from CPUC to become Program Administrator of Green Tariff programs Disadvantaged Community Green Tariff (DAC-GT) / Community Solar Green Tariff (CSGT)
 - Added 1 FTE dedicated Green Tariff programs
 - Largest allocation in state (20MW)
- ✓ Implementation of Feed-in-Tariff program
 - Projects must pay prevailing wages per the Inclusive & Sustainable Workforce Policy
 - Prices based on Time-of-Delivery to encourage energy storage
 - Bonuses to price for local businesses, previously developed sites, and projects sited within a Community of Concern



Goal 6: Support local government and state initiatives to advance decarbonization in alignment with Member Agency Climate Action Plans

- ✓ Established Energy Resiliency Working Group through partnership with the San Diego Regional Climate Collaborative (SRDCC)
- ✓ Initiate Regional Energy Network (REN) formation process
 - Added 1 FTE dedicated to REN formation



Goal 7: Provide all customers with actionable clean energy education

- ✓ Ohm Connect partnership to increase awareness energy efficiency opportunities notifications
- ✓ Researching customer educational best practices from existing CCAs and others to support Q1 FY 23/24 initiative launch
- ✓ SDCP website initiatives: "Did you know?" and "Summer Readiness"
- Contact Center and customer service engagement



Goal 8: Maintain appropriate and sufficient data sources to support smart program design, implementation and evaluation

- ✓ Establishing process for the development of a jurisdiction-wide existing buildings database and accompanying funding gap analysis to inform future program design, scaling and potential impact
 - Leveraging lessons learned from City of San Diego Building and Housing Stock Assessment







Develop trusted brand reputation to help drive participation in programs and support customer service and retention



GOALS

- Identify and address gaps between perception and desired brand identity.
- ✓ Translate policy issues into consumerfriendly information and communication.
- ✓ Become known as leadership experts on the CCA model and the industry.
- ✓ Foster relationships with city planning offices, CBOs, NGOs, and Trade Associations.
- ✓ Develop relationships with industry media and influencers.
- ✓ Engage community through participation in local events.

Goal 1: Identify and address gaps between perception and desired brand identity

- ✓ There have been significant enrollment outreach efforts to introduce SDCP to new customers
 - More than 8 million impressions from billboards, radio ads, website ads, promoted social media, and posters in heavily-trafficked locations
- ✓ Partnerships with the Padres, Wave Fútbol Club and San Diego Loyal SC help create trusted brand ambassadors
 - More than 20 million total impressions are expected for the current seasons through in-stadium brand placement, social media mentions and joint earned media opportunities
- Increased focus on earned media
 - Worked with hyper-local news outlets that are seen as trusted community leaders such as the Ramona Sentinel, The Star News and Borrego Sun



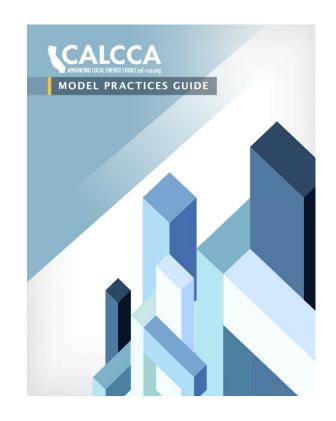
Goal 2: Translate policy issues into consumerfriendly information and communication

- ✓ The SDCP website is constantly being updated and revised to make information easier to understand
 - SDCP often prioritizes edits based on customer feedback
- ✓ Press releases and news stories that explain SDCP-related issues provide customers with easy-tounderstand information
- Created a bill explainer video and a bill comparison tool to help customers better understand their bills
- Regular posts on Facebook, LinkedIn, Twitter and Instagram keep customers apprised of our activities



Goal 3: Become known as leadership experts on the CCA model and the industry

- ✓ CEO featured on Flanigan's Eco-Logic podcast as a CCA expert
- ✓ Acted as contributors to the CalCCA Model Practices Guide
 - CFO Eric Washington
 - Managing Director of Power Services Byron Vosburg
 - Director of Regulatory & Legislative Affairs Laura Fernandez
- ✓ Participated in over a dozen interviews with media outlets about what a CCA is and how it makes an impact on customers





Goal 4: Foster relationships with city planning offices, CBOs, NGOs, and trade associations

- Created a Strategic Partnerships section in the Public Affairs team that works with member agency staff, large nonprofits and businesses
- ✓ Participated in regular meetings with city officials
 - Monthly check-ins with member agency staff
- ✓ Presented at more than a dozen community planning group and trade association meetings
- ✓ Worked with a variety of nonprofits to sponsor and attend events
 - More than \$50,000 has been invested in community events this fiscal year



Goal 5: Develop relationships with industry media and influencers

- ✓ Increased earned media opportunities by reaching out to a diverse group of local and statewide reporters
- ✓ Hosted background information sessions for reporters from key local outlets to help them better understand SDCP's mission, vision, values, goals and operations
- Hired a Sr. Manager of Marketing & Communications with San Diego media relations experience



SCIENCE/ENVIRONMENT

San Diego Community Power OKs Electricity Rates Cheaper than SDG&E





Ramona Sentinel

San Diego Community Power promises to supply electricity at lower rates than SDG&E



San Diego Community Power provides at least 55 percent of its power from renewable sources such as this Im



The San Diego Union-Tribune

POLITICS

'It's in our DNA': San Diego Community Power commits to 100 percent renewable energy by 2035



Goal 6: Engage community through participation in local events.

- ✓ Averaged attending 8 events per month since the beginning of FY23 (with a small staff)
- ✓ Created a tracking system to create an equitable outreach plan
 - FY23 focused on outreach in National City and the unincorporated areas of San Diego County due to enroll on April 1
- ✓ Developed a sponsorship policy to invest in organizations that align with SDCP's mission, vision, values and goals
 - Sponsored 20 different events and organizations including Lung Force Walk, "Electrification, Equity, & Efficiency" Exhibit at the Art Produce Gallery and South Bay Earth Day





Legislative/Regulatory

Advocate for public policies that advance SDCP organizational priorities



GOALS

- ✓ Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions.
- ✓ Sponsor and support legislation and regulation that is consistent with SDCP's mission, vision, and goals.
- ✓ Develop annual legislative plan to advance and support SDCP objectives and share with local Senate and Assembly members and staff.
- ✓ Develop plan to meet more proactively with and educate key decisionmakers (e.g. CEC, CPUC commissioners).
- ✓ Coordination with Member Agency government affairs' teams to align on legislative positions.
- ✓ Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts.

Goal 1: Proactively educate and engage policymakers to develop policies that support SDCP's organizational priorities, including advocacy around PCIA reductions

- ✓ Hosted in-person Sacramento Lobby Day on March 9, 2023
- ✓ Conducted over 30 meetings with stakeholders and policymakers in Sacramento and San Francisco
- ✓ Developed one-pager "leave behind" document for stakeholder meetings
- ✓ Active litigating of Energy Resource Recovery Account (ERRA) proceedings (PCIA is derived from indifference amount, which is updated annually in ERRA)



Goal 2: Sponsor and support legislation and regulation that is consistent with SDCP's mission, vision, and goals

- ✓ Submitted support letters for 5 pieces of legislation in the current legislative cycle
- ✓ Lobbyists testify in support of legislation that we are supporting
- ✓ Weekly meetings with CalCCA Legislative Committee and SDCP Lobbyists to track current legislative activities
- ✓ Active monitoring of over 40 CPUC proceedings with strategic intervention and commenting



Goal 3: Develop annual legislative plan to advance and support SDCP objectives and share with local Senate and Assembly members and staff

- ✓ Regulatory and Legislative Policy Platform already updated for current year, posted to website
- Feedback solicited internally and externally
- ✓ Lobbyists use Policy Platform as a guide in lobbying efforts and share with legislative delegation



Goal 4: Coordination with Member Agency government affairs' teams to align on legislative positions

- ✓ SDCP policy staff regularly meet with member agency staff
- ✓ Regular coordination and communication between City of San Diego Mayor's Office and SDCP
- ✓ SDCP lobbyists dialoging with member agency lobbyists



Goal 5: Continue to be an active participant in CalCCA and develop partnerships and coalitions to advance SDCP's policy and legislative agenda through CalCCA efforts

- ✓ Active ongoing participation on CalCCA regulatory, legislative and compliance committees
- ✓ Tiger team membership and support
- ✓ CEO elected to CalCCA Executive Committee
- ✓ CalCCA Lobby Day on March 8 and SDCP Lobby Day on March 9 in Sacramento
- ✓ Staff supporting and co-hosting CalCCA Annual Conference in San Diego in May 2023





Data Analytics & Account Services

Ensure high customer retention and satisfaction



GOALS

- ✓ Ensure customer satisfaction through key relationships including back-office support and key stakeholders.
- ✓ Continually strive to offer competitive rates.
- ✓ Maintain and grow high levels of customer participation and satisfaction.
- ✓ Achieve 10% of our load at the Power 100 service level by 2027.
- ✓ Build a robust data ecosystem for effective procurement, including program design, management & evaluation.

Goal 1: Ensure customer satisfaction through key relationships including back-office support and key stakeholders

- ✓ Current active accounts count of 832,719 and growing (2nd largest CCA)
- √ 8.7 million bills processed and over \$1.0 billion dollars cumulatively billed so far
- ✓ Over 99% bill accuracy and timeliness
- ✓ Over 38,000 customer calls directed to our Contact Center so far with an average of 14 seconds to connect with a Customer Service Rep
- √ 3,610 customer service emails answered or escalated within 24 hours
- ✓ Creation of Power100 Champions in our region
- ✓ Weekly status calls with Calpine Energy Solutions and SDG&E to enhance customer operations
- ✓ Weekly calls with CalCCA and other CCAs on billing and customer operations that ensure SDCP is providing a world class customer experience



Goal 2: Continually strive to offer competitive rates

- ✓ Board approved rates effective February 2023 that provide a 3% value proposition relative to SDG&E's base commodity rates
- ✓ Our customers are currently paying 1%-2% less on their total electric bill compared to SDG&E while getting much more renewable energy service



Goal 3: Maintain and grow high levels of customer participation and satisfaction

- ✓ Exceeding participation rate goal of 95%
 - ✓ Current participation rate by number of customers is 96.3%
 - ✓ Current participation rate by load at 95.9%
- ✓ For reference, as of March 2023, Clean Power Alliance's overall participation rate was **93**% with Clean Energy Alliance's at **91.9**%



Goal 4: Achieve 10% of our load at the Power 100 service level by 2027

- ✓ Current Power100 participation rate by load at 7.31%
- ✓ Current Power100 participation rate by revenue at 7.14%



Goal 5: Build a robust data ecosystem for effective procurement, including program design, management & evaluation

- ✓ Adoption of BigQuery/Google Cloud Platform(GCP) as our data warehousing solution
- ✓ Creation of robust retail data pipelines from SDG&E/Calpine into SDCP's GCP account
- Creation of a bill scraping tool that allows us to monitor bill volumes, accuracy, timeliness etc.
- ✓ Leveraging Business Intelligence analytics to track KPIs including revenues, participation rates, accounts payable, load forecast, customer engagement etc.





GOALS

- ✓ Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds organization's core values.
- ✓ Develop an annual staffing plan that identifies and addresses resource needs and gaps.
- ✓ Provide training and professional development opportunities that build new skills and abilities.
- ✓ Foster culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision.
- ✓ Build institutional capacity of CAC and the Board to support the mission and core goals of SDCP.
- ✓ Design & implement an internal program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry.

Goal 1: Create an organizational culture of inclusion, mutual respect, trust, innovation, and collaboration that upholds organization's core values

- ✓ 2 Day JEDI Training
- ✓ Development of WE statements
- Multiple team bonding events
- ✓ Listening sessions
- ✓ Monthly recognitions
- ✓ Team events (Summer picnic, Holiday party, Baby Showers, Anniversaries, Birthdays, Team lunches, etc.)
- ✓ 1 hour Mission-Vision –Values –Goals orientation for each new team member



Goal 2: Develop an annual staffing plan that identifies and addresses resource needs and gaps

- ✓ Developed staffing plan through FYE 2023, over 95% of planned hires completed
- ✓ Developed hiring process, policies, and salary bands
- ✓ Thoughtful hiring to best invest in and reflect our San Diego communities.
- ✓ Team optimization
- ✓ Doubled team size to 35 within 9 months



Goal 3: Provide training and professional development opportunities that build new skills and abilities

- ✓ Conflict Management Training
- ✓ Communication Styles Training
- ✓ Effective Presentations Training
- ✓ Brown Act, Ethics & Public Records Request Training
- √ \$1,500 separate stipend for individual professional growth & dev
- ✓ Subscription to full suite of Linked-In learnings for entire team
- ✓ Performance reviews
- Career pathing



Goal 4: Foster culture of innovation to yield solutions that accelerate our mission and drive toward SDCP's vision

- ✓ 2- day Innovation workshop with East Bay Community Energy
- ✓ Start-Up guest speakers / brown bag lunches (Nuvve, GRID Alternatives)
- ✓ Ongoing communications with / Board seat on San Diego Cleantech Foundation
- Ongoing meetings with innovative companies to understand technologies



Goal 5: Build institutional capacity of CAC and the Board to support the mission and core goals of SDCP

- ✓ Detailed four- hour Board & CAC Orientation and handbook
- ✓ Annual strategic planning session involving Board, CAC and Staff
- ✓ Scheduled Meet & Greets with Board and/or CAC members
- ✓ Established Board & CAC Ad Hoc committees (Executive, Programs, Community, Contracts)
- ✓ CAC Workplan development



Goal 6: Design & implement an internal program that attracts workforce from our member cities and creates opportunities for candidates new to CCAs and the industry

- ✓ Internal hiring philosophy promotes building industry capacity through our direct hires
- ✓ Additional workforce development plans in early discussion



10 minute Break







Customer Energy Programs

Discussion by Colin Santulli, Director

Programs



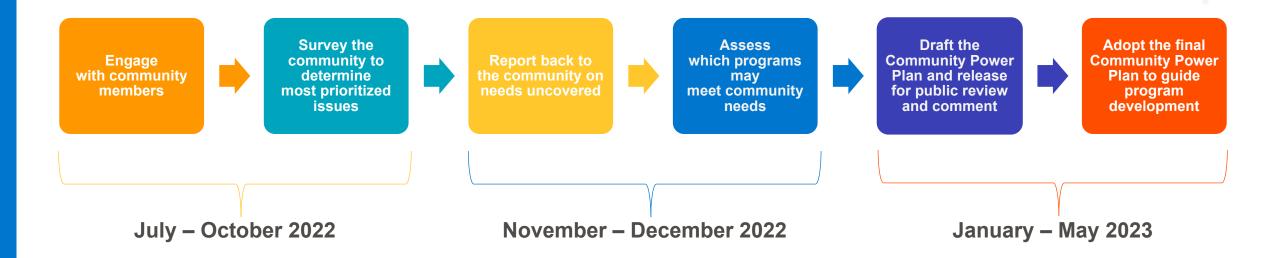
Community Power Plan

SDCP's five-year strategic plan for customer energy programs





Process





Community Needs Assessment

Community Needs Assessment

- Learn the goals, needs, and priorities of our community and stakeholders (internal and external) to ensure that future SDCP program offerings align
- Engaged community leaders and member agency staff to inform engagement strategy
- Co-hosted 12 listening sessions with community-based organization engaging nearly 200 community members
- Pop-up events in unincorporated San Diego County engaging over 100 community members
- Six interviews with interest group stakeholders
- Virtual workshops with businesses, large accounts, and the public engaging over 40 participants











Community Needs Survey

- Further understand the diverse needs and priorities of SDCP's communities
- Open for 7 weeks between August-October 2022
- Available in English, Spanish, and Tagalog
- Promoted widely, including:
 - Mailer to over 600,000 customers
 - Customer bills, website banner, social media posts, and targeted ads in hard-to-reach communities
 - Print ads in Spanish and Filipino-speaking publications
 - In-person survey collection at community events





Survey Responses

2,980

complete, validated responses from within SDCP's service territory

2,849 residential 131 commercial



Recommended Program Types

Short-Term Program Types

Short-Term (FY23/24 – FY 24/25)

Strategy

- Relatively low-cost implementation
- Filling immediate needs and increase visibility
- Leverage existing external funding and/or minimal SDCP funding commitment
- Pilots to prepare for midterm broader incentive programs

Program Types

Customer Energy Awareness and Education

Application Assistance

Disadvantaged Communities Green Tariff and Community Solar Green Tariff

Pilot Programs

Grant Programs











Customer Energy Awareness and Education

Description & Benefits

- Help customers understand and be aware of all-things energy (e.g., energy bills, how usage impacts costs, benefits of clean energy)
- Lists of vetted contractors and equipment installers
- Can lead to behavioral changes that reduce energy use/bills and help increase awareness of programs

- Partner with community-based organizations to increase access to resources and grow awareness of SDCP – provide funding to them to help administer education programs
- Target K-12 classrooms
- Contractor training to support clean energy technologies
- Fund from SDCP revenues to expedite implementation







- Many programs are already available to SDCP customers that can help meet community needs, but application processes can create barriers
- Connect customers to existing resources to support bill reductions and clean technology adoption

- Target application assistance for underresourced community members, small businesses, and organizations that support Communities of Concern
- Work with partners to identify a targeted list of program types to provide application assistance for
- Allocate internal resources (i.e., SDCP staff time)



Green Tariffs



Disadvantaged Communities Green Tariff (DAC-GT) & Community Solar Green Tariff (CSGT)

Description & Benefits

- Provide benefits of solar at a 20% bill discount to income-qualified residential customers in under-resourced communities with barriers to installing solar on their roof
- CalEnviroScreen tool identifies eligible "disadvantaged communities" as census tracts that are disproportionately burdened by and vulnerable to multiple sources of pollution





- Partner with community-based organizations and remove jargon from program descriptions to increase awareness of program benefits/keep customers from opting out
- Fully CPUC-funded; design elements are established by the CPUC





- Test innovative program concepts and/or business models
- Answer questions related to program implementation (e.g., program design, delivery, and customer acceptance) before attempting to scale a program
- Opportunity to partner, support, and learn from communitybased organizations

Design & Funding Considerations

- Integrate opportunities to capture lessons learned (e.g., data capture, performance evaluations, on-going stakeholder dialogue)
- Fund smaller projects from SDCP revenues and seek external funding to scale or maximize impact

Example Concepts

- Emergency Water Heater Loaner Grant from TECH Clean CA
 - Provides a temporary water heater for emergency replacements while electrical work is done to support a heat pump water heater
- Education on the price of time-of-use periods using visual cues
- Roof repairs to support solar systems incentivized by State programs







- Support creative ideas that may not be possible through traditional funding sources
- Create tangible trust- and relationshipbuilding opportunities
- Increasing visibility of SDCP within the communities it serves



- Focus on addressing the key priorities heard during the community engagement process for the CPP
- Consider partnering with trusted and proven regional organizations to streamline grant program development and implementation while easing administrative burden on staff
- Internal funding initially, future philanthropic funding may be available for future grant programs



Short-Term (FY23/24 – FY 24/25)

Strategy

- Relatively low-cost implementation
- Filling immediate needs and increase visibility
- Leverage existing external funding and/or minimal SDCP funding commitment
- Pilots to prepare for midterm broader incentive programs

Program Types

Customer Energy Awareness and Education

Application Assistance

Disadvantaged Communities Green Tariff and Community Solar Green Tariff

Pilot Programs

Grant Programs









Mid-Term Program Types

Mid-term (FY25/26 – FY26/27)

Strategy

- External funding sources developed
- Better positioned to direct internal revenues to customers via programs
- Require more time to establish
- Require identifying and/or gathering additional data

Program Types

Building Electrification: Appliances

Building Electrification: Heat Pump Technologies

Distributed Energy Resources: Energy Storage Systems

Distributed Energy Resources: Demand Response

Energy Efficiency

Transportation Electrification: Infrastructure

Transportation Electrification: Light-Duty Vehicles

Transportation Electrification: Medium- and Heavy-Duty Vehicles





















- Encourage adoption of electric building appliances (e.g., stoves and clothes dryers)
- Induction stoves provide a safer cooking environment, improved indoor air quality, and are more efficient than gas stoves
- Heat pump dryers are more efficient, can have lower installation costs due to not needing vents, and require less maintenance





- Provide education and outreach for induction cooking (including demonstrations) and incentives to offset higher equipment costs
- Offer incentives for panel upgrades (e.g., direct installation or up-front incentives for income-qualified and Communities of Concern)
- Federal IRA funding coming via CA Energy Commission







- Encourage installation of electric heat pumps for space heating, cooling, and water heating
- More efficient and cleaner than gas counterparts, less indoor air pollution
- Electrical panel upgrades may be needed and can often be a barrier for projects due to costs





- Direct installation programs for incomequalified and multi-family affordable housing that include renter protections
- Contractor training and mid-stream incentives to address lack of skilled labor and equipment carried
- Support customers with federal IRA funding (e.g., HOMES Rebate)
- Fund incentives with SDCP revenues to stack on top of TECH Clean California funding







- Support installation of energy storage systems to be paired with renewable energy resources (e.g., onsite solar)
- Cleaner and makes better use of renewables (less reliance on fossil-fuels)
- Can increase grid resiliency and provide backup power during outages



- Work with local governments/others to implement energy storage at scale in critical facilities or resilience hubs
- Incentives to stack on other energy storage funding sources (e.g., Self-Generation Incentive Program) or creative financing (up-front incentives instead of rebates)
- Consider federal EPA Greenhouse Gas Reduction Fund (GGRF) opportunities







- Incentivize customers to reduce electricity use during peak demand on grid
- Encourages behavioral changes or smart devices to shift or reduce usage
- Helps control customer costs, increases grid resiliency, and makes best use of renewables

- Gap around installing smart controls on other systems (e.g., heat pumps, electric vehicle chargers, energy storage) – could establish technology requirements across other programs
- Monitor CEC and CPUC for funding opportunities
- Consider opportunities to leverage SDCP procurement budgets in cases where demand response programs could reduce resource adequacy obligation and costs







Energy Efficiency

Description & Benefits

- Measures to reduce the amount of energy buildings use – results in lower bills and increased indoor air quality and comfort
- Examples: Insulation, improved windows and doors, and cool roofs



- Consider free or low-cost upgrades for income-qualified and Communities of Concern
- Address the split incentive between tenants and landlords for multi-family buildings
- Regional Energy Network is primary potential funding source





- Support deployment of charging infrastructure and related technologies
- Help increase customer confidence to switch to an electric vehicle (reduced carbon emissions and local air pollution)





- Focus on geographical areas or market sectors (e.g., multi-family housing and Communities of Concern) where private sector is not investing
- Add incentives to stack on existing regional and state funding opportunities
- Partner with SANDAG, Air Pollution Control District, and member agencies via Accelerate to Zero Emissions Collaboration
- CPUC Locally Invested Transportation Equity funding



Vehicle Electrification (LD, MD, HD)

Description & Benefits

- Support the transition to electrification
- Reduces carbon emissions and improve local air quality
- Reduces vehicle operating and maintenance costs
- Potential to help with grid resiliency





- Prioritize expanding access to electric vehicles for income-qualified customers
- Communities around ports are disproportionately impacted where heavy commercial vehicles regularly travel
- Partner with car dealerships to offer pointof-sale incentives on used vehicles instead of after-sale rebates
- Fund incentives from SDCP revenues to stack on available state/regional funding

Mid-term (FY25/26 – FY26/27)

Strategy

- External funding sources developed
- Better positioned to direct internal revenues to customers via programs
- Require more time to establish
- Require identifying and/or gathering additional data

Program Types

Building Electrification: Appliances

Building Electrification: Heat Pump Technologies

Distributed Energy Resources: Energy Storage Systems

Distributed Energy Resources: Demand Response

Energy Efficiency

Transportation Electrification: Infrastructure

Transportation Electrification: Light-Duty Vehicles

Transportation Electrification: Medium- and Heavy-Duty Vehicles

















Lunch Break ~12:15-1:00







Distributed Energy Resources

Discussion by Morgan Adam, Manager Power Services



SDCP Distributed Resource Planning



NEM



Customer Programs



Wholesale Procurement



Net Energy Metering

- **Existing tariff**
- How most residential and C&I customers utilize distributed solar and storage
- Recent CPUC adoption of NEM 3.0 (also known as Net Billing Tariff) reduces value of exported energy, challenging economics
- Expected to remain a significant enabler of solar and storage adoption and will help drive energy storage deployment

How NEM 3.0 could change California's clean energy landscape

NEM 3.0 takes effect on April 15. For customers who don't qualify, or don't get an application submitted in time, developers need to be ready to implement more solar and storage projects down the line.

MARCH 8, 2023 PARI KASOTIA

NET METERING OPINION & ANALYSIS





Solar-plus-storage installation.

Customer Energy Programs

- Pilot Programs
- Green Tariffs
- Building Electrification
- Transportation Electrification

 Customer Solar, Storage, and Demand Response (Virtual Power Plants)







Wholesale Procurement Opportunities

- Feed-in Tariff (FIT)
- Green Tariffs
 - Disadvantaged Communities Green Tariff (DAC-GT)
 - Community Solar Green Tariff (CSGT)
- Local Request For Information (Local RFI)
- All-source Renewable Energy RFPs
- Local Infill Plan (LIP)









Initial LIP Buildout

California senate transport committee passes solar parking canopy and highwayside law

The bipartisan committee unanimously approved a bill to support tax credits for solar canopies over parking lots and along highways

APRIL 12, 2023 RYAN KENNEDY

MARKETS & POLICY POLICY CALIFORNIA



Rooftop solar and canopy parking solar at a California Walmart.













Senate Bill 49, introduced by Senator Josh Becker (D-San Mateo), aims to support the buildout of solar above parking lots and along highways throughout California. It was unanimously passed by the California Senate Transportation Committee by a bipartisan 11:0

- Within SDCP member communities
- Primary: Rooftops and Parking Lots
- Secondary : Infill Land Parcels
- Public or Private Owned
- Distribution level interconnection

Sites

- Member agency staff and parcels
- SD County Regional Decarb. Framework
- Collaboration w/ Industry and **Private Land Owners**

Resources

Dynamic Landscape

- Regulatory and legislative evolution
- Interconnection backlogs
- Supply chain challenges
- Local & state permitting to facilitate renewable development

Assessment

- Feasibility assessments with consultant support
- Site preliminary designs & pre-engineering
- Holistic prioritization (price, community and workforce attributes, RA & grid participation potential, etc)

112

LIP Site Identification

LIP Round 1:

Initial area of focus

LIP Round 2:

Overlap with current Feed-in-Tariff and Local RFI

Sector	Examples
Public	Member Agency
	Parcels
	Other Public
	Agencies
	School Districts
Private	Property Owners
	Developers /
	Retailers
	REITs



Possible Implementation Plan – Member Agency Opportunities

Current Phase

- Compile list of potential sites with member agencies
- Conduct initial site assessments and feasibility studies
- Finalize shortlist of viable opportunities

SITE SELECTION

PROCUREMENT

- Group viable sites into portfolio
- Vendor Selection via Public Solicitation
- Contract Execution

- Projects are designed and permitted
- Awarded vendor procures and constructs project at member agency sites
- SDCP oversees project execution

IMPLEMENTATION



Infill / Distributed Local Development

Next Steps to Develop Local Infill Plan in next 6 Months

Feedback and guidance from SDCP Board, Community Advisory Committee, and other stakeholders to confirm needs and goals

Continued discussion and collaboration with other CCAs and potential partners for shared experiences, lessons learned & best practices

Visit with member agencies to evaluate potential sites and opportunities

Review scope and schedule of initial Local Infill Development plan with SDCP Board



Action for today

- Please direct us to the appropriate staff within each of your teams to assist with site review and selection
- Initial guidance and suggestions
- Any questions?







Challenges

Power Services Presentation –

Byron Vosburg

Reg & Leg Presentation –

Laura Fernandez



Regulatory and Legislative Challenges

The Big Picture: Clarity on Jurisdiction and CCA Autonomy

What differentiates CCA Programs from Direct Access providers and Investor-owned Utilities (IOUs)?

- Local elected officials get to decide whether a community joins a CCA Program
- Decision making authority held by locally elected officials that comprise our board
- Ratemaking Autonomy = Board sets rates
- Procurement Autonomy = Board decides what resources to procure and from where
- Programs Autonomy = Board decides what programs to offer, to who and when
- Nonprofit
- This local aspect enables CCAs to tailor rates, programs, and procurement to local needs
- Relatively new model means a lack of clarity on jurisdiction and objectives in legislative and regulatory bodies



Legislative Proposals

Budget Change Proposal and AB 1373 (Policy Bill) Concerns

Proposals to:

- 1. Expand CPUC Jurisdiction over CCA procurement autonomy
- 2. Create a new Central Procurement process to allow Department of Water Resources or investor-owned utilities to procure new resources
- 3. Enact Capacity Penalty Payments for load-serving entities that are short on year ahead Resource Adequacy requirements



Integrated Resource Planning Primer

Background

- All load serving entities under the jurisdiction of the CPUC are required to file an Integrated Resource Plan (IRP) every two years
- The IRP looks out at a multi-year horizon (2023-2035) and details the procurement plan for meeting state goals
 - Plans are assessed for greenhouse gas emissions, reliability, and local air pollutant minimization in disadvantaged communities
- The IRP is a compliance filing that is a long-term plan and modeling exercise, therefore it is non-binding
- SDCP filed IRP most recently in 2022
 - SDCP's procurement strategy may evolve from the 2022 IRP



Expansion of CPUC Jurisdiction via proposed Legislation

CCAs would be subject to same requirements as IOUs for IRP

- CCAs are not "public utilities" or "electrical corporations" subject to the broad jurisdiction of the CPUC
- CCAs must have the flexibility to modify their plans, as market conditions and customer needs evolve, while still meeting or exceeding state procurement requirements
- The current proposals would place detailed, significant new requirements on CCAs effectively giving the CPUC control over CCA procurement and cost recovery (rates)



Central Procurement: Quick Primer

Central Procurement Overview

- To meet state procurement goals, a centralized procurement process would enable the DWR or IOUs to procure energy resources on behalf of LSEs
 - The intent is to meet growing clean energy needs that LSEs may not be able to procure themselves due to expense and risk
 - This would have an impact on CCA procurement and rates
- Costs of centralized procurement for the state would be recovered by ratepayers
- The state has limited history of central procurement in response to the early 2000s energy crisis
 - IOUs currently can act as the central procurement entity for RA in PG&E and SCE territories but have faced challenges in this role



Central Procurement: Underlying Challenges

Lack of infrastructure (interconnection/transmission)

- Load serving entities, including CCAs, have met requirements for new, clean energy resources
- Load serving entities exceeded Mid Term Reliability procurement order
 - CCAs over-procured by 500 MWs
- CCAs have collectively identified over 790 MWs that they have procured but are experiencing significant interconnection delays
- CCAs have attempted to procure geothermal and have reached out to developers to procure
 offshore wind, however, the necessary infrastructure (transmission) is not available for procurement
 contract negotiations to begin



Central Procurement: Underlying Challenges

Challenges with the Central Procurement Budget Proposal

- SDCP understands that the intention may be to spur offshore wind or geothermal development
 - However, there are currently no guard rails on the types of projects that may be directed
 - Example: long lead time projects (5+ years) in resource rich areas (e.g. Salton Sea)
- No guidance on how the CPUC will account for procurement plans of other LSEs before directing procurement
 - There is currently a potential for this proposal to override individual LSE procurement
 - Without clear boundaries on what projects the central procurement entity would be established for, it would seem developers may be hesitant to enter procurement discussions with LSEs



Resource Adequacy: Quick Primer

Resource Adequacy Overview

- The goals of the resource adequacy program are to ensure the safe and reliable operation of the grid by ensuring sufficient capacity is available when and where it is needed
- CPUC manages the RA program in coordination with CAISO
- LSEs are obligated to procure and demonstrate sufficient RA resources to meet demand
- If LSEs are unable to procure sufficient RA, they are charged a penalty by the CPUC
 - If CAISO backstops the deficiency, the LSE also pays CAISO



Resource Adequacy: Capacity Payments

Challenges with the RA Capacity Payment Proposal

- Proposal for LSEs that fail to meet RA obligations (short) to pay capacity payment into strategic reliability reserve
- Penalty would be an additional penalty on top of payments already made to CPUC and CAISO
 - RA penalties go to General Fund, not to new procurement contracts
- Shortage of RA supply in the market that is not addressed by the proposal
- Many LSEs are unable to comply despite best efforts and willingness to pay high prices
- Requiring LSEs to pay both a CPUC penalty and a DWR capacity payment for deficiencies when the RA market supply
 is insufficient to meet the needs of all California LSEs penalizes customers with higher costs. Unclear whether it would
 provide significant new supply
- New build is driven by the IRP process, not the RA program



Expansion of CPUC Jurisdiction

Proposal in Resource Adequacy Proceeding to Freeze CCA Expansion

- Energy Division staff proposes limiting expansion and taking on new customer load for any CCA that has had even a minor deficiency in the last 2 calendar years
- Deficiency of greater than 2.5% of its system RA requirement on a month ahead RA filing
- Lack of jurisdictional clarity: CPUC lacks authority under AB 117 to prohibit CCA formation or, by extension, CCA expansion
- Lack of jurisdictional clarity: The CPUC's RA authority under Public Utilities Code Section 380,
 while permitting enforcement, does not expand its jurisdiction over CCAs



CPUC Jurisdictional Clarity

Effective Dates for CCA Expansion Plans

- CPUC has a ministerial duty to certify amended implementation plans within 90 days of submission to determine earliest possible effective date for implementation of CCA programs
- Energy Division recently certified implementation plans for East Bay Community Energy and Central Coast Community Energy, but withheld effective dates for launch
- Draft Resolution E-5258 (to be voted on April 27) sets January 1, 2025 as the earliest effective dates, rather than proposed 2024 launch dates
- Justification cited is failures of these CCAs to procure sufficient capacity in the past (citations for violations of RA program)
- Neither Section 366.2(c)(8) nor Resolution E-4907 provide for a draft resolution process to determine an effective date for CCA implementation plans.
- Unclear if Energy Division has authority to create new administrative procedure for the purpose of delaying performance of its statutory obligations.
- Petition for Writ of Mandumus filed and ongoing



Regulatory and Legislative Challenges Review

Proposals at Legislature, CEC and CPUC

- Legislative Proposals would expand jurisdiction of CPUC effectively giving the CPUC control over CCA procurement and cost recovery, increase penalties for RA, and establish central procurement entity that could drive procurement efforts of individual entities
- CPUC actions may impact expansion of two CCAs due to RA non-compliance
- Separate Energy Division Proposal would freeze expansion of CCAs if not meeting RA requirements



Power and Gas Market Volatility

- 1. Geopolitical unrest drives global gas markets
- 2. Climate change-fueled weather events exacerbates impacts in CA and WECC

The New York Times

More Rain and Snow Are Lashing California

Up to three feet of snow was forecast for the Sierra Nevada and other higher elevations, less than a week after tornadoes battered parts of the state. More than 18,000 customers were without power on Tuesday afternoon.





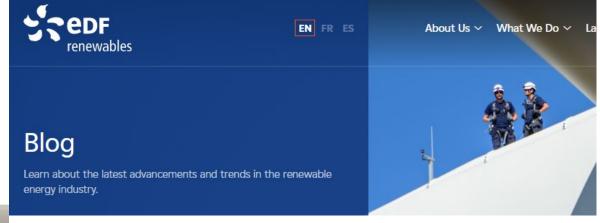
Russia's invasion of Ukraine triggered major supply risks and wide-ranging sanctions that have dramatically changed global oil and gas markets. In a year of price volatility, supply concerns and increasingly harsh sanctions, Russia has accelerated its pivot to Asian markets. As we enter a second year of the conflict, the risk of major security incidents, a decline in Russian production, and even tougher sanctions hangs over global markets.

In this episode of the Commodities Focus podcast S&P Global Commodity Insights experts Paul Sheldon, Stuart Elliott and Sambit Mohanty discuss the impact of the war with managing editor for Russia commodities and energy news Rosemary Griffin.

Pandemic-related Supply Chain Delays and Cost Increases

- 1. New projects delayed
- 2. Many PPAs renegotiated
- 3. Buyers and their customers bear additional cost and risks





Delivering Success Through Innovative Approaches to PPA Risk Sharing

May 2, 2022



August 17, 2022 | By Caileen Gamache in Houston

Permitting Delays Continue

KEY TAKEAWAYS:

CEQA has become an obstacle to achieving California's top goals, from building new housing and schools to addressing homelessness and achieving renewable energy milestones.

With 3,000 prospective UC Berkeley students facing rejection due to a California Environmental Quality Act (CEQA) lawsuit, the nonpartisan Pacific Research Institute today released "The CEQA Gauntlet," a new research project detailing how CEOA adds expense and delay to - and in some cases halts - critical

frastructure, renewable energy, homeless shelters, and

California Expands Energy Commission's Jurisdiction to Bolster Clean Energy Development

07.18.2022 | UPDATES

Governor Gavin Newsom signed AB 205 into law on June 30, 2022. This legislative effort significantly expands the California Energy Commission (CEC)'s jurisdiction and encourages the development of new clean energy projects. In short, AB 205 allows developers to opt in to a new streamlined environmental review and authorization process for certain solar, wind, and other qualifying clean energy projects under exclusive state jurisdiction. The law also provides new funding for qualifying generation and energy storage facilities.

The summary below touches on three aspects of AB 205: (1) CEC's new Siting Certification Process, (2) the Long-Duration Storage Program, and (3) the Strategic Reliability Reserve Fund.



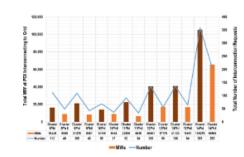
US Clean Energy Goals Hinge on Faster Permitting

By Lori Bird and Katrina McLaughlin Cover Image by: anurakss/Shutterstock Commentary Topic Energy Region North America



Interconnection Backlog Worsens

- 1. CAISO CEO says the current process "just doesn't work"
- 2. "The total capacity of all projects awaiting interconnection now exceeds the capacity of the entire U.S. power plant fleet"



CAISO says the number of interconnection requests (blue line) and requested capacity (red bars) has accelerated dramatically, while the percentage of projects moving into the second phase of interconnection studies (orange bars) has been higher than normal. | CA/SO

CAISO Proposes Interconnection **Queue Process Overhaul**

Studying Hundreds of Projects in Queue 'Just Doesn't Work,' **CEO Savs**

Mar 9, 2023 | Hudson Sangree



US grid interconnection backlog jumps 40%, with wait times expected to grow as IRA spurs more renewables





POLITICS

Big holdup for new Northern California housing? PG&E









Dustin Gardiner, Julie Johnson

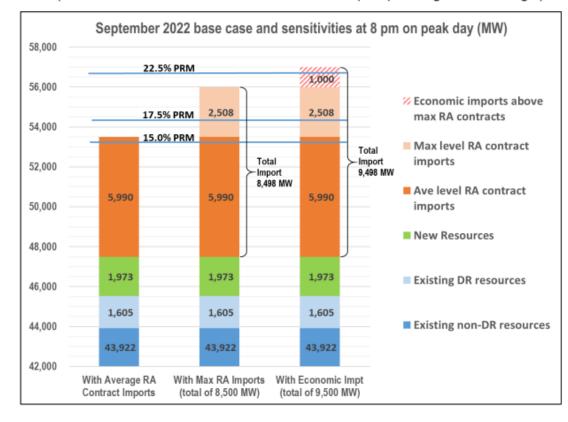
■ San Francisco Chronicle

CA Capacity Shortfall

- Retirement of fossil and nuclear units, not just in CA but throughout WECC
 - CA has historically relied on neighbors, now competing with them
- Incremental intermittent resources reduce their ability to reliably serve load
- Increased electrification and extreme heat events increase demand

ISO stack analysis for September 2022

(PRM levels based on CEC 1-in-2 load forecast plus planning reserve margin)





CA Energy Policy Is Inefficient, Reactionary, and Overly Complex

- 1. Frequent redesign of CPUC RA program, which overlays CAISO RA requirement
 - a) "Fighting the previous battle"
 - b) Short-term focus vs long-term solutions
- 2. Ever-changing IRP requirements and methodologies
- 3. Constant "distractions"

Or ... ("What Laura said!")

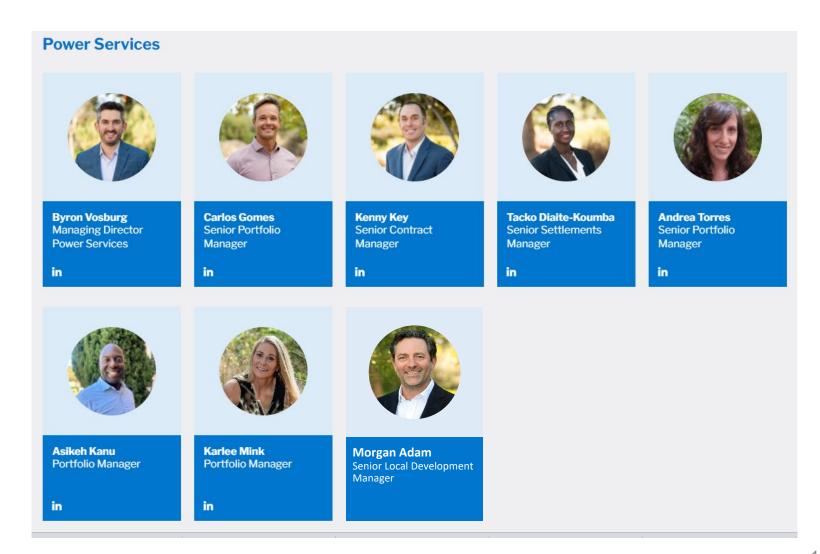


Laura Fernandez
Director of Regulatory
& Legislative Affairs



Energy Procurement: The Tailwind

We're ready to go.





10 minute Break













Board of Directors

Next Regular Meeting

April 27, 2023

