



FISCAL YEAR 2022 BUDGET

for the period

July 1, 2021 through June 30, 2022

San Diego Community Power
FY22 - Supplemental Details

I.	OPERATING REVENUES		
	Gross Ratepayer Revenues	\$ 318,320,860	
	(Less 1% Uncollectible Customer Accounts)	\$ (3,183,209)	
	Net Operating Revenues	\$ 315,137,651	
II.	OPERATING EXPENSES		
	a) Cost of Energy	\$ 284,304,000	
	Total	\$ 284,304,000	
	b) Personnel Costs		
	Salaries	\$ 3,541,667	
	Benefits (retirement/health)	\$ 872,400	
	Payroll Taxes	\$ 270,938	
	Accrued PTO	\$ 100,000	
	Contingency	\$ 100,000	
	Total	\$ 4,885,005	
	c) Professional Services and Consultants		
	i) Legal Services	\$ 895,000	
	ii) Technical Support	\$ 947,000	
	iii) Programs Consultant	\$ 350,000	
	iv) Broker Fees	\$ 100,000	
	v) Other Services	\$ 383,000	
	vi) SDG&E Service Fees	\$ 1,429,000	
	vii) Data Management	\$ 652,994	
	viii) Contingency	\$ 224,000	
	Total	\$ 4,980,994	
	d) Marketing and Outreach		
	i) Communications Consultant	\$ 600,000	
	ii) Notices and Mailers	\$ 240,000	
	Printing	\$ 277,000	
	Sponsorships/Local Memberships	\$ 150,000	
	iii) Pilot Member City Grants	\$ 150,000	
	Total	\$ 1,417,000	
	e) General and Administration		
	CalCCA Dues	\$ 350,000	
	Insurance	\$ 125,000	
	Rent	\$ 120,000	
	Other G & A	\$ 250,000	
	Total	\$ 845,000	
	Total Operating Expenses	\$ 296,431,999	
	Operating Income (Loss)	\$ 18,705,652	
III.	NON-OPERATING REVENUES (EXPENSES)		
	Interest and Related Expenses	\$ 978,000	
	Total Non-Operating Revenues (Expenses)	\$ 978,000	
	CHANGE IN NET POSITION	\$ 17,727,652	



I. OPERATING REVENUES

SDCP's sole source of revenue currently is from the retail sale of electricity to its customers. Revenue budgeted for FY22 reflects a full fiscal cycle of retail sales to our commercial and industrial customer base and a portion of retail sales to our residential customer base. Partial revenues from the residential customer base is due to the planned staggered phasing of customer launch dates.

II. OPERATING EXPENSES

- a) **Cost of Energy** – Cost of Energy includes all the various services purchased from the power market through our suppliers. This includes purchased energy, capacity, CAISO fees and other miscellaneous power market expenses.
- b) **Personnel** – Personnel costs include salaries, payroll taxes, benefits, and excused absence and paid time off for staff. Two intern positions are also budgeted with the expectation of developing a pipeline opportunity to develop future community choice industry leaders and staff members. In addition, a contingency is included for items such as expanding the internship program to as well as miscellaneous personnel related costs or additional staffing needs. The recruitment strategy includes the addition of approximately 12 new staff members and two interns during the FY22 budget cycle to support the continued growth of SDCP.
- c) **Professional services and consultants**
 - i) Legal/Regulatory Services – SDCP retains legal counsel to assist with the complex aspects of the regulatory, compliance, power supply contract negotiations as well as its general legal needs. This line item will also allow for the retention of a lobbyist to support SDCP's legislative and regulatory efforts.
 - ii) Technical Support – SDCP engages consultants to assist with rate setting, policies, joint rate comparisons with the IOU, load analysis, and a scheduling coordinator. After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing a number of other market and regulatory requirements. Staff are currently considering options for Scheduling Coordinator Service.
 - iii) Programs Consultant – Staff are beginning to develop plans for customer energy programs. This effort ranges from solicitation of feedback on programs preferred by residents and businesses to a detailed and complex application to the California Public Utilities Commission for funding. Budget amounts for consulting support and implementation are estimated here.



- iv) Broker Fees – SDCP utilizes the services brokers to assist with energy market trades.
 - v) Other Services – SDCP contracts or plans to contract for IT Services, Audit (data and financial audits), Accounting services, Human Resource, and several other tasks. As SDCP matures we will monitor these services to determine whether it is more cost effective or efficient to bring this work in-house.
 - vi) SDG&E Service Fees – Service fees paid to SDG&E consist of a charge of a fixed fee per account per month. The rollout of phase two and three during FY22 is expected to add a significant cost compared to FY21. The fees cover SDG&E's costs associated with meter reading additional data processing and bill coordination as mandated and regulated by the California Public Utilities Commission (CPUC). There are also numerous small fees associated with data requests.
 - vii) Data Management – Broad scope of services that includes all “back office” billing data validation, bill coordination with SDG&E, call center services and billing technical support, customer enrollment database management, move-in/move-out services, customer research for enrollment support, and many support functions related to data reporting.
 - viii) Contingency – As new members join the CCA the contingency will support the cost of research, data analysis and feasibility studies as well other miscellaneous professional services and consulting costs that may arise or change.
- d) ***Marketing and Outreach***
- i) Communications Consultants – An important focus of SDCP is ensuring the community is informed about us and that we build professional-level name recognition, trust, and education. This also covers design of all required notifications sent out to customers, informing them of their enrollment in SDCP, opt-out procedures, rate comparisons, as well as other notices or educational or marketing information.
 - ii) Notices, Mailers, Printing and Sponsorship – In addition to required noticing, SDCP performs outreach to educate the community of the benefits of community choice and to encourage awareness of our mission. This will come in the form of media advertising, sponsorships of community events and organizations, mailers, as well as targeted customer communications.
 - iii) Pilot Member City Grants – Staff have proposed this funding to develop a pilot program in support of our member city climate efforts. The criteria for dispersing of this funding is still in development but is intended to consider efforts to



develop and/or implement electrification, decarbonization, and climate action plans.

- e) **General and Administration** – General and Administration costs include leasing office space, industry fees or memberships (e.g., bank fees, CalCCA dues), equipment and software, as well as other general operational costs including Board and Committee expenses, Board stipends, staff travel or professional development, logo gear, and team building.

III. **NON-OPERATING REVENUES**

SDCP is financing its operations through debt until it receives sufficient cash inflows from ratepayer revenues. This category includes interest costs as well as potential renewal fees on debt or letters of credit.