

# **SAN DIEGO COMMUNITY POWER**

## **ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT**

### **TO ADDRESS EXPANSION TO THE CITY OF NATIONAL CITY AND THE UNINCORPORATED AREAS OF SAN DIEGO COUNTY**

**NOVEMBER 18, 2021**

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## **Table of Contents**

CHAPTER 1 – Introduction .....	3
CHAPTER 2 – Changes to Address SDCP Expansion to the County of San Diego and the City of National City .....	4
Aggregation Process .....	6
Program Phase-In .....	6
Load Forecast and Resource Plan .....	8
Supply Requirements .....	9
Sales Forecast .....	10
Proposed Resources .....	10
Financial Plan.....	11
Procurement Process.....	13
Expansion Addendum Appendices .....	13

## CHAPTER 1 – INTRODUCTION

The purpose of this document is to make certain revisions to the San Diego Community Power Implementation Plan and Statement of Intent to address the expansion of San Diego Community Power (“SDCP”) to the City of National City and the Unincorporated Areas of San Diego County. SDCP is a California Joint Powers Agency formed on October 1, 2019 with the primary purpose of administering a Community Choice Aggregation (“CCA”) program to serve the retail electric service accounts of five SDCP communities, including the Cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego. In anticipation of CCA program implementation and in compliance with state law, SDCP submitted the San Diego Community Power Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) to the California Public Utilities Commission (“CPUC” or “Commission”) on December 23, 2019. Consistent with its expressed intent, SDCP successfully launched the San Diego Community Power CCA program (“SDCP” or “Program”) on March 1, 2021 and has been serving customers since that time.

On April 22, 2021, SDCP’s Board amended Phase 3 of the enrollment schedule. This change in the enrollment schedule necessitated revisions to the Implementation Plan, which were noticed to the CPUC through a letter dated July 21, 2021.

Subsequently, SDCP’s Board approved the membership request of the County of San Diego (to accommodate the provision of CCA service to unincorporated areas of the County) on September 23, 2021 via Resolution No. 2021-04 (attached hereto as Appendix A). SDCP’s Board similarly approved the membership request of the City of National City on November 18, 2021 via Resolution No. 2021-08 (attached hereto as Appendix B). These additions to the membership of SDCP require certain changes that are addressed within this Addendum No. 1 to SDCP’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 1”).

The SDCP program currently provides electric generation service to approximately 70,000 customers, including a cross section of commercial accounts and a small number of residential accounts. The number of customers is expected to grow next year to approximately 670,000 accounts as service is expanded to residential customers and additional commercial customers in the original five jurisdictions. When other municipalities request membership in SDCP, related evaluations may be conducted, as directed by SDCP’s Board, and to the extent such membership evaluations demonstrate favorable results, the subject community(ies) may be invited to join SDCP. In such instances, SDCP’s Implementation Plan will be revised through a related addendum, highlighting key impacts and consequences associated with the addition of such new community/communities to SDCP’s membership.

In response to public interest and SDCP’s successful CCA launch and subsequent phase-in activities, the County of San Diego and the City of National City requested SDCP membership, and adopted the requisite ordinances for offering CCA service within their respective jurisdictions; these ordinances are attached hereto as Appendices C and D, respectively. As

previously noted, SDCP's Board approved the membership request of the County of San Diego at a duly noticed public meeting on September 23, 2021 through Resolution 2021-04 and similarly approved the membership request of the City of National City at a duly noticed public meeting on November 18, 2021 through Resolution 2021-08.

This Addendum No. 1 describes SDCP's expansion plans to include the County of San Diego and the City of National City. SDCP intends to enroll such customers in its CCA Program beginning in April 2023, consistent with the Commission's requirements described in Resolution E-4907, which define relevant timing for Implementation Plan filing in advance of service commencement. According to the Commission, the Energy Division is required to receive and review a revised SDCP implementation plan reflecting changes/consequences of additional members. With this in mind, SDCP has reviewed its Implementation Plan, which was filed with the Commission in December 2019, as well as Revisions to SDCP's Implementation Plan (addressing phase-in scheduling) communicated to the Commission through a letter dated July 21, 2021 and identified certain information that requires updating to reflect the changes and consequences of adding the County of San Diego and the City of National City as well as other forecast modifications. This Addendum No. 1 reflects pertinent changes that are expected to result from the new member additions as well as updated projections that are considerate of recent operations. This document format, including references to SDCP's Implementation Plan filed December 9, 2019, and related revisions communicated to the Commission through a letter dated July 21, 2021, addresses all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to SDCP's anticipated expansion. The original Implementation plan is attached hereto as Appendix E, and the aforementioned Letter to the CPUC, dated July 21, 2021, is attached hereto as Appendix F.

## **CHAPTER 2 – CHANGES TO ADDRESS SDCP EXPANSION TO THE COUNTY OF SAN DIEGO AND THE CITY OF NATIONAL CITY**

As previously noted, this Addendum No. 1 addresses the anticipated impacts of SDCP's planned expansion to unincorporated areas of the County of San Diego and the City of National City. As a result of this member addition, certain assumptions regarding SDCP's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 1, SDCP represents that such information shall remain unchanged relative to the December 2019 Implementation Plan filing and subsequent clarifications regarding SDCP's phase-in plans presented in the aforementioned July 21, 2021 letter to the CPUC.

With regard to the defined terms Members and Member Agencies, the following Communities are now signatories to the SDCP Joint Powers Agreement and represent SDCP's current membership:

<b>Member Agencies</b>	
City of Chula Vista	City of Encinitas
City of Imperial Beach	City of La Mesa
City of National City	City of San Diego
County of San Diego	

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned Communities. To the extent that the discussion herein addresses the process of aggregation and SDCP organization, each of these communities is now an SDCP Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.

### ***Aggregation Process***

SDCP's aggregation process was discussed in Chapter 2 of SDCP's December 2019 Implementation Plan, as revised by letter dated July 21, 2021. The fourth paragraph in section 2.1 Introduction should have the following sentence added at the end:

On November 18, 2021, the SDCP Board of Directors, at a duly noticed public hearing, considered and adopted an amendment to this Implementation Plan, by Resolution, which expanded service to the City of National City and the unincorporated areas of San Diego County.

In addition, the first sentence of the first paragraph of Section 2.2, addressing Process of Aggregation, should be revised to read:

Before they are enrolled in SDCP's CCA, all customers within the member communities not otherwise served by Direct Access will receive two written notices in the mail from SDCP that will provide information needed to understand program terms and conditions of service and explain how customers can opt-out of SDCP service, if desired.

### ***Program Phase-In***

Program phase-in was discussed in Chapter 5 of SDCP's December 2019 Implementation Plan filing as revised by the aforementioned July 21, 2021 letter to the CPUC. Chapter 5 is replaced in its entirety with the following verbiage:

SDCP will offer service to all customers on a phased basis. SDCP will roll out its service offerings over the course of four phases, commencing in March 2021. The proposed phase-in schedule is as follows:

**Phase 1** (March 2021; complete) All municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases.

**Phase 2** (June 2021; complete) Remaining commercial, industrial, agriculture, street lighting and traffic control accounts;

**Phase 3** (2022 – multiple components as described below; upcoming)

(1) February 1, 2022: Residential and lighting accounts within Imperial Beach

(2) March 1, 2022: Residential and lighting accounts within La Mesa

(3) April 1, 2022: Residential and lighting accounts within Encinitas

(4) May 1, 2022: Residential and lighting accounts within Chula Vista and San Diego

**Phase 4** (Beginning April 2023; upcoming) Expansion of service to accounts within the City of National City and the unincorporated areas of San Diego County.

This approach provides SDCP the ability to initiate its CCA Program with sufficient economic scale before building to full operations for an expected customer base of approximately 860,000 accounts, post customer opt-out.

Phase 1 of the Program was initiated on March 1, 2021. During Phase 1, SDCP enrolled approximately 600 accounts, comprised of all municipal accounts.

Phase 2 of the Program commenced in June 2021 after the successful completion of Phase 1. Approximately 70,000 additional customers, comprised of the remaining commercial, industrial, agriculture, street lighting and traffic control accounts were included in Phase 2.

Phase 3 of the Program is expected to commence on or about February 1, 2022 – completion of Phase 3 will occur over an estimated four-month window, concluding on or about May 31, 2022. It is anticipated that approximately 600,000 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2, will be included in Phase 3.

As approved by the SDCP Board of Directors at their November 18, 2021 meeting, Phase 4 of the Program will commence on the first day of the billing cycle for accounts in Phase 4, estimated to begin April 2023, enrolling eligible customer accounts within the City of National City and unincorporated areas of San Diego County on each customer's regularly scheduled meter reading date. It is anticipated that approximately 193,000 additional customers, comprised of residential, commercial, industrial, agriculture, municipal, street lighting and traffic control accounts will be included in Phase 4.

To the extent that additional customers require enrollment after the completion of Phase 4, SDCP will evaluate a subsequent phase of CCA enrollments. SDCP may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

### ***Load Forecast and Resource Plan***

With regard to SDCP's load forecast and resource plan overview, which is addressed in Chapter 6, Load Forecast and Resource Plan, the following is added to the fourth paragraph in Section 6.2, Resource Plan Overview:

The following table has been updated by a resolution approved at the SDCP Board of Director's meeting on April 22, 2021, which amended Phase 3 of SDCP's enrollment schedule. This table was further modified by Resolution 2021-04, which expanded SDCP's membership to include the unincorporated areas of San Diego County and Resolution No. 2021-08, which expanded SDCP's membership to include the City of National City.

Due to the change in planned customer enrollments, certain information in SDCP's Implementation Plan needs to be updated. Table 2 (Revised) reflects the changes that were made to the enrollment schedule and is intended to replace Table 2 (Revised) from the July 21, 2021 Letter to the Commission as well as Table 2 from the original Implementation Plan:

**Table 2 (Revised): SDCP Proposed Resource Plan (GWh), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SDCP Electricity Demand										
Retail Electricity Sales	2,008	5,197	7,422	7,932	7,972	8,012	8,052	8,092	8,132	8,173
Losses and UFE	6%									
Total Electricity Need	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664
SDCP Electricity Supply										
Renewable Resources	1,004	2,702	4,008	4,442	4,624	4,887	5,153	5,503	5,855	6,130
GHG-Free (Non-RPS)	100	260	371	317	319	641	886	1,052	1,139	1,226
Conventional Resources*	1,024	2,547	3,488	3,649	3,508	2,964	2,496	2,023	1,626	1,308
Total Electricity Supply	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664
<b>*Includes open positions</b>										

SDCP also adds the following paragraphs at the end of sub-section 6.2, Resource Plan Overview:

SB 255 (2019) added Section 366.2(c)(3)(H), which requires community choice aggregators to include in their implementation plans "[t]he methods for ensuring procurement from small,



local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system [sic], and smart grid projects.” As a public agency, SDCP is prohibited by Article 1, Section 31 of the California Constitution from granting any preferential treatment to “any individual group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.” While these restrictions prevent SDCP from “ensuring” procurement from certain diverse businesses, SDCP remains committed to local economic development, and has taken several steps to diversify its procurement to the extent possible. SDCP will continue to build its strategy and consider new methods for diversifying its procurement as appropriate.

SDCP will continue to engage with the diverse business community in its service area and statewide, to inform businesses of the benefits of certification as a diverse business, as well as upcoming Requests for Proposals and other solicitations. While SDCP cannot give any preference in the selection process to any business on the basis of race, sex, color, ethnicity, or national origin, SDCP can ensure that diverse businesses are aware of upcoming contract opportunities.

SDCP will, to the extent possible and reasonable, consider preferences for procurement from diverse business categories that are not prohibited, including but not limited to small and/or local businesses and businesses owned by disabled veterans or lesbian, gay, bisexual and/or transgender individuals (“LGBT”). SDCP will consider parallel preferences for prime contractors that demonstrate an intent to contract with diverse subcontractors, as permitted by law.

### ***Supply Requirements***

The expansion to include the new members also necessitates changes to Section 6.4, Customer Forecasts. The following sentences should be added to the first paragraph in this section:

The tables have been updated by a resolution approved at the SDCP Board of Directors meeting on April 22, 2021, which amended Phase 3 of SDCP’s enrollment schedule. The tables were further modified by Resolution 2021-04, which expanded SDCP’s membership to include the unincorporated areas of San Diego County and Resolution No. 2021-08, which expanded SDCP’s membership to include the City of National City.

Table 3 (Revised) and Table 4 (Revised) from the letter to the Commission, dated July 21, 2021, are updated as follows:

**Table 3 (Revised): SDCP Enrolled Retail Service Accounts By Phase-In Period (End of Month)**

SDCP Customers	Phase 1 (March 2021)	Phase 2 (June 2021)	Phase 3 (May 2022)	Phase 4 (April 2023)
Residential	<10	206	595,218	765,262
Small Commercial	72	62,372	62,656	79,354
Medium/Large Commercial & Industrial	501	7,104	7,602	9,216
Street Lighting & Traffic	<10	150	1,667	3,051
Agricultural & Pumping	<10	253	259	3,118

**Table 4 (Revised): SDCP Retail Service Accounts (End of Year), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential	204	598,194	769,088	772,934	776,799	780,683	784,586	788,509	792,451	796,414
Small Commercial	61,729	62,969	79,751	80,149	80,550	80,953	81,358	81,764	82,173	82,584
Medium/Large Commercial & Industrial	7,031	7,640	9,262	9,308	9,355	9,402	9,449	9,496	9,543	9,591
Street Lighting & Traffic	149	1,674	3,066	3,081	3,096	3,111	3,127	3,142	3,158	3,174
Agricultural & Pumping	250	260	3,133	3,149	3,164	3,180	3,196	3,212	3,228	3,244
Total	69,363	670,737	864,300	868,620	872,963	877,328	881,715	886,123	890,554	895,007

### *Sales Forecast*

With regard to SDCP's sales forecast, which is addressed in Section 6.2, Sales Forecast, SDCP assumes that total annual retail sales will increase to approximately 7,867 GWh following Phase 4 expansion. Table 5 (Revised) from the Letter to the CPUC, dated July 21, 2021, is updated as follows:

**Table 5: SDCP Annual Energy Requirements (GWh), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Retail Demand</b>	2,008	5,197	7,422	7,932	7,972	8,012	8,052	8,092	8,132	8,173
<b>Losses and UFE</b>	6%									
<b>Total Demand</b>	2,129	5,509	7,867	8,408	8,450	8,492	8,535	8,578	8,620	8,664

### *Proposed Resources*

The expansion to include new members requires changes to the proposed resources secured by SDCP. Table 6: SDCP Capacity and Reserve Requirements (MW), 2020-2022, and Table 7: SDCP Capacity Requirements (MW), 2020-2029 from the original Implementation Plan, which were subsequently changed in the aforementioned July 21, 2021 letter to the CPUC, "and were reported

to the CPUC in SDCP's Resource Adequacy (RA) Year Ahead Filing submitted in April 2021" are updated below:

**Table 6 (Revised): SDCP Capacity and Reserve Requirements (MW), 2021-2023**

	2021	2022	2023
January	-	598	1,188
February	-	635	1,185
March	29	595	1,112
April	34	694	1,394
May	30	896	1,217
June	733	1,010	1,365
July	761	1,175	1,583
August	772	1,218	1,690
September	866	1,451	1,983
October	793	1,280	1,713
November	782	1,141	1,494
December	629	1,084	1,442

**Table 7 (Revised): SDCP Capacity Requirements (MW), 2021-2030**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Peak Demand (MW)	753	1262	1725	1733	1742	1751	1759	1768	1777	1786
Planning Reserve (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Planning Reserve (MW)	113	189	259	260	261	263	264	265	267	268
Total Capacity Requirement (MW)	866	1451	1983	1993	2003	2013	2023	2033	2044	2054

### ***Financial Plan***

With regard to SDCP's financial plan, which is addressed in Chapter 7, Financial Plan, SDCP has updated its expected operating results, which now include projected impacts related to service expansion to the County of San Diego and the City of National City. Its important to note this pro forma is just a snapshot in time for informational purposes and will change regularly with regular operations. Table 9: SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030 in Section 7.6, SDCP Program Implementation Pro-Forma is updated as follows:

**Table 9 (Revised): SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030**

Year Ending:	2020	2021	2022	2023	2024	2025
<b>I. Revenue</b>						
Base Retail Revenue	-	206,525,022	527,400,007	678,521,272	708,934,559	712,479,232
Power100 Premium	-	1,054,418	2,728,412	3,896,433	4,164,397	4,185,219
Subtotal Operating Revenue	-	207,579,440	530,128,419	682,417,704	713,098,956	716,664,451
<b>II. Operating Expenses</b>						
Power Supply	-	185,234,234	483,238,222	615,795,472	637,913,719	638,471,794
Staff	750,000	3,000,000	4,567,500	4,704,525	4,845,661	4,991,031
Professional/Technical services	674,000	734,752	892,799	981,650	1,019,732	1,044,375
Legal	255,000	270,000	304,500	313,635	323,044	332,735
Communications, Mktg, Enrollment	250,000	791,842	3,857,409	1,948,967	2,056,459	2,079,256
Other General and Administrative	257,500	392,500	426,300	439,089	452,262	465,830
Regulatory and CalCCA Fees	335,000	652,500	908,425	935,678	963,748	992,661
Data Management	-	-	5,594,699	10,727,442	11,636,940	11,695,105
Utility Service Fees	-	177,673	2,175,653	3,828,068	4,193,333	4,340,721
Uncollectibles/Other	-	885,497	2,509,828	3,198,373	3,317,024	3,322,068
Subtotal Operating Expenses	2,521,500	192,138,999	504,475,335	642,872,898	666,721,921	667,735,575
Operating Margin	(2,521,500)	15,440,441	25,653,084	39,544,806	46,377,034	48,928,876
<b>III. Financing</b>						
Interest	62,500	633,333	639,273	504,641	366,605	225,078
Principal	-	-	4,875,092	5,447,124	5,584,874	5,726,107
Subtotal Financing	62,500	633,333	5,514,364	5,951,765	5,951,478	5,951,184
Operating Margin Less Financing	(2,584,000)	14,807,108	20,138,719	33,593,041	40,425,556	42,977,691
<b>IV. Cash From Financing</b>	5,000,000	23,000,000	-	-	-	-
<b>V. Other Uses</b>						
CPUC and CAISO Deposits	1,275,000	-	-	-	-	-
Collateral Deposits		10,225,000	16,250,000	-	-	-
Subtotal Other Uses	1,275,000	10,225,000	16,250,000	-	-	-
<b>VI. Net Surplus/(Deficit)</b>	1,141,000	27,582,108	3,888,719	33,593,041	40,425,556	42,977,691
<b>VII. Cumulative Net Surplus</b>	1,141,000	28,723,108	32,611,827	66,204,868	106,630,424	149,608,115
<b>VIII. Program Average Rate (\$/MWh)</b>	-	103.4	102.0	91.9	89.9	89.9
<b>IX. Power Supply (\$/MWh)</b>	-	92.2	93.0	83.0	80.4	80.1
<b>X. Program Average Cost (\$/MWh)</b>	-	101.1	101.3	87.4	84.8	84.5
<b>XI. Annual Sales (MWh)</b>	-	2,008,415	5,196,975	7,421,776	7,932,184	7,971,845

### ***Procurement Process***

The procurement process is described in Chapter 10 of the Implementation Plan. The last sentence in Section 10.4, Electric Supply Procurement Process, should be changed to read:

The contract(s) for subsequent Phases and loads will be executed a few months in advance of each phase's launch.

### ***Expansion Addendum Appendices***

Appendix A: San Diego Community Power Resolution No. 2021-04

Appendix B: San Diego Community Power Resolution No. 2021-08

Appendix C: County of San Diego CCA Ordinance

Appendix D: City of National City CCA Ordinance

Appendix E: San Diego Community Power Implementation Plan and Statement of Intent (December 9, 2019)

Appendix F: Letter to CPUC dated July 21, 2021

Appendix G: San Diego Community Power Joint Powers Agreement

Appendix A:  
**San Diego Community Power Resolution No. 2021-04**

## **RESOLUTION NO. 2021-4**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER APPROVING THE ADDITION OF THE COUNTY OF SAN DIEGO AS A MEMBER OF SDCP**

WHEREAS, San Diego Community Power (“SDCP”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 (“JPA Agreement”); and

WHEREAS, Section 2.4 of the JPA Agreement provides that after the initial formation of SDCP by its Founding Members, any incorporated municipality, county, or other public agency authorized to be a community choice aggregator located within the service territory of the applicable investor-owned utility may apply to and become a member of SDCP if certain conditions are met; and

WHEREAS, the conditions for SDCP membership under Section 2.4 of the JPA Agreement include:

- The adoption by a two-thirds vote of the Board of a resolution authorizing membership into SDCP;
- The adoption by the proposed new member of a community choice aggregation (“CCA”) ordinance as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of the JPA Agreement and other necessary program agreements by the proposed new member;
- Payment of a membership fee, if any, as may be required by the SDCP Board to cover SDCP costs incurred in connection with adding the new member; and
- Satisfaction of any other reasonable conditions established by the SDCP Board.

WHEREAS, in June 2021, the SDCP Board adopted a New Member Policy to support expansion of SDCP to other interested public agencies located in San Diego County and surrounding areas; and

WHEREAS, in 2019, the San Diego County Board of Supervisors adopted Ordinance No. 10629, electing to implement a CCA program within the jurisdictional boundaries of the County of San Diego (“County”), along with a set of guiding principles for the implementation of a CCA program by the County; and

WHEREAS, in April 2021, the San Diego County Board of Supervisors adopted a revised set of guiding principles and directed County staff to begin discussions with the existing CCA programs within San Diego County, including SDCP; and

WHEREAS, during spring and summer 2021, SDCP performed a pro forma analysis of the financial and operational impacts of the County’s membership in SDCP,

including a technical feasibility/load impact analysis, and discussed with the County the mutual goals and objectives of SDCP and the County; and

WHEREAS, on June 24, 2021, the results of SDCP's analysis, completed by Pacific Energy Advisors, was presented to the SDCP Board and showed a positive fiscal impact to SDCP under base case conditions if the County joined SDCP; and

WHEREAS, based on the analysis, it was the consensus of the Board to share the analysis with the County and continue discussions relating to the County's potential membership in SDCP; and

WHEREAS, on August 31, 2021, the San Diego County Board of Supervisors elected to join SDCP, authorized the County's Chief Administrative Officer or designee to execute the JPA Agreement and to take all actions necessary to establish County membership in SDCP, and appointed a primary Director and alternate Director to serve on the Board of SDCP; and

WHEREAS, SDCP's New Member Policy provides that prospective new members are required to agree to pay the costs of SDCP's pro forma analysis, but that such costs will be waived under certain circumstances, including where the prospective new members decide to join SDCP; and

WHEREAS, on September 23, 2021, the Board of Directors of SDCP considered the membership of the County of San Diego.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of San Diego Community Power as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The SDCP Board of Directors hereby approves the inclusion of the County of San Diego in San Diego Community Power. The SDCP Board hereby finds that the County of San Diego has taken or has agreed to take all the necessary steps to become a member of SDCP by December 1, 2021 (the "Effective Date"). Subject to completion of any necessary steps that are outstanding as of the date of this Resolution, the County of San Diego shall become a Party to the JPA Agreement and member of SDCP as of the Effective Date. As provided in Section 4.11.3 of the JPA Agreement, Exhibits C and D of the SDCP JPA Agreement shall be adjusted by the Board to account for the addition of the County as a member of SDCP. Consistent with SDCP's New Member Policy, the County is not required to pay a membership fee or other fee for SDCP's costs to analyze the County's prospective membership in SDCP.

Section 3. As provided in Section 4.1.1 of the JPA Agreement, with the addition of the County of San Diego, the Board of Directors of SDCP will be increased to six (6) members as of the Effective Date. The County is entitled to one (1) primary director on the Board of SDCP and one (1) alternate director who may serve in the absence of the County's primary director.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board



of Directors hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. Except as otherwise expressly set forth herein, this Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by a two-thirds vote at a meeting of the Board of Directors of San Diego Community Power held on September 23, 2021.



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Chair, Board of Directors  
San Diego Community Power

ATTEST:



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Secretary, Board of Directors  
San Diego Community Power

Appendix B:  
**San Diego Community Power Resolution No. 2021-08**

## **RESOLUTION NO. 2021-08**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER APPROVING THE ADDITION OF THE CITY OF NATIONAL CITY AS A MEMBER OF SDCP**

WHEREAS, San Diego Community Power (“SDCP”) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act, Cal. Gov. Code § 6500 *et seq.*, California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019 (“JPA Agreement”); and

WHEREAS, Section 2.4 of the JPA Agreement provides that after the initial formation of SDCP by its Founding Members, any incorporated municipality, county, or other public agency authorized to be a community choice aggregator located within the service territory of the applicable investor-owned utility may apply to and become a member of SDCP if certain conditions are met; and

WHEREAS, the conditions for SDCP membership under Section 2.4 of the JPA Agreement include:

- The adoption by a two-thirds vote of the Board of a resolution authorizing membership into SDCP;
- The adoption by the proposed new member of a community choice aggregation (“CCA”) ordinance as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of the JPA Agreement and other necessary program agreements by the proposed new member;
- Payment of a membership fee, if any, as may be required by the SDCP Board to cover SDCP costs incurred in connection with adding the new member; and
- Satisfaction of any other reasonable conditions established by the SDCP Board; and

WHEREAS, in June 2021, the SDCP Board adopted a New Member Policy to support expansion of SDCP to other interested public agencies located in San Diego County and surrounding areas; and

WHEREAS, during summer 2021, SDCP performed a pro forma analysis of the financial and operational impacts of the City of National City (“National City”) joining SDCP, including a technical feasibility/load impact analysis, and discussed with National City the mutual goals and objectives of SDCP and National City; and

WHEREAS, on September 23, 2021, the results of SDCP’s analysis, completed by Pacific Energy Advisors, was presented to the SDCP Board and showed a positive fiscal impact to SDCP under base case conditions if National City joined SDCP; and

WHEREAS, based on the analysis, it was the consensus of the Board to continue discussions relating to National City's potential membership in SDCP; and

WHEREAS, on October 19, 2021, the City Council of National City introduced an ordinance establishing a CCA program within the jurisdictional boundaries of the City of National City ("National City"); and

WHEREAS, on November 2, 2021, the City Council of National City adopted its ordinance establishing a CCA program within the jurisdictional boundaries of National City and authorized National City to join SDCP by executing SDCP's JPA Agreement; and

WHEREAS, SDCP's New Member Policy provides that prospective new members are required to agree to pay the costs of SDCP's pro forma analysis, but that such costs will be waived under certain circumstances, including where the prospective new members decide to join SDCP; and

WHEREAS, on November 18, 2021, the Board of Directors of SDCP considered the membership of National City.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of San Diego Community Power as follows:

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The SDCP Board of Directors hereby approves the inclusion of the City of National City in San Diego Community Power. The SDCP Board hereby finds that National City has taken or is anticipated to take all the necessary steps to become a member of SDCP by the later of December 2, 2021, or the date on which National City's CCA ordinance otherwise takes effect (the "Effective Date"). Subject to the National City's CCA ordinance taking effect and the completion of any other necessary steps that are outstanding as of the date of this Resolution, National City shall become a Party to the JPA Agreement and member of SDCP as of the Effective Date. As provided in Section 4.11.3 of the JPA Agreement, Exhibits C and D of the SDCP JPA Agreement shall be adjusted by the Board to account for the addition of National City as a member of SDCP. Consistent with SDCP's New Member Policy, National City is not required to pay a membership fee or other fee for SDCP's costs to analyze National City's prospective membership in SDCP.

Section 3. As provided in Section 4.1.1 of the JPA Agreement, with the addition of National City, the Board of Directors of SDCP will be increased to seven (7) members as of the Effective Date (including the five (5) Founding Members and County of San Diego, which shall join SDCP effective December 1, 2021). National City is entitled to one (1) primary director on the Board of SDCP and one (1) alternate director who may serve in the absence of National City's primary director.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board of

Directors hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. Except as otherwise expressly set forth herein, this Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by a two-thirds vote at a meeting of the Board of Directors of San Diego Community Power held on November 18, 2021.



---

Chair, Board of Directors  
San Diego Community Power

ATTEST:



---

Secretary, Board of Directors  
San Diego Community Power

Appendix C:  
**County of San Diego CCA Ordinance**

**ORDINANCE NO. 10629 (N.S.)**

**AN ORDINANCE OF THE COUNTY OF SAN DIEGO ELECTING TO IMPLEMENT  
A COMMUNITY CHOICE AGGREGATION PROGRAM**

WHEREAS, the County of San Diego (“County”) has investigated options to provide electricity services to constituents within its jurisdictional boundaries to achieve greater local involvement and choice and to promote use of renewable energy; and

WHEREAS, California Assembly Bill 117, enacted September 24, 2002, authorizes any California city or county to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and

WHEREAS, California Public Utilities Code sections 331.1 and 366.2 authorize establishment of a CCA program independently or with other agencies in a joint powers agency; and

WHEREAS, a Feasibility Study and Business Plan (“Study and Business Plan”) prepared for the County by EES Consulting, Inc., and presented to the Board on September 10, 2019, determined that formation of a CCA program in San Diego County is financially and technically feasible and could yield considerable benefits for County constituents; and

WHEREAS, California Public Utilities Code section 366.2 requires adoption of an ordinance to elect to implement a CCA program; and

NOW THEREFORE, the Board of Supervisors of the County of San Diego ordains as follows:  
Section 1. The Board finds the foregoing recitals are true and correct.

Section 2. The Board elects to implement a CCA program within the County’s jurisdictional boundaries.


Section 3. If any portion of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction or regulatory agency with jurisdiction over CCA programs, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 4. This ordinance shall take effect and be in force thirty days after its passage, and before the expiration of fifteen days after its passage, a summary of this ordinance shall be published once with the names of the members of the Board voting for and against it in a newspaper of general circulation in the County of San Diego.

APPROVED AS TO FORM AND LEGALITY  
COUNTY COUNSEL

By: Nathan Slegers, Senior Deputy County Counsel

PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of San Diego this 29<sup>th</sup> day of October, 2019.

  
\_\_\_\_\_  
DIANNE JACOB  
Chairwoman, Board of Supervisors  
County of San Diego, State of California

The above Ordinance was adopted by the following vote:

AYES: Cox, Jacob, Fletcher,  
NOES: Gaspar, Desmond

ATTEST my hand and the seal of the Board of Supervisors this 29<sup>th</sup> day of October, 2019.

ANDREW POTTER  
Clerk of the Board of Supervisors

By   
\_\_\_\_\_  
Chrystal Rodriguez, Deputy



Ordinance No.: 10629 (N.S.)  
Meeting Date: 10/29/19 (27)



Appendix D:  
**City of National City CCA Ordinance**

## **ORDINANCE NO. 2021- 2491**

### **ORDINANCE OF THE CITY OF NATIONAL CITY ESTABLISHING COMMUNITY CHOICE AGGREGATION IN THE CITY OF NATIONAL CITY**

**WHEREAS**, Assembly Bill 117 (Stat. 2002, ch. 838; see California Public Utilities Code section 366.2; the "Act"), added statutes to the Public Utilities Code authorizing local governmental bodies to individually or jointly provide retail electric commodity service to an aggregation of customers within their jurisdictions, a service referred to as Community Choice Aggregation (CCA); and

**WHEREAS**, the City of National City adopted a Climate Action Plan in 2011, and is in the process of updating it to align with the state mandates of 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050; and

**WHEREAS**, since October 2019, the City of National City has been actively investigating the feasibility of commencing CCA service for electric customers within the City of National City, with the objective of making greater renewable electric portfolio content available to customers, providing greater local involvement over the provision of electric commodity services, and promoting competitive commodity rates; and

**WHEREAS**, the City of National City completed a CCA investigation which determined that a CCA program could result in local benefits including the use of renewable energy at levels above the State Renewables Portfolio Standard, the provision of competitive rates to consumers, and economic opportunity for the City of National City; and

**WHEREAS**, pursuant to Sections 331.1(b) and 366.2 of the Act, two or more entities authorized to be a community choice aggregator may participate jointly in a CCA program through a Joint Powers Authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the ordinance required by Public Utilities Section 366.2; and

**WHEREAS**, the City of National City wishes to implement a CCA program at this time through a Joint Powers Authority (JPA) with San Diego Community Power (SDCP); and

**WHEREAS**, the JPA agreement with SDGP will be brought to Council for approval following the adoption of the ordinance; and

**WHEREAS**, under Public Utilities Code Section 366.2, customers have the right to opt out of the CCA program and continue to receive bundled electric commodity service from the incumbent utility; and

**WHEREAS**, Public Utilities Code Section 366.2(c)(12) provides that an entity which elects to implement a CCA program within its jurisdiction must do so by ordinance; and

**WHEREAS**, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).).

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are true and correct.

**SECTION 2.** Based upon the findings and declarations set forth in this ordinance, and to provide businesses and residents within the jurisdictional boundaries of the City of National City with a choice of electric commodity providers and with the benefits described in the recitals above, the City Council hereby elects pursuant to Public Utilities Code Section 366.2(c)(12) to implement a CCA program within the jurisdiction of the City of National City by participating in the CCA program.

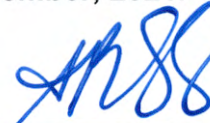
**SECTION 3.** Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council of the City of National City hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.

**SECTION 4.** No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City of National City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City of National City or outside of the City of National City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**SECTION 5.** Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

**SECTION 6.** Effective Date. This ordinance shall be published pursuant to law and shall become effective thirty (30) days from the date of passage and adoption. Within fifteen (15) days following its adoption, the City Clerk shall publish the title thereof, as a summary as required by State Law.

PASSED and ADOPTED this 2<sup>nd</sup> day of November, 2021.



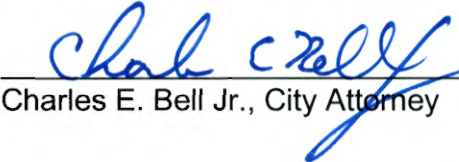
Alejandra Sotelo-Solis, Mayor

**ATTEST:**



Luz Molina, City Clerk

**APPROVED AS TO FORM:**



Charles E. Bell Jr., City Attorney

Passed and adopted by the Council of the City of National City, California, on November 2, 2021, by the following vote, to-wit:

Ayes: Sotelo-Solis, Rodriguez, Bush, Morrison, Rios

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: Alejandra Sotelo-Solis  
Mayor of the City of National City, California

Luz Molina  
City Clerk of the City of National City, California

By: Shelley Chapel  
Shelley Chapel, MMC, Deputy City Clerk

I HEREBY CERTIFY that the foregoing Ordinance shall be published pursuant to law and shall become effective thirty (30) days from the date of passage and adoption.

I FURTHER CERTIFY THAT said Ordinance was read in full prior to its final passage or that the reading of said Ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said Ordinance.

I FURTHER CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. 2021-2491 of the City Council of the City of National City, passed and adopted by the Council of said City on November 2, 2021.



Shelley Chapel for  
Luz Molina, City Clerk  
City of National City, California

By: Shelley Chapel  
Shelley Chapel, MMC, Deputy City Clerk

**Appendix E:**  
**San Diego Community Power Implementation Plan and Statement of Intent**  
**(December 9, 2019)**

**San Diego Community Power**  
**Community Choice Aggregation Implementation Plan and**  
**Statement of Intent**

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December 9, 2019

## Contents

1. INTRODUCTION.....	1
1.1 Statement of Intent.....	1
1.2 Organization of the Implementation Plan .....	2
2. AGGREGATION PROCESS .....	4
2.1 Introduction .....	4
2.2 Process of Aggregation.....	4
2.3 Consequences of Aggregation.....	5
2.3.1 Rate Impacts .....	5
2.4 Renewable Energy Impacts.....	6
2.5 Energy Efficiency Impacts .....	6
3. ORGANIZATIONAL STRUCTURE .....	7
3.1 Introduction .....	7
3.2 Organizational Overview.....	7
3.3 Governance .....	9
3.4 Management.....	9
3.5 Administration .....	9
3.6 Finance .....	9
3.7 Marketing and Public Affairs .....	10
3.8 Power Resources and Energy Programs.....	11
3.9 Electric Supply Operations.....	11
3.10 Local Energy Programs .....	12
3.11 Government Affairs and Legal Services.....	12
4. START-UP PLAN AND FUNDING .....	13
4.1 Introduction .....	13
4.2 Start-Up Activities .....	13
4.3 Staff and Contract Services .....	15



4.4 Capital Requirements .....	15
4.5 Financing Plan .....	15
5. PROGRAM PHASE-IN .....	17
6. LOAD FORECAST AND RESOURCE PLAN .....	19
6.1 Introduction .....	19
6.2 Resource Plan Overview .....	20
6.3 Supply Requirements.....	21
6.4 Customer Forecasts.....	21
6.5 Sales Forecast.....	22
6.6 Proposed Resources .....	22
6.6.1 Purchased Power .....	23
6.6.2 Renewable Resources .....	23
6.6.3 Resource Adequacy .....	23
7. FINANCIAL PLAN .....	25
7.1 Introduction .....	25
7.2 Description of Cash Flow Analysis.....	25
7.3 Cost of CCA Operations .....	25
7.4 Revenues from SDCP Program Operations .....	25
7.5 Cash Flow Analysis Results.....	26
7.6 SDCP Program Implementation Pro Forma.....	26
7.7 SDCP Financings.....	28
7.8 SDCP Start-up and Working Capital .....	28
7.9 Renewable Resource Project Financing .....	28
8. RATE SETTING, PROGRAM TERMS AND CONDITIONS .....	29
8.1 Introduction .....	29
8.3 Rate Competitiveness.....	29
8.4 Rate Stability.....	30
8.5 Equity Among Customer Classes .....	30

8.6 Revenue Sufficiency .....	30
8.7 Rate Design .....	30
8.8 Custom Pricing Options .....	30
8.8.1 Net Energy Metering .....	30
8.9 Disclosure and Due Process in Setting Rates and Allocating Costs Among Participants .....	31
<b>9. CUSTOMER RIGHTS AND RESPONSIBILITIES .....</b>	<b>32</b>
9.1 Introduction .....	32
9.2 Customer Notices .....	32
9.3 Termination Fee.....	33
9.4 Customer Confidentiality .....	34
9.5 Responsibility for Payment .....	34
9.6 Customer Deposits .....	34
<b>10. PROCUREMENT PROCESS .....</b>	<b>36</b>
10.1 Introduction .....	36
10.2 Procurement Methods.....	36
10.3 Key Contracts .....	36
10.3.1 Electric Supply Contracts .....	36
10.3.2 Data Management Contract.....	37
10.4 Electric Supply Procurement Process.....	37
<b>11. CONTINGENCY PLAN FOR PROGRAM TERMINATION.....</b>	<b>39</b>
<b>12. ATTACHMENTS .....</b>	<b>40</b>
12.1 A: Copy of SDCP Joint Powers Agreement .....	40
12.2 B: Copies of Adopted CCA Ordinances from SDCP Member Cities .....	40

# 1. INTRODUCTION

## 1.1 Statement of Intent

San Diego Community Power (“SDCP”) is a California Joint Powers Agency formed on October 1, 2019 for the purpose of providing a Community Choice Aggregation (“CCA”) program through which to serve the retail electric service accounts of five SDCP communities including the Cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego.

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes SDCP’s plans to implement a CCA program for electric accounts in the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego that currently take bundled electric service from San Diego Gas and Electric Company (“SDG&E”). SDCP will provide electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over SDG&E’s transmission and distribution systems. The planned start date for the Program is the first business day in March 2021. All current SDG&E customers within SDCP’s service area will receive information describing SDCP and will have multiple opportunities to choose to remain bundled customers of SDG&E, in which case they will not be enrolled. Thus, participation in SDCP is completely voluntary; however, customers, as provided by law, will be automatically enrolled according to the anticipated phase-in schedule later described in Chapter 5 unless they affirmatively elect to opt-out.

Implementation of the SDCP will enable member communities of the joint powers agency to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), California’s Community Choice Aggregation authorizing statute. SDCP’s primary objectives in implementing CCA are to provide cost competitive electric services; reduce electric sector greenhouse gas emissions (“GHGs”); stimulate renewable energy development; promote energy efficiency and demand reduction programs; and sustain long-term rate stability for residents and businesses in its service territory. The prospective benefits to consumers include increased renewable and other low-GHG emitting energy supplies, stable and competitive electric rates, and the opportunity for public participation in determining which supply sources and technologies are utilized to meet local electricity needs.

Based on feedback received from the SDCP Board of Directors and its communities, SDCP’s CCA will operate under the following guiding framework:

- **Rates:** SDCP will offer rates that are competitive with SDG&E’s electric generation rates, striving for generation rates that are below that of the incumbent utility.
- **Power Mix:** SDCP plans to launch with two power options, one that is a minimum 50%-60% renewable content and a second which is a voluntary, opt-up option that is 100% renewable.
- **Programs:** SDCP intends to offer a variety of energy-related programs, which could include energy efficiency and demand response, net energy metering, electric vehicle incentives, advanced energy technologies, and the like.

- **Community Input:** Community input is a priority for SDCP through participation in SDCP Board meetings, public comment through the Agency’s website, or participation one of SDCP’s Advisory Committees.
- **General Fund Impact:** SDCP is formed as a CA Joint Powers Authority and does not anticipate any impact on the General Funds of its member agencies.

To ensure successful operation of its program, SDCP will solicit services from energy suppliers and power marketers through a competitive process and will negotiate with one or more qualified energy service providers in early 2020. Final selection of SDCP’s initial energy provider(s) will be made by SDCP following administration of the solicitation process and related contract negotiations. Information regarding the anticipated solicitation process for SDCP’s initial energy services provider(s) is contained in Chapter 10.

The California Public Utilities Code provides the relevant legal authority for SDCP to become a Community Choice Aggregator and invests the California Public Utilities Commission (“CPUC” or “Commission”) with the responsibility for establishing the cost recovery mechanism that must be in place before communities can begin receiving electrical service through SDCP. The CPUC also has responsibility for registering SDCP as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the CCA in order to prevent shifting of costs to bundled customers of San Diego Gas & Electric, the incumbent utility.

On December 9, 2019, the SDCP Board of Directors, at a duly noticed public hearing, considered and adopted this Implementation Plan, by Resolution, a copy of which is included in the packet presented to the CPUC. The Commission has established the methodology that will be used to determine the cost recovery mechanism, and SDG&E has approved tariffs for imposition of the cost recovery mechanism. Following the CPUC’s certification of its receipt of this Implementation Plan and resolution of any outstanding issues, SDCP will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

## 1.2 Organization of the Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by California Public Utilities Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides SDCP’s statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Startup Plan & Funding
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast & Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Rate Setting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process
- Chapter 11: Contingency Plan for Program Termination

The requirements of AB 117 are cross-referenced to individual chapters of this Implementation Plan in the following table.

**Table 1: AB 117 Requirement Cross-References to Implementation Plan**

<b>AB 117 REQUIREMENT</b>	<b>IMPLEMENTATION PLAN CHAPTER</b>
<b>Statement of Intent</b>	Chapter 1: Introduction
<b>Process and consequences of aggregation</b>	Chapter 2: Aggregation Process
<b>Organizational structure of the program, its operations and funding</b>	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
<b>Disclosure and due process in setting rates and allocating costs among participants</b>	Chapter 8: Rate setting
<b>Rate setting and other costs to participants</b>	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
<b>Participant rights and responsibilities</b>	Chapter 9: Customer Rights and Responsibilities
<b>Methods for entering and terminating agreements with other entities</b>	Chapter 10: Procurement Process
<b>Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities</b>	Chapter 10: Procurement Process
<b>Termination of the program</b>	Chapter 11: Contingency Plan for Program Termination

## 2. AGGREGATION PROCESS

### 2.1 Introduction

This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

SDCP city members began investigating formation of a CCA several years prior to adoption, pursuant to California state law, with the following objectives:

- ***Rates:*** Competitive rates with those offered by the incumbent utility
- ***Power Mix:*** A power supply mix that meets or exceeds California’s Renewable Portfolio Standard (RPS) requirements and achieves GHG reduction targets of the members
- ***Programs:*** A variety of locally administered energy programs to serve the communities and customers of the CCA service territory
- ***Community Input:*** Place a high priority on community engagement and feedback
- ***General Fund Impact:*** Avoid general fund impact and future general fund liabilities through the establishment of a joint powers authority to operate the CCA program.

This framework serves as the foundation of this Plan. A technical feasibility study for a CCA serving the largest member of the CCA, the City of San Diego, was completed in April 2017 and validated through a peer review study in May 2017. A business plan was completed in October 2018. Several of the other member agencies also completed feasibility studies and/or business plans.

After many years of collaborative work by representatives of SDCP member jurisdictions, independent consultants, and stakeholders, SDCP authorized CCA formation on October 1, 2019. SDCP released a draft CCA Implementation Plan in November 2019 which described the planned organization, governance and operation of the CCA Program. Following consideration of comments related to the draft document, a final Implementation Plan was prepared and duly adopted by the SDCP Board of Directors on December 9, 2019.

The CCA represents a culmination of planning efforts that are responsive to the expressed needs and priorities of participating communities and local stakeholders. SDCP plans to offer choices to eligible customers through creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, energy efficiency, demand responsiveness to promote reductions in peak demand, customized pricing options for large energy users, and support of local renewable energy projects.

### 2.2 Process of Aggregation

Before they are enrolled in SDCP’s CCA, all customers within the five communities not otherwise served by Direct Access will receive two written notices in the mail, from SDCP that

will provide information needed to understand program terms and conditions of service and explain how customers can opt-out of SDCP service, if desired. All customers that do not elect the opt-out process specified in the customer notices will be automatically enrolled in SDCP, with service to begin at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the first phase of customers in March 2021. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by SDCP. Two additional notices will be sent to enrolled customers within 60 days post enrollment, as per statutory requirement.

Customers enrolled in SDCP will continue to have their electric meters read and billed for electric service by the distribution utility (SDG&E). The electric bill for SDCP customers will show separate charges for electric generation procured by SDCP as well as other charges related to electricity delivery and other utility charges assessed by SDG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of SDCP without penalty and return to SDG&E bundled service. SDCP customers will be advised of these opportunities via the delivery of two additional enrollment notices provided within the first two months of service. Consistent with statutory requirements, there will be a total of four notices - in the two months prior and in the two months after SDCP service commencement. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by SDCP but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to remain a participant in SDCP and to have agreed to SDCP's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

## **2.3 Consequences of Aggregation**

### **2.3.1 Rate Impacts**

SDCP communities will pay the generation charges set by SDCP and no longer pay the costs of SDG&E generation. Communities enrolled in SDCP's CCA will be subject to the Program's terms and conditions, including responsibility for payment of all SDCP charges as described in Chapter 9.

SDCP's rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by SDG&E. SDCP will establish rates sufficient to recover all costs related to its operation and actual rates will be adopted by the SDCP Board of Directors at a publicly noticed meeting.

Initial SDCP rates will be established following approval of SDCP's inaugural program budget, reflecting final costs from the SDCP CCA's energy supplier(s). SDCP's rate policies and procedures are detailed in Chapter 7. Information regarding final SDCP rates will be disclosed

along with other terms and conditions of service in the pre- and post-enrollment notices sent to potential customers.

Under existing statutory requirements, once SDCP gives definitive notice to SDG&E that it will commence service, SDCP customers will generally not be responsible for costs associated with SDG&E's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by SDG&E to SDCP customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in SDG&E's electric service tariffs, which can be accessed from the utility's website, and the costs are included in charges paid by both SDG&E bundled customers as well as CCA and Direct Access customers.<sup>1</sup>

## **2.4 Renewable Energy Impacts**

A second impact of the SDCP CCA will be an increase in the proportion of energy generated and supplied by eligible renewable and carbon-free resources. The resource plan includes procurement of renewable energy sufficient to exceed California's prevailing renewable energy procurement mandate ("Renewable Portfolio Standards") for all enrolled customers. SDCP communities may also voluntarily participate in a 100 percent renewable supply option. To the extent that customers choose SDCP's 100 percent renewable energy option, the renewable content of SDCP's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, SDCP may consider independent development of new renewable generation resources to serve its resource needs.

## **2.5 Energy Efficiency Impacts**

A third impact of SDCP will be an anticipated increase in local energy efficiency program investments and activities. The existing energy efficiency programs administered by SDG&E should not change as a result of SDCP implementation. SDCP customers will continue to pay the public benefits surcharges to SDG&E, which will continue funding energy efficiency programs for all customers, regardless of generation supplier. The energy efficiency investments ultimately planned for SDCP, as described in Chapter 6, will follow SDCP's successful application for and administration of requisite program funding (from the CPUC) to independently develop and administer energy efficiency programs within its jurisdiction. Such programs will be in addition to the level of investment that would continue in the absence of SDCP-administered energy efficiency programs. Thus, SDCP has the potential for increased energy savings and a further reduction in GHGs due to expanded energy efficiency programs in its service territory.

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<sup>1</sup> For SDG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in SDG&E's tariffs as separate rates/charges paid by all customers (with limited exceptions). The CPUC recently opened a new Rulemaking exploring potential changes to the PCIA (R.17-06-026).

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## **3. ORGANIZATIONAL STRUCTURE**

### **3.1 Introduction**

This section provides an overview of the organizational structure of SDCP and its proposed implementation. Specifically, the key agreements, governance, management, and organizational functions of SDCP are outlined and discussed below.

### **3.2 Organizational Overview**

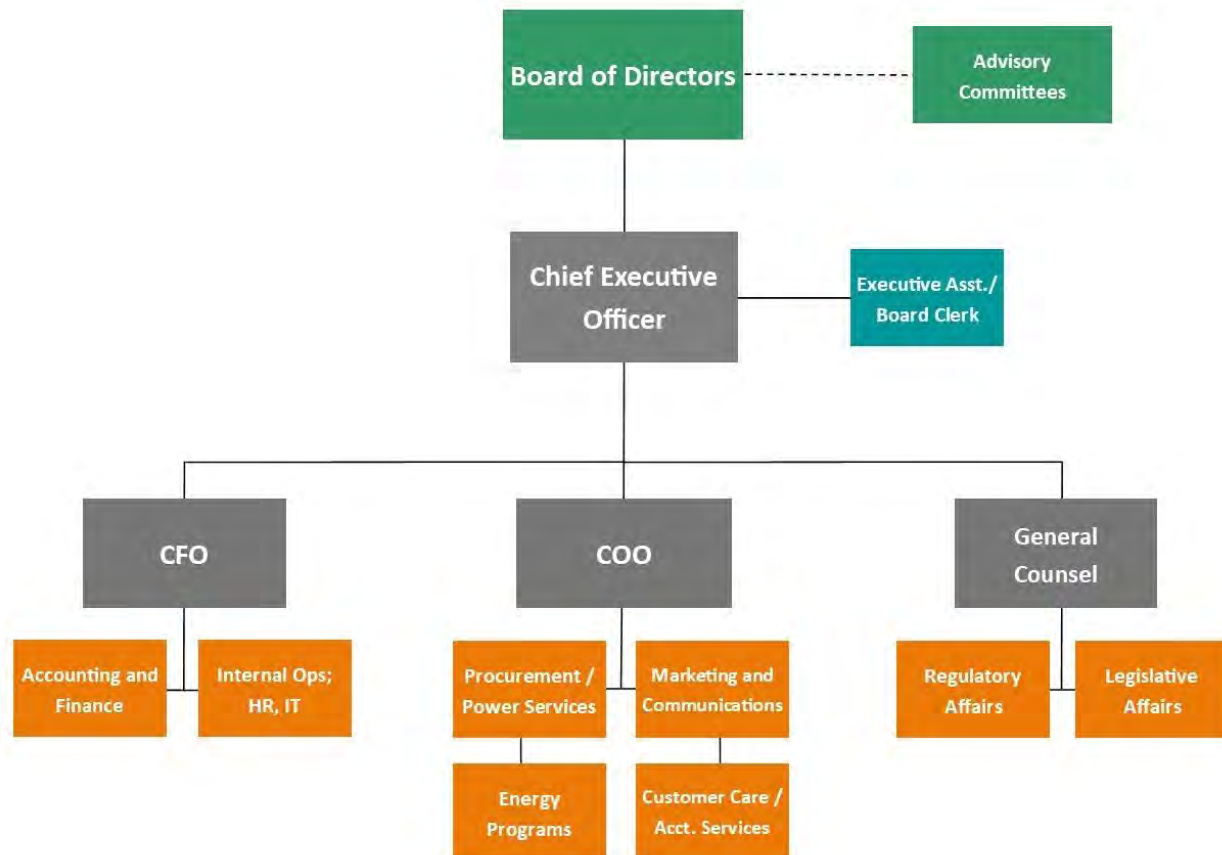
The SDCP Board of Directors is responsible for establishing SDCP's policies and objectives and overseeing SDCP's operations. The SDCP has identified an interim Executive Officer and will commence the search for a permanent Chief Executive in the first quarter of 2020. A permanent CEO is expected to be appointed by the Board of Directors once this Implementation Plan is certified by the CPUC and no later than June 2020.

The Chief Executive Officer will report to the SDCP Board of Directors and manage the daily operation of SDCP in accordance with policies adopted by the Board. The CEO will proceed to hire staff and contractors to manage various activities associated with SDCP operation. These activities include operational support services (administration, finance and information technology), marketing and public affairs (community outreach, key account management and customer advocacy), power supply acquisition (energy procurement, trading, contract negotiation and system development), energy programs, and legal and government affairs.

The following is a proposed SDCP functional organization chart that shows proposed executive management along with key functional areas that will be further expanded and staffed once the permanent CEO is in place. Please note that SDCP assumes a starting staff team of approximately 15-20 growing to approximately 40 staff members once the Agency is fully operational and additional energy programs and customer services are added.

## SDCP FUNCTIONAL ORGANIZATION CHART

as of December, 2019

**Notes:**

- 1) This chart identifies senior management and key functional areas of SDCP. It will expand over time to include specific roles and positions within each functional area.
- 2) Most of the functions will be staffed/supported by external vendors until SDCP hires its own staff and transitions into full operations.
- 3) At the outset, it is assumed that SDCP will hire approximately 15-20 staff members, growing to ~40 once key functions are brought in-house.

### **3.3 Governance**

SDCP will be governed by a Board of Directors which consists of one primary Board member and one alternate Board member from the governing body of each participating jurisdiction in SDCP. The Board's primary duties are to approve regulations and policies, approve rates, and provide policy direction to the Chief Executive Officer, who has responsibility for day-to-day operations, consistent with the policies established by the Board of Directors. The Board has elected a Chair and Vice Chair. In the future, the Board will establish advisory committees and sub-committees, as needed, to address issues that require greater expertise or input in particular areas. SDCP will also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect SDCP and its customers and would provide analytical support and advisory recommendations to the Board of Directors in these regards.

### **3.4 Management**

The SDCP Board of Directors will hire a qualified chief executive officer ("CEO"), who will have management responsibilities over all functional areas of the Agency through an executive management team that includes a Chief Operating Officer, a Chief Financial Officer and General Counsel. In performing his or her obligations to SDCP, the CEO may utilize a combination of internal staff and/or contractors with expertise in specific areas. Certain specialized functions needed for program operations, namely SDCP's electric supply and customer account management functions described below, may be performed initially and over the longer-term by third-party contractors. Major functions of SDCP that will be managed by the CEO and his or her management team are summarized below.

### **3.5 Administration**

SDCP's CEO and Chief Finance Officer and its administrative team will be responsible for managing the organization's operational, human resource, IT, and administrative functions and will coordinate with the Board of Directors or its Executive Committee as necessary. This functional area of administration will include oversight of employee hiring and termination, information technology systems, Board of Director support and meeting preparation, identification and procurement of requisite office space, office management functions, and various other activities.

### **3.6 Finance**

The SDCP CEO, in coordination with the Chief Financial Officer or Finance Director is responsible for managing the accounting function and financial affairs of SDCP, including the development of an annual budget, revenue requirements and rate setting support; managing and maintaining cash flow requirements; arranging working capital loans as necessary; arranging for an Agency credit rating, and other financial tools.

Revenues via rates and other funding sources (such as state grants and reserves) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements that may be set forth in various agreements or bond covenants. The Board of Directors, in consultation with the CEO, will have the responsibility for setting the rates for SDCP customers. SDCP will administer a standardized set of electric rates and may offer optional rates to encourage policy goals such as economic development or low-income subsidy programs, provided that the overall revenue requirements are achieved.

SDCP may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than is currently available.

SDCP's finance function will work with the CEO or other executive-level management to arrange financing necessary for any capital projects, prepare financial reports, and ensure sufficient cash flow for successful operation of SDCP. The finance function will play an important role in risk management by monitoring the credit of energy suppliers and anticipated trends in power supply costs so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition or credit rating are identified, SDCP will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

### **3.7 Marketing and Public Affairs**

The SDCP CEO, in coordination with the Chief Operating Officer is responsible for managing the marketing and public affairs functions as well as customer service and account services. This includes general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. SDCP will conduct program marketing to raise consumer awareness of SDCP and to establish the SDCP "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into SDCP's programs and services. Communications will also be directed at key policy makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance SDCP's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of the community. SDCP will also establish a customer call center designed to field customer inquiries and routine interaction with customer account holders.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements, billing-related activities and management of a customer relationship management (CRM) database. This function processes customer service requests and administers customer enrollments and departures from SDCP, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through SDG&E's billing process and tracks customer payments. Activities include the electronic

exchange of usage, billing, and payments data between SDG&E and SDCP, tracking of customer payments and accounts receivable, issuance of late payment and service termination notices (which would return affected customers to SDG&E's bundled service), and administration of any required customer deposits in accordance with credit policies of SDCP.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. SDCP will contract with a third-party vendor that has demonstrated the necessary expertise to administer an appropriate customer information system to perform the customer account and billing services functions.

### **3.8 Power Resources and Energy Programs**

The SDCP CEO, in coordination with the Chief Operating Officer, is responsible for managing the Authority's power procurement and power services function and its energy programs function. SDCP must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and regulatory mandates. SDCP's long-term resource plans (addressing the 10 to 20-year planning horizon) will comply with California law and other pertinent requirements of California regulatory bodies. SDCP will develop and administer complementary energy programs that will be offered to SDCP customers, potentially including energy efficiency, net energy metering, and various other programs that will be identified to support the overarching goals and objectives of SDCP.

In accordance with California law and public utility code requirements, SDCP will develop integrated resource plans that meet supply objectives and balance cost, risk, SDCP Board policy, and environmental considerations. The integrated resource plans will conform to applicable requirements imposed by the State of California. Integrated resource planning efforts of SDCP will make maximum use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. Integrated resource plans will be updated and adopted by SDCP on an annual basis and coordinated with regulatory compliance obligations.

### **3.9 Electric Supply Operations**

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- **Electricity Procurement** – assemble a portfolio of electricity resources to supply the electric needs of SDCP customers.
- **Risk Management** – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets and insulate customer rates from sudden changes in wholesale market prices.
- **Load Forecasting** – develop load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.

- **Scheduling Coordination** – scheduling and settling electric supply transactions with the California Independent System Operator (“CAISO”).

SDCP will initially contract with one or more experienced and financially sound third-party energy service providers to perform all of the electric supply operations for SDCP. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting, and day-ahead and real-time electricity trading, and support for associated regulatory submissions.

### **3.10 Local Energy Programs**

A key focus of SDCP will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. These programs are likely to be phased in during the first several years of operations. The implementation of these programs will follow only after the identification of requisite funding sources.

SDCP will eventually administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply resources. SDCP will attempt to consolidate existing demand side programs into this organization and leverage the structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third-party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by SDCP customers.

### **3.11 Government Affairs and Legal Services**

SDCP will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s RPS, and overall representation on issues that will impact SDCP and its customers. SDCP will maintain an active role at the CPUC, the California Energy Commission, the CAISO, the California legislature and, as necessary, the Federal Energy Regulatory Commission (FERC).

In coordination with the CEO and Board of Directors, SDCP has retained outside legal counsel in the areas of general counsel and regulatory advice/engagement to support SDCP’s administrative operations and governance, review contracts, monitor regulatory proceedings and provide overall legal support related to the various activities of SDCP.

## **4. START-UP PLAN AND FUNDING**

### **4.1 Introduction**

This Chapter presents SDCP's plans for its pre-launch, start-up period, anticipated to be January 2020 through March 2021, including necessary expenses and capital outlays. As described in the previous Chapter, SDCP will utilize a mix of staff and contractors for its implementation.

### **4.2 Start-Up Activities**

Initial SDCP start-up activities fall into six functional categories. These include:

1. Operations and Organizational Development
2. Technical and Energy Services
3. Banking and Finance
4. Data Management/Call Center
5. Communications and Marketing
6. Regulatory/Legislative Affairs

The following flow chart provides a summary overview of the key actions within each implementation category which are augmented by hundreds of other supporting tasks that will occur throughout 2020 and 2021.



14



### **4.3 Staff and Contract Services**

Personnel in the form of SDCP staff and contractors will be added incrementally to match workloads involved in forming the CCA, managing contracts, and interfacing with SDCP communities and customers during the pre-operations period. During the early startup period, minimal personnel requirements will include an interim Director/CEO and other personnel needed to support regulatory, legal, procurement, finance, and communications activities.

In addition, staff from the City of San Diego and other member agencies have agreed to provide interim staff support in the areas of interim CEO, project management, legal and Board clerk support, financing, and vendor contract support. Following the initial start-up period and once the Implementation Plan is certified, additional staff and contractors will be retained to support full program roll-out and implementation of additional value-added services (e.g., efficiency projects) and programs.

### **4.4 Capital Requirements**

To begin operations, SDCP will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital to support power procurement. Based on SDCP's anticipated start-up activities and phase-in schedule, approximately \$40 million will be required to support these functions. The finance plan in Chapter 6 provides some additional detail regarding SDCP's expected capital requirements and general Program finances.

Related to SDCP's initial capital requirement, this amount is expected to cover staffing and contractor costs during startup and pre-startup activities, including direct costs related to organizational development and administration, technical support, legal support and customer outreach and communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by SDCP's power supplier(s)); and 2) requisite deposit with the CAISO prior to commencing market operations.

Operating revenues from sales of electricity will be remitted to SDCP beginning approximately sixty days after the initial customer enrollments. This lag is due to the standard meter reading cycle of 30 days and a 30-day payment/collections cycle. SDCP will need working capital to support electricity procurement and costs related to Agency administration and management, which is included in SDCP's initial \$40 million capital requirements.

### **4.5 Financing Plan**

SDCP's initial capital requirement will be funded via conventional financing methods (e.g., bank loans or lines of credit). Subsumed in the initial capital requirement is SDCP's non-power start-up funding (\$5 million), plus capitalized interest and fees on start-up funding, which will be provided by River City Bank through a term loan and line of credit which and be repaid by SDCP from energy revenue and/or proceeds from the working capital financing. For the working

capital financing, SDCP will make repayments (including any interest, as applicable) over an assumed term or up to 5 years, anticipated to commence within the first year of SDCP operations. SDCP will recover the principal and interest costs associated with the initial funding via retail generation rates charged by SDCP to its customers within the first several years of operations.

## 5. PROGRAM PHASE-IN

SDCP will offer service to all customers on a phased basis, which is expected to be completed in 2021. SDCP will roll out its service offerings over the course of three phases commencing in March 2021. The proposed phasing schedule is as follows:

**Phase 1** (March 2021) All municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases.

**Phase 2** (July 2021) Remaining commercial, industrial, agriculture, street lighting and traffic control accounts; and

**Phase 3** (November 2021) All residential accounts and any remaining service accounts that may have been omitted during Phase 2.

This approach provides SDCP the ability to initiate its CCA Program with sufficient economic scale and integration of SDG&E's new billing system before building to full operations for an expected customer base of approximately 740,000 accounts, post customer opt-out, which is estimated at 5% across all customer classes, other than municipal accounts which are assumed at a 0% opt-out rate.

Phase 1 of the Program is targeted to begin on or about March 1, 2021, subject to a decision to proceed by SDCP's Board of Directors. During Phase 1, SDCP anticipates serving approximately 7,900 accounts, comprised of all municipal accounts and potentially some large commercial accounts, estimated at ~ 400 GWh of annual energy sales. SDCP will refine the potential composition of Phase 1 accounts in consideration of cost of service and customer load characteristics as well as other operational considerations. Specific accounts to be included in Phase 1 are expected to approximate 5% percent of SDCP's total customer load and will be specifically defined after further analysis and consideration.

Phase 2 of the Program will commence following successful operation of SDCP's Phase 1 launch over an approximate 4-month term, which corresponds with an expected Phase 2 service commencement occurring on or about July 1, 2021. It is anticipated that approximately 83,000 additional customers, comprised of remaining commercial, industrial, agriculture, street lighting and traffic control accounts will be included in Phase 2, with annual energy consumption approximating 4,300 GWh annually, or 58 percent of SDCP's total prospective customer load.

Phase 3 of the Program will commence following successful implementation of Phase 2 enrollments over an approximate 4-month term, which corresponds with an expected Phase 3 service commencement occurring on or about November 1, 2021. It is anticipated that approximately 670,000 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2 will be included in Phase 3, with annual energy consumption approximating 2,700 GWh, or 37 percent of SDCP's total prospective customer load.

To the extent that additional customers require enrollment after the completion of Phase 3, SDCP will evaluate a subsequent phase of CCA enrollment. SDCP may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

## 6. LOAD FORECAST AND RESOURCE PLAN

### 6.1 Introduction

This Chapter describes the planned mix of electric resources to meet the energy demands of SDCP communities using a diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- SDCP will increase the use of renewable energy and carbon-free resources and reduce reliance on fossil-fueled electric generation for purposes of reducing electric sector GHG emissions.
- SDCP will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- SDCP will help customers reduce energy costs through administration of enhanced customer energy efficiency, distributed generation, and other demand-reducing programs.
- SDCP will procure storage resources subject to availability, cost, and regulatory requirements.

SDCP's initial resource mix will include a proportion of compliance-required qualified renewables as well as voluntary renewable energy supplies. As SDCP moves forward, incremental renewable supply additions will be made based on resource availability as well as economic and rate goals of the SDCP Program to achieve increased renewable energy content over time. SDCP's commitment to renewable generation resources may involve both direct investment in new renewable generating resources, partnerships with experienced public power developers/operators and purchases of renewable energy from third party suppliers and independent power producers.

The plan described in this section will accomplish the following:

- Energy procurement through short and long-term contracts with experienced, financially stable energy suppliers.
- Continue increasing renewable and carbon-free energy supplies over time, subject to resource availability, economic viability and applicable regulatory compliance mandates.

SDCP will comply with all regulatory obligations applicable to California load serving entities. SDCP will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. SDCP will adhere to resource adequacy requirements established by the CPUC and the CAISO designed to address local, system and flexible capacity requirements for SDCP's load share. These rules also ensure that physical generation capacity is in place to serve SDCP's customers plus a reasonable reserve margin. In addition, SDCP will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to

comply with the statewide Renewable Portfolio Standard (37 percent renewable energy in 2021, increasing to 60 percent by 2030). SDCP's resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

## 6.2 Resource Plan Overview

To meet the objectives and satisfy the applicable regulatory requirements pertaining to SDCP's status as a California load serving entity, SDCP's resource plan includes a diverse mix of power purchases, renewable energy, efficiency programs, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of SDCP's resource plan is to reduce electric sector GHG emissions while offering competitive generation rates to participating customers. The planned power supply is initially comprised of power purchases from third party electric suppliers. Within the first 1-3 years, SDCP intends to begin entering into power purchase contracts with specific renewable energy facilities.

Once the SDCP demonstrates it can operate successfully, it may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by SDCP or controlled under long-term power purchase agreements with a proven public power developer, could provide a portion of SDCP's electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement can be more cost-effective than purchasing renewable energy from third party developers, which will allow SDCP to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

As an alternative to direct investment, SDCP may consider partnering with another CCA and/or an experienced public power developer and could enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity in California and/or the San Diego region. Such an arrangement could be structured to reduce SDCP's operational risk associated with capacity ownership while providing its customers with renewable energy generated by the facility under contract. This option may be preferable to SDCP as it works to achieve increasing levels of local renewable energy supply to its customers.

SDCP's indicative resource plan for the years 2021 to 2030 is summarized in the following table. Note that SDCP's projections reflect a portfolio mix based on the minimum renewable portfolio of 50% which increases the renewable energy in the power mix to exceed the baseline power mix offered by SDG&E by approximately 5 percent (SDG&E + 5% Renewable). The SDCP Board of Directors has established a 50% renewable portfolio as a minimum for its initial procurement, but that percentage may increase to up to 60% subject to market pricing and availability.

While not explicitly shown in Table 2, SDCP will consider offering cost-effective incremental energy efficiency programs (i.e., above that included in programs implemented by SDG&E and

other providers) and distributed energy generation. SDCP believes that including specific assumptions on these potential programs here to be premature.

**Table 2: SDCP Proposed Resource Plan (GWh), 2020-2029**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>SDCP Demand</b>										
<b>Retail Demand</b>	3,227	7,407	7,411	7,416	7,408	7,378	7,334	7,291	7,241	7,189
<b>Losses and UFE</b>	6%									
<b>Total Demand</b>	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620
<b>SDCP Supply</b>										
<b>Renewable Resources</b>	1,791	4,306	4,512	4,729	4,947	5,159	5,372	5,592	5,817	6,048
<b>GHG-Free (non-RPS)</b>	815	1,773	1,672	1,566	1,453	1,330	1,201	1,068	929	786
<b>Conventional Resources*</b>	879	1,773	1,672	1,566	1,453	1,330	1,201	1,068	929	786
<b>Total Supply</b>	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620
*includes open position)										

## 6.3 Supply Requirements

The starting point for SDCP's resource plan is a projection of customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile." The electric sales forecast and load profile could be affected by SDCP's plan to introduce the program to customers in phases. SDCP's phased roll-out plan and assumptions regarding customer participation rates are discussed below.

## 6.4 Customer Forecasts

Once customers enroll in each of three phases, they will be switched over to service by SDCP on their regularly scheduled meter read date over an approximately thirty-day period. The number of accounts served by SDCP at the end of each phase is shown in the table below. The tables assumes that no municipal accounts (Phase 1) opt out and that 5% of Phases 2 and Phase 3 opt out. This opt-out assumption is based on opt-out rates of other recently formed CCA programs in the State of California.

**Table 3: SDCP Enrolled Retail Service Accounts By Phase-In Period (End of Month)**

SDCP Customers	[4/21] Phase 1	[7/21] Phase 2	[11/21] Phase 3
Residential	-	-	856,463
Small Commercial	5,197	69,847	69,359
Large Commercial	552	9,396	9,396
Industrial	-	11	11
Street Lighting & Traffic	237	237	237
Agricultural & Pumping	1,980	1,980	1,980

**Table 4: SDCP Retail Service Accounts (End of Year), 2020-2029**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Residential	856,463	865,028	873,678	882,415	891,239	900,151	909,153	918,244	927,427	936,701
Small Commercial	69,359	70,052	70,753	71,460	72,175	72,897	73,626	74,362	75,105	75,856
Large Commercial	9,396	9,443	9,490	9,538	9,586	9,633	9,682	9,730	9,779	9,828
Industrial	11	11	11	11	11	11	11	11	11	11
Street Lighting & Traffic	237	240	242	245	247	249	252	254	257	260
Agricultural & Pumping	1,980	1,990	2,000	2,010	2,020	2,030	2,040	2,050	2,060	2,071
Total	937,446	946,764	956,174	965,678	975,277	984,972	994,763	1,004,652	1,014,639	1,024,727

SDCP's forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. Annual energy requirements are shown below.

## 6.5 Sales Forecast

**Table 5: SDCP Annual Energy Requirements (GWh), 2020-2029**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Demand	3,227	7,407	7,411	7,416	7,408	7,378	7,334	7,291	7,241	7,189
Losses and UFE	6%									
Total Demand	3,485	7,852	7,856	7,861	7,853	7,820	7,774	7,728	7,676	7,620

## 6.6 Proposed Resources

On November 27, 2019 SDCP issued a request for proposals for: (a) procurement-related project administration and planning; (b) power portfolio management and energy advisory services; California Independent System Operator (CAISO) Scheduling Coordinator and Settlement



Services; (d) Integrated Resource Planning (IRP) and IRP Development; (e) Renewables and Long-Term Planning and Procurement; and (d) Distributed Energy Resource (DER) Assessment and Procurement. Responses to the RFP are due on December 19 and provider(s) will be selected by January 2020. SDCP staff and board will meet with the selected provider(s) to refine the draft procurement plan presented here and in Chapter 10.

### **6.6.1 Purchased Power**

Power purchased from power marketers, public agencies, generators, CCAs, or utilities will be a significant source of supply during the first several years of SDCP's operation. Subject to the responses to the above-referenced energy services RFP, SDCP will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including SDCP's desired quantities of renewable and carbon-free energy, to provide a stable and cost-effective resource portfolio for the Program.

### **6.6.2 Renewable Resources**

Subject to the responses to the above-referenced RFP, SDCP will initially secure renewable power through its contracted energy supplier. When feasible, SDCP will enter into power supply contract(s) with direct, long-term purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned or controlled by SDCP. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by SDCP, unsolicited proposals or discussions with other agencies. Renewable projects that are located anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area. The costs of transmission access and the risk of transmission congestion costs will be considered in the bid evaluation process if the delivery point is outside of SDCP's load zone(s), as defined by the CAISO.

### **6.6.3 Resource Adequacy**

The CPUC requires all retail power providers, including CCAs, to demonstrate that they hold or have contracted with sufficient resources to ensure that the CAISO grid remains reliable. These "resource adequacy" (RA) standards require a demonstration one year in advance that SDCP has secured physical capacity for 90 percent of its assigned load share for each of the five months May through September, plus a minimum 15 percent reserve margin, plus 100 percent of its annual local resource adequacy procurement obligation. On a month-ahead basis, SDCP must demonstrate 100 percent of the peak load share plus a minimum 15 percent reserve margin.

A portion of SDCP's capacity requirements must be procured from power generators in the San Diego Area (as defined by the CAISO). SDCP will be required to demonstrate its local capacity requirement for each month for the following two calendar years plus 50% of the requirement for the third calendar year. The local resource adequacy procurement obligation is based on its share

of the coincident monthly peak demand as determined by the CEC based upon SDCP's historical and forecasted peak load.

SDCP is also required to demonstrate that a specified portion of its resource adequacy capacity meets certain operational flexibility requirements under the CPUC and CAISO's capacity requirement to support load variability during the off-peak months.

The estimated forward resource adequacy requirements for 2021 through 2023 are shown in the following tables:

**Table 6: SDCP Capacity and Reserve Requirements (MW), 2020-2022**

	2021	2022	2023
January		1,203	1,206
February		1,232	1,235
March	55	1,129	1,132
April	59	1,154	1,158
May	53	1,041	1,044
June	62	1,229	1,233
July	828	1,314	1,318
August	844	1,412	1,416
September	1,049	1,717	1,722
October	1,584	1,583	1,588
November	1,228	1,232	1,235
December	1,155	1,159	1,162

SDCP's plan ensures that sufficient reserves will be procured to meet its peak load at all times. SDCP's projected annual capacity requirements are shown in the following table:

**Table 7: SDCP Capacity Requirements (MW), 2020-2029**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Net Peak Demand	1,228	1,717	1,722	1,720	1,713	1,703	1,693	1,681	1,669	1,659
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	184	258	258	258	257	255	254	252	250	249
Capacity Requirement Including Reserve	1,412	1,975	1,980	1,978	1,970	1,958	1,947	1,934	1,920	1,908

## **7. FINANCIAL PLAN**

### **7.1 Introduction**

This Chapter examines the cash flows expected during the startup and customer phase-in period of and identifies the anticipated financing requirements. It includes estimates of startup costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

### **7.2 Description of Cash Flow Analysis**

SDCP's cash flow analysis estimates the level of capital that will be required during the startup and phase-in period. The analysis focuses on SDCP's monthly costs and revenues and specifically accounts for the phased enrollment of SDCP communities described in Chapter 5.

### **7.3 Cost of CCA Operations**

The first category of the cash flow analysis is the cost of SDCP operations. To estimate the overall costs associated with SDCP operations, the following components were taken into consideration:

- Electricity Procurement;
  - Ancillary service requirements;
  - Grid management and other CAISO Charges;
  - Scheduling Coordination;
- Exit fees;
- Staffing and professional services;
- Data management costs;
- Administrative overhead;
- Billing costs;
- CCA bond and security deposit;
- Pre-startup cost; and
- Debt service.

### **7.4 Revenues from SDCP Program Operations**

The cash flow analysis also provides estimates for revenues generated from SDCP operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that SDCP offers the following products:

- **50% - 60% Renewable (Base Power Product)**

- **100% Renewable (Voluntary Product):** SDCP will supply 100 percent of retail load with renewable, GHG-free power.

More detail on rates can be found in Chapter 8.

## 7.5 Cash Flow Analysis Results

The results of the cash flow analysis provide an estimate of the level of capital required for SDCP to move through startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from SDCP operations minus cost of SDCP operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by SDCP, along with estimates for when customer payments will be received and potential customer non-collections/defaults. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The financing requirements for the startup and phase-in period, including working capital needs associated with all three phases of customer enrollments, is estimated at \$40 million. Working capital requirements peak soon after enrollment of the Phase 3 customers.

## 7.6 SDCP Program Implementation Pro Forma

In addition to developing a cash flow analysis which estimates the level of working capital required to move SDCP through full implementation and phase-in, a summary pro forma analysis that evaluates the financial performance of SDCP during the phase-in period is shown below. The difference between the cash flow analysis and the SDCP pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with SDCP operations and rates charged to customers remain the same. Cash provided by financing activities is not shown in the pro forma analysis, although payments for debt service are included as a cost item.

The results of the pro forma analysis are shown in the following tables. SDCP has also included a summary of reserves, which are expected to accrue over this same period of time.

**Table 9: SDCP Summary of CCA Program Start-Up and Phase-In, 2020-2030**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>CCA Load, MWh</b>	-	3,164,157	7,302,764	7,306,581	7,311,772	7,303,945	7,273,730	7,231,000	7,187,869	7,139,138	7,087,820
<b>SDG&amp;E average exit fees for CCA load (PCIA)</b>	\$0.00	\$31.16	\$30.43	\$32.72	\$31.25	\$30.95	\$29.55	\$27.65	\$21.64	\$12.68	\$0.00
<b>SDG&amp;E average gen rate for CCA load, \$/MWh</b>	\$0.00	\$107.47	\$106.81	\$107.55	\$110.45	\$110.14	\$111.18	\$114.22	\$117.96	\$123.67	\$132.66
<b>CCA Load, MWhs</b>	-	3,164,157	7,302,764	7,306,581	7,311,772	7,303,945	7,273,730	7,231,000	7,187,869	7,139,138	7,087,820
<b>Rate Discount (%)</b>		4.0%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Ave CCA Rate, \$/MWh</b>	\$0.0	\$72.0	\$72.1	\$70.5	\$74.8	\$73.7	\$76.1	\$80.9	\$90.4	\$104.8	\$126.0
<b>Rate Revenue</b>		\$247,770,961	\$526,250,120	\$514,979,361	\$546,397,158	\$538,185,634	\$553,305,997	\$584,661,847	\$649,935,765	\$748,249,492	\$893,235,699
<b>Other Revenue (Loans)</b>	\$5,000,000	\$35,000,000	\$0								
<b>Interest income</b>	<u>1.25%</u>	\$319,826	\$1,424,562	\$2,000,079	\$2,198,411	\$2,320,422	\$1,984,443	\$2,339,617	\$2,646,349	\$3,063,906	\$3,107,999
<b>Total Revenue</b>		\$5,319,826	\$284,195,523	\$528,250,198	\$517,177,772	\$548,717,580	\$540,170,077	\$555,645,614	\$587,308,196	\$652,999,671	\$751,357,491
<b>Expenses</b>											
<b>Cost of Power</b>	\$0	(\$187,868,853)	(\$449,057,615)	(\$457,171,549)	(\$473,820,738)	(\$485,658,344)	(\$506,288,425)	(\$528,596,976)	(\$623,699,368)	(\$708,218,130)	(\$817,398,187)
<b>O&amp;M/A&amp;G Costs</b>	(\$3,315,000)	(\$15,482,812)	(\$22,514,515)	(\$23,223,357)	(\$23,941,060)	(\$24,323,131)	(\$24,818,621)	(\$25,306,637)	(\$25,772,878)	(\$26,225,120)	(\$26,685,972)
<b>Total Expenses</b>	(\$3,315,000)	(\$203,351,666)	(\$471,572,130)	(\$480,394,906)	(\$497,761,798)	(\$509,981,476)	(\$531,107,047)	(\$553,903,613)	(\$649,472,246)	(\$734,443,250)	(\$844,084,159)
<b>Unleveraged Free Cash Flow</b>	\$2,004,826	\$80,843,858	\$56,678,068	\$36,782,866	\$50,955,782	\$30,188,602	\$24,538,567	\$33,404,583	\$3,527,425	\$16,914,241	\$52,470,966
<b>Debt Service (interest and payments)</b>	(\$234,001)	(\$1,198,215)	(\$16,829,014)	(\$17,108,361)	(\$12,405,158)	(\$1,774,749)	\$0	\$0	\$0	\$0	\$0
<b>Leveraged Free Cash Flow</b>	\$1,770,825	\$79,645,643	\$39,849,054	\$19,674,505	\$38,550,623	\$28,413,853	\$24,538,567	\$33,404,583	\$3,527,425	\$16,914,241	\$52,470,966
<b>Working cash on hand</b>	\$1,770,825	\$81,416,467	\$110,897,935	\$120,204,854	\$158,755,477	\$187,169,330	\$211,707,897	\$245,112,480	\$248,639,905	\$265,554,146	\$318,025,112
<i>Target Cash on hand</i>		\$71,048,881	\$132,062,550	\$129,294,443	\$137,179,395	\$135,042,519	\$138,911,403	\$146,827,049	\$163,249,918	\$187,839,373	\$224,138,781
<b>Cash (to)/From reserve</b>		(\$10,367,586)	(\$10,367,586)	(\$10,367,586)	(\$21,576,082)	(\$24,084,593)	(\$2,902,623)	(\$3,419,485)	(\$14,335,295)	(\$12,745,651)	(\$16,446,136)
<b>End of Year Cash</b>	\$1,770,825	\$71,048,881	\$100,530,349	\$109,837,267	\$137,179,395	\$163,084,737	\$208,805,274	\$241,692,995	\$234,304,610	\$252,808,495	\$301,578,976
<b>Reserve Fund Adjustment</b>	15%										
<b>Target</b>	\$532,350	\$30,682,482	\$73,260,172	\$74,625,490	\$76,525,043	\$76,763,434	\$79,666,057	\$83,085,542	\$97,420,837	\$110,166,487	\$126,612,624
<b>Reserve Fund Adjustment</b>											
<i>Potential Reserve Addition</i>	\$0	\$30,682,482	\$62,892,585	\$53,890,317	\$45,422,284	\$24,084,593	\$2,902,623	\$3,419,485	\$14,335,295	\$12,745,651	\$16,446,136
<b>Reserve additions (Subtractions)</b>	\$0	\$10,367,586	\$10,367,586	\$10,367,586	\$21,576,082	\$24,084,593	\$2,902,623	\$3,419,485	\$14,335,295	\$12,745,651	\$16,446,136
<b>Reserve fund total</b>	\$0	\$10,367,586	\$20,735,173	\$31,102,759	\$52,678,841	\$76,763,434	\$79,666,057	\$83,085,542	\$97,420,837	\$110,166,487	\$126,612,624

The surpluses achieved during the phase-in period serve to build SDCP's net financial position and credit profile and to provide operating reserves for SDCP in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. In addition, financial surpluses could be used to increase renewable and GHG-free resources within SDCP's resource mix.

## **7.7 SDCP Financings**

It is anticipated that one or more financings will be necessary to support SDCP's CCA implementation. SDCP has received multiple bids for working capital credit and banking services which are currently under evaluation. Subsequent capital requirements will be self-funded from the SDCP CCA's accrued financial reserves. The anticipated financing approach is described below.

## **7.8 SDCP Start-up and Working Capital**

As previously discussed, the anticipated start-up and working capital requirements for SDCP are estimated at \$40 million. This amount is dependent upon the electric load served by SDCP, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once SDCP is operational, these costs would be recovered from customers through retail rates.

It is assumed that non-power start-up costs of approximately \$5 million will be funded through an unsecured line of credit with a third-party lender and repaid from the working capital financing and/or program revenues. The working capital financing will be primarily secured via a short-term loan, which would allow SDCP to draw cash as required. Requisite financing is expected to be in place by Q1 2020.

## **7.9 Renewable Resource Project Financing**

SDCP may consider project financings for renewable resources, likely local wind, solar, biomass or geothermal as well as storage and energy efficiency projects. These financings would only occur after a sustained period of successful SDCP operation and after appropriate project opportunities are identified and subjected to appropriate environmental and other reviews. SDCP's ability to directly finance projects will likely require a track record of five to ten years of successful operations demonstrating strong underlying credit to support the financing; direct financing undertaken by SDCP would not be expected to occur sooner than 2030.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20- to 30-year term.

## **8. RATE SETTING, PROGRAM TERMS AND CONDITIONS**

### **8.1 Introduction**

This chapter describes the initial policies proposed for SDCP in setting its rates for electric services. These include policies regarding rate design, rate objectives, and provision for due process in setting electricity rates. Rates must be approved by the SDCP Board of Directors.

### **8.2 Rate Policies**

SDCP will establish rates sufficient to recover all costs related to its operation, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board of Directors for SDCP uses.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitiveness;
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

### **8.3 Rate Competitiveness**

Competitive rates will be critical to attracting and retaining key customers. For SDCP to be successful, the combination of price and value must be perceived as superior when compared to the bundled utility service alternative. SDCP's primary goal is to offer competitive rates for electric services with a discount target ranging from ~2-4% percent below similar generation rates offered by SDG&E, subject to actual energy product pricing and decisions of the Board of Directors.

As planned, the value provided by SDCP will include a higher proportion of renewable and carbon-free energy and reduced GHG emissions relative to SDG&E, enhanced energy efficiency and customer programs, community focus, local investment and control. As previously discussed, SDCP will increase renewable energy supply to program customers, relative to SDG&E, by offering two distinct rate tariffs. The default tariff for SDCP customers will be the standard tariff, which will increase renewable energy supply to a minimum of 50% -60% at program launch while maintaining generation rates that are generally comparable to and potentially below SDG&E's. The initial renewable energy content provided under SDCP's standard tariff will exceed California's prevailing RPS, and SDCP will endeavor to increase this percentage on a going forward basis, subject to operational and economic constraints. SDCP will also offer its customers a voluntary 100 percent renewable energy tariff, which will supply

participating customers with 100 percent renewable energy at rates that reflect SDCP's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy ("CARE") program, will be automatically enrolled in the standard tariff and will continue to receive related discounts on monthly electricity bills through the incumbent utility.

## **8.4 Rate Stability**

SDCP will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. It will also establish risk management policies and reserve policies that include a rate stabilization fund.

## **8.5 Equity Among Customer Classes**

Initial rates will be set based on cost-of-service considerations with reference to the rates customers would have otherwise paid to SDG&E. Rate differences among customer classes will reflect the rates charged by SDG&E as well as differences in the costs of providing service to each class.

## **8.6 Revenue Sufficiency**

SDCP's rates must collect sufficient revenue from participating customers to fully fund SDCP's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of operation subject to the disclosure and due process policies described later in this chapter. To ensure rate stability, funds available in SDCP's rate stabilization fund may be used from time to time to augment operating revenues.

## **8.7 Rate Design**

SDCP will initially match the rate structures of SDG&E's standard rates. SDCP will, over time, transition to rate designs that better reflect its cost of service as well as enhance customer understanding and time of use requirements.

## **8.8 Custom Pricing Options**

### **8.8.1 Net Energy Metering**

As planned, customers with on-site generation eligible for net metering from SDG&E may be offered a net energy metering rate from SDCP. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The SDG&E net metering tariffs (NEM) requires SDCP to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule NEM.



The objective is that SDCP's net energy metering tariff will apply to the generation component of the bill, and the SDG&E net energy metering tariff will apply to the utility's portion of the bill. SDCP plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by SDCP.

## **8.9 Disclosure and Due Process in Setting Rates and Allocating Costs Among Participants**

Initial rates will be adopted by the SDCP Board of Directors following the establishment of the first year's operating budget and prior to initiating the first phase of service. Subsequently, SDCP will prepare an annual budget and corresponding customer rates. Any proposed rate adjustment will be made to the Board of Directors and ample time will be given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, SDCP will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer's monthly electricity bill. The notice will provide a summary of the proposed rate adjustment and will include a link to the SDCP website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the mailing address of SDCP to which any customer inquiries relative to the proposed adjustment.

## **9. CUSTOMER RIGHTS AND RESPONSIBILITIES**

### **9.1 Introduction**

This chapter discusses customer rights, including the right to opt-out of the SDCP Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the SDCP Program. All customers that do not opt-out within 30 days of the fourth enrollment notice will have implicitly agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the SDCP Board from time to time.

By adopting this Implementation Plan, SDCP will have approved the customer rights and responsibilities policies contained herein to be effective at CCA Program initiation. SDCP retains authority to modify program policies from time to time at its discretion.

### **9.2 Customer Notices**

At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the Program, informing them of their right to opt-out of the program and to remain with incumbent utility bundled generation service, and containing a simple mechanism for exercising their right to opt-out. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. SDCP will use its own mailing service for requisite enrollment notices rather than including the notices in SDG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt-out by notifying SDCP in one of three ways: 1) In writing, via US Post, 2) by using SDCP's designated 1-800 number or 3) by opting-out on SDRCCCE's website. Should customers choose to initiate an opt-out request by contacting SDG&E, they would be transferred to the SDCP call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt-out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after SDCP service commences. Opt-out requests made on or before the sixtieth day following start of SDCP Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by SDCP during the time the customer took service from the SDCP Program, but will otherwise not be subject to any penalty or transfer fee from SDCP.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the SDCP Program and will have sixty days from the start of service to opt-out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing

SDCP's privacy policy regarding customer usage information. SDCP will have the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the SDCP Program's customer base.

### 9.3 Termination Fee

Customers that are automatically enrolled in the SDCP CCA Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a Termination Fee, which SDCP reserves the right to impose, if deemed necessary. Customers that relocate within SDCP's service territory would have SDCP service continued at their new address. If a customer relocating to an address within SDCP's service territory elected to cancel service, the Termination Fee could be applied. Customers that move out of SDCP's service territory would not be subject to the Termination Fee. If deemed applicable by SDCP, SDG&E would collect the Termination Fee from returning customers as part of SDCP's final bill to the customer.

For illustrative purposes, SDCP Termination Fee could vary by customer class as set forth in the table below, subject to a final determination by SDCP.

#### **SDCP Program: Illustrative Schedule of Fees for Service Termination\***

<b>Customer Class</b>	<b>Fee</b>
Residential	\$5
Non-Residential	\$25

\* Note that SDCP has yet to adopt a Schedule of Fees for Service Termination. The fees reflected in this table are representative of similar charges adopted by California's Operational CCA Programs

If adopted, the Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by SDCP subject to applicable customer noticing requirements.

Customers electing to terminate service after the initial notification period would be transferred to SDG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by SDG&E and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

## **9.4 Customer Confidentiality**

SDCP will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. SDCP will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of SDCP or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable SDCP to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. SDCP will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at SDCP's discretion.

## **9.5 Responsibility for Payment**

Customers will be obligated to pay SDCP Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, SDCP will not be able to direct that electricity service be shut off for failure to pay SDCP bills. However, SDG&E has the right to shut off electricity to customers for failure to pay electricity bills, and SDG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between SDG&E and SDCP. In most circumstances, customers would eventually be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. SDG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related SDCP Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

## **9.6 Customer Deposits**

Under certain circumstances, SDCP customers may be required to post a deposit equal to the estimated charges for two months of service prior to obtaining service from the SDCP Program. A deposit would be required for an applicant who previously had been a customer of SDG&E or SDCP and whose electric service had been discontinued by SDG&E or SDCP during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in SDG&E Electric Rule 11 (Discontinuance of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether service has been discontinued for such nonpayment. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account

would remain with SDG&E. A customer whose service is discontinued by SDCP is returned to SDG&E generation service.

## **10. PROCUREMENT PROCESS**

### **10.1 Introduction**

This Chapter describes SDCP's initial approach to power supply procurement. SDCP shall retain the authority to modify this initial approach from time to time at its discretion.

### **10.2 Procurement Methods**

SDCP may enter into agreements for a variety of services needed to support program development, program operations and management. SDCP will generally utilize competitive procurement methods for services but may also utilize direct procurement or sole source procurement, depending on the nature of the services to be procured. Direct procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole source procurement is generally to be performed only in the case of emergency or when vendor availability is limited or a competitive process would be an idle act.

### **10.3 Key Contracts**

#### **10.3.1 Electric Supply Contracts**

SDCP will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet SDCP customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. SDCP may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. SDCP would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

SDCP will solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet SDCP customer demand. SDCP may designate the primary supplier to be responsible for day-to-day energy supply operations of the SDCP Program and for managing the predominant supply risks for the term of the contract. The primary supplier may also contribute to meeting the Program's renewable energy supply goals. However, additional suppliers may also be identified to supplement requisite renewable energy supplier of the SDCP program. Finally, the primary supplier may be responsible for ensuring SDCP's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

In August 2020, SDCP intends to commence the requisite competitive solicitation process to identify its initial energy portfolio and anticipates executing the electric supply contract(s) for Phase 1 loads in late 2020. The contract for Phase 2 loads will be executed contemporaneously or shortly thereafter.

### **10.3.2 Data Management Contract**

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with SDG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract will likely be separate from the electric supply contract. Separating the data management contract from the energy supply contract gives SDCP greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue. It is anticipated that a single contractor will be selected to perform the data management/call center functions.

The data manager is responsible for the following services:

- Data exchange with SDG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

The data management contract will also require that services be provided consistent with SDCP's customer confidentiality policies as described in Section 9.4, and the contractor will be required to provide, prior to contract award, adequate assurances to SDCP that appropriate data security measures are employed. As this point in time, SDCP has not yet commenced the requisite competitive solicitation process to identify its data management services provider. However, it is anticipated that SDCP will execute a contract for data management/call center services in March or April 2020.

## **10.4 Electric Supply Procurement Process**

SDCP will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet SDCP customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. SDCP may seek the services of a portfolio manager to support electric supply management. SDCP may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. SDCP would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time. SDCP will also solicit the services of a certified Scheduling Coordinator to schedule loads and resources to meet SDCP customer demand, and in keeping with CAISO requirements.

On November 27, 2019 SDCP issued an RFP for wholesale energy and power services and will select one or more qualified vendors to support power planning, power contract negotiations, schedule coordination, compliance, DER and integrated resource planning and long-term

renewable contracts. It is anticipated that one or more energy service providers will be identified in Q1 2020 and SDCP anticipates executing the electric supply contract for Phase 1 loads in late fall/winter of 2020. The contract(s) for Phase 2 and Phase 3 loads will be executed a few months in advance of each phase's launch.



## 11. CONTINGENCY PLAN FOR PROGRAM TERMINATION

This Chapter describes the process to be followed in the case of termination. By adopting the original Implementation Plan, SDCP will have approved the general termination process. In the unexpected event that SDCP would terminate supplying electricity and return its customers to SDG&E service, the proposed process is designed to minimize the impacts on its customers and on SDG&E. The proposed termination plan follows the requirements set forth in SDG&E's Tariff Rule 27 governing service to CCAs. SDCP retains discretion to modify program policies from time to time at its discretion.

SDCP will offer services for the long term with no planned Program termination date. In the unanticipated event that SDCP decides to terminate the Program, each of its Member Agencies would be required to adopt a termination ordinance or resolution and provide adequate notice to SDCP consistent with the terms set forth in its JPA Agreement. Following such notice, SDCP's Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In case SDCP affirmatively votes to proceed with JPA termination, SDCP would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to SDG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year in advance notice would be provided to SDG&E and the CPUC before transferring customers, and SDCP would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred en masse on the date of their regularly scheduled meter read date.

SDCP will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees is the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. SDCP will post financial security in the appropriate amount as part of its registration process and will maintain the financial security agreement in the required amount, as necessary.

## **12. ATTACHMENTS**

**12.1 A: Copy of SDCP Joint Powers Agreement**

**12.2 B: Copies of Adopted CCA Ordinances from SDCP Member Cities**

Appendix F:  
**Letter to CPUC dated July 21, 2021**

July 21, 2021

*Sent Via Email*

**Ed Randolph**  
**Deputy Executive Director, Energy Division**  
**California Public Utilities Commission**  
**505 Van Ness Avenue**  
**San Francisco, CA 94102**

**RE: Revisions to San Diego Community Power's Implementation Plan**

Dear Mr. Randolph,

The purpose of this letter is to notify the California Public Utilities Commission (Commission) that San Diego Community Power (SDCP) has amended Phase 3 of its customer enrollment schedule, delaying enrollment of residential customers from November 2021 until early 2022. SDCP has revised its Implementation Plan and Statement of Intent (Implementation Plan) to reflect the change in schedule, as further described below.

**Background**

SDCP filed an Implementation Plan in December 2019, and the Commission certified it by letter on March 9, 2020. As described in the original Implementation Plan, SDCP's customer enrollment included three phases:

**Phase 1** (March 2021) – all municipal accounts and potentially some large commercial accounts to ensure adequate revenues for subsequent phases;

**Phase 2** (July 2021) – remaining commercial, industrial, agriculture, street lighting, and traffic control accounts; and

**Phase 3** (November 2021) – all residential accounts and any remaining service accounts that may have been omitted during Phase 2.

Subsequently, to better serve operational needs, SDCP's Board of Directors (Board) amended Phase 3 of the enrollment schedule at its regular meeting on April 22, 2021. SDCP had previously notified SDG&E about this change, as part of regular and frequent discussions related to CCA operations, which have also included issues such as customer enrollment, load forecasts and the timing of SDG&E's billing system upgrade. Formal correspondence regarding the change was also directed to SDG&E on June 22, 2021.

The changes to **Phase 3** enrollment are as follows:

- (1) February 1, 2022: Residential and lighting accounts within Imperial Beach
- (2) March 1, 2022: Residential and lighting accounts within La Mesa
- (3) April 1, 2022: Residential and lighting accounts within Encinitas
- (4) May 1, 2022: Residential and lighting accounts within Chula Vista and San Diego

Corresponding revisions to SDCP's Implementation Plan are described below.

### Revisions to Implementation Plan

Due to the change in customer enrollment, certain information in SDCP's Implementation Plan is now outdated and needs to be updated. The following content reflects the changes that were made to the enrollment schedule and is intended to replace content that appeared in SDCP's original Implementation Plan:

**Table 2 (Revised): SDCP Proposed Resource Plan (GWh), 2020-2029**

SDCP Demand	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Retail Demand	2,141	5,197	6,081	6,111	6,142	6,172	6,203	6,234	6,265	6,297
Losses and UFE	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Total Demand	2,269	5,509	6,446	6,478	6,510	6,543	6,575	6,608	6,641	6,675

Note that supply figures, presented in Rows 5-9 of Table 2 have also changed based on amendments to the enrollment schedule, resource and procurement policies, and other factors.

**Table 3 (Revised): SDCP Enrolled Retail Service Accounts By Phase-In Period**

SDCP Customers	Phase 1 (3/2021)	Phase 2 (6/2021)	Phase 3 (2/2022-6/2022)	Grand Total
Agricultural	2	259	11	272
Industrial	0	11	1	12

<b>Large Commercial</b>	467	6,414	663	7,544
<b>Lighting</b>	8	1,767	1,776	3,551
<b>Residential</b>	6	9	696,534	696,549
<b>Small Commercial</b>	123	61,908	1,089	63,120
<b>Grand Total</b>	<b>606</b>	<b>70,368</b>	<b>700,074</b>	<b>771,048</b>

Note that Phase 1 and 2 figures represent enrolled accounts.

**Table 4 (Revised): SDCP Retail Service Accounts (End of Year), 2020-2029**

<b>SDCP Customers</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>Agricultural</b>	272	274	276	278	280	282	284	287	289
<b>Industrial</b>	12	12	12	12	12	12	13	13	13
<b>Large Commercial</b>	7,544	7,601	7,658	7,715	7,773	7,831	7,890	7,949	8,009
<b>Lighting</b>	3,551	3,578	3,604	3,631	3,659	3,686	3,714	3,742	3,770
<b>Residential</b>	696,549	701,773	707,036	712,339	717,682	723,064	728,487	733,951	739,456
<b>Small Commercial</b>	63,120	63,593	64,070	64,551	65,035	65,523	66,014	66,509	67,008
<b>Grand Total</b>	<b>771,048</b>	<b>776,831</b>	<b>782,657</b>	<b>788,527</b>	<b>794,441</b>	<b>800,399</b>	<b>806,402</b>	<b>812,450</b>	<b>818,544</b>

\*Assumes annual growth rate of 0.75% across all customer classes.



**Table 5 (Revised): SDCP Annual Energy Requirements (GWh), 2020-2029**

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Retail Demand</b>	2,141	5,197	6,081	6,111	6,142	6,172	6,203	6,234	6,265	6,297
<b>Losses and UFE</b>	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
<b>Total Demand</b>	2,269	5,509	6,446	6,478	6,510	6,543	6,575	6,608	6,641	6,675

As a result of changes to the enrollment schedule, a number of other relatively minor changes have been made to the Implementation Plan:

- Page 14 (Flow Chart) – Phase 3 enrollment will now occur between February and May, 2022.
- Page 17 (Description) – The description of SDCP’s customer enrollment schedule in the last paragraph on page 17 of the Implementation Plan is revised as follows:

Original Language

Phase 3 of the Program will commence following successful implementation of Phase 2 enrollments over an approximate 4-month term, which corresponds with an expected Phase 3 service commencement occurring on or about November 1, 2021. It is anticipated that approximately 670,000 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2 will be included in Phase 3, with annual energy consumption approximating 2,700 GWh, or 37 percent of SDCP’s total prospective customer load.

New Language

Phase 3 of the Program will commence following successful implementation of Phase 2 enrollments, which corresponds with an expected Phase 3 service commencement occurring on or about February 1, 2022, and concluding on or about May 31, 2022. It is anticipated that approximately 700,074 additional customers, comprised of residential accounts and any remaining service accounts that may have been omitted during Phase 2, will be included in Phase 3, with annual energy consumption approximating 2,936 GWh, or 46 percent of SDCP’s total potential customer load.

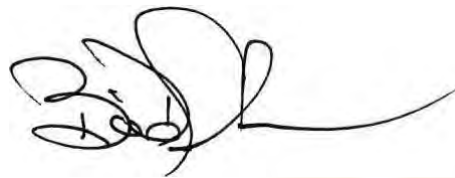
- Page 21 (Phase 3 Description) – Phase 3 enrollment will now occur between February and May 2022.



- Page 24 (Capacity Requirements) – Capacity requirements have changed as a result of changes to the enrollment schedule and were reported to the CPUC in SDCP's Resource Adequacy (RA) Year Ahead Filing submitted in April 2021.

## Conclusion

Please do not hesitate to contact me at [bcarnahan@sdcommunitypower.org](mailto:bcarnahan@sdcommunitypower.org) if you have any questions about these changes.



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**Bill Carnahan, Interim CEO  
San Diego Community Power**

**Copy:**      **Service List (R. 03-10-003)**  
**Dina Mackin, CPUC ([dina.mackin@cpuc.ca.gov](mailto:dina.mackin@cpuc.ca.gov))**  
**Mitchell Shapson, CPUC ([mitchell.shapson@cpuc.ca.gov](mailto:mitchell.shapson@cpuc.ca.gov))**  
**Cody Hooven, SDCP ([chooven@sdcommunitypower.org](mailto:chooven@sdcommunitypower.org))**  
**Scott Crider, SDG&E ([scrider@sdge.com](mailto:scrider@sdge.com))**  
**Sabrina Butler, SDG&E ([SabrinaButler@sdge.com](mailto:SabrinaButler@sdge.com))**



Appendix G:  
**San Diego Community Power Joint Powers Agreement**

**San Diego Regional Community Choice Energy Authority**

**- Joint Powers Agreement --**

Effective October 1, 2019

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY**  
**JOINT POWERS AGREEMENT**

This Joint Powers Agreement (the "Agreement"), effective as of October 1, 2019, is made by the Founding Members of San Diego Regional Community Choice Energy Authority (Authority) including cities of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach, and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the public agencies set forth in Exhibit B.

**RECITALS**

1. The Parties are public agencies sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. SB 350, adopted in 2015, mandates a reduction in greenhouse gas emissions to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. In 2018, the State Legislature adopted SB 100, which directs the Renewable Portfolio Standard to be increased to 60% renewable by 2030 and establishes a policy for eligible renewable energy resources and zero-carbon resources to supply 100 percent of electricity retail sales to California end-use customers by 2045.
3. The purposes for the Founding Members (as such term is defined in Exhibit A) entering into this Agreement include procuring/developing electrical energy for customers in participating jurisdictions, addressing climate change by reducing energy-related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as job creation, local energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional, and local solar and wind energy production and energy storage.
4. The Parties to this Agreement desire to establish a separate public agency, known as the San Diego Regional Community Choice Energy Authority ("Authority"), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Founding Members have each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 ("CCA Program"). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program on behalf of participating jurisdictions.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

6. By establishing the Authority, the Parties seek to:
- (a) Provide electricity service to residents and businesses located within the municipal boundaries of the public agencies that signed on to this agreement in a responsible, reliable, innovative, and efficient manner;
  - (b) Provide electric generation rates to all ratepayers that are lower or at least competitive with those offered by the Investor Owned Utility (IOU), San Diego Gas & Electric (SDG&E), for similar products;
  - (c) Offer differentiated energy products for standard commodity electric service that provide a cleaner power portfolio than that offered by the IOU for similar service and a 100 percent renewable content option in which communities and customers may "opt-up" and voluntarily participate, with the ultimate objective of achieving—and sustaining—100 percent renewable energy availability and usage, at competitive rates, within the Authority service territory by no later than 2035, and then beyond;
  - (d) Develop an aggregate electric supply portfolio with overall lower greenhouse gas (GHG) emissions than the IOU, and one that supports near-term achievement of the Parties' greenhouse gas reduction goals and renewable electricity goals;
  - (e) Prioritize the use and development of local, cost-effective renewable and distributed energy resources in ways that encourage and support local power development and storage, avoids the use of unbundled renewable energy credits, and excludes coal and avoids nuclear contracts;
  - (f) Promote an energy portfolio that incorporates energy efficiency and demand response programs and pursues ambitious energy consumption reduction goals;
  - (g) Provide a range of energy product and program options, available to all Parties and customers, that best serve their needs, their local communities, and support regional sustainability efforts.
  - (h) Demonstrate quantifiable economic benefits to the region including prevailing wage jobs, local workforce development, economic development programs, new energy programs, and increased local energy investments;
  - (i) To the extent authorized by law, support a stable, skilled, and trained workforce through a variety of mechanisms, including neutrality agreements, that are designed to ensure quality workmanship at fair and competitive rates and which benefit local residents by delivering cost-effective clean energy programs and projects;
  - (j) Promote supplier and workforce diversity, including returning veterans and those from regional disadvantaged and under-represented communities of concern, to reflect the diversity of the region;

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- (k) Promote personal and community ownership of renewable generation and energy storage resources, spurring equitable economic development and increased resilience throughout the region.
- (l) Ensure that low-income households are provided with affordable electric rates and have access to special utility rates including California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs;
- (m) Pursue purposeful and focused investment in communities of concern, prioritization of local renewable power, workforce development, and policies and programs centered on economic, environmental, and social equity.
- (n) Use discretionary program revenues to support the Authority's long-term financial viability, enhance customer rate stability, and provide all Parties and their customers with access to innovative energy programs, projects and services throughout the region; and
- (o) Create an administering Authority that is financially sustainable, responsive to regional priorities, well-managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practice employment policies, including but not limited to efficient consideration of petitions to unionize, participating in collective bargaining, if applicable, and providing appropriate wages and benefits.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

**1. DEFINITIONS AND EXHIBITS**

- 1.1 **Definitions.** Capitalized terms used in this Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.
- 1.2 **Documents Included.** This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement:

Exhibit A: Definitions  
Exhibit B: List of Founding Members  
Exhibit C: Annual Energy Use by Jurisdiction  
Exhibit D: Voting Shares of Founding Members  
Exhibit E: Signatures

**2. FORMATION OF THE SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY**

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- 2.1 **Effective Date and Term.** This Agreement shall become effective and the Authority shall exist as a separate public agency on the date this Agreement is executed by the City of San Diego and at least one other public agency after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until the Agreement is terminated in accordance with Section 8.4 (Mutual Termination) of this Agreement, subject to the rights of the Parties to withdraw from the Authority, pursuant to Section 8.1.
- 2.2 **Formation of the Authority.** Under the Act, the Parties hereby create a separate joint exercise of power agency which is named San Diego Regional Community Choice Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The jurisdiction of the Authority shall be all territory within the geographic boundaries of the Parties; however, the Authority may, as authorized under applicable law, undertake any action outside such geographic boundaries as is necessary and incidental to the accomplishment of its purpose.
- 2.3 **Purpose.** The purpose and objectives of this Agreement are to establish the Authority, to provide for its governance and administration, and to define the rights and obligations of the Parties. This Agreement authorizes the Authority to provide opportunities by which the Parties can work cooperatively to create economies of scale, provide for stronger regulatory and legislative influence at the State level, and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all the Parties and their constituents, including, but not limited to, establishing and operating a Community Choice Aggregation program.
- 2.4 **Addition of Parties.** After the initial formation of the Authority by the Founding Members, any incorporated municipality, county, or other public agency authorized to be a community choice aggregator under Public Utilities Code Section 331.1 located within the service territory of the IOU may apply to and become a member of the Authority if all the following conditions are met:
- 2.4.1 The adoption by a two-thirds vote of the Board satisfying the requirements described in Section 4.11 (Board Voting) of this Agreement, of a resolution authorizing membership into the Authority;
- 2.4.2 The adoption by the public agency of a CCA ordinance as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of this Agreement and other necessary program agreements by the public agency;

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

2.4.3 Payment of a membership fee, if any, as may be required by the Board to cover Authority costs incurred in connection with adding the new party; and

2.4.4 Satisfaction of any other reasonable conditions established by the Board.

Pursuant to this Section 2.4 (Addition of Parties), all Parties shall be required to commence electric service as soon as is practicable within statutory and regulatory requirements, as determined by the Board and Authority management, as a condition to becoming a Party to this Agreement.

2.5 **Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition, withdrawal and/or termination of Parties. The Parties agree to participate with such other Parties as may later be added by the Board, as described in Section 2.4 (Addition of Parties) of this Agreement. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

3. **POWERS**

3.1 **General Powers.** The Authority shall have the powers common to the Parties which are necessary or appropriate to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 3.4 (Limitation on Powers) of this Agreement.

3.2 **Specific Powers.** Specific powers of the Authority shall include, but not be limited to, each of the following powers, which may be exercised at the discretion of the Board:

3.2.1 make and enter into contracts;

3.2.2 employ agents and employees, including but not limited to a Chief Executive Officer;

3.2.3 acquire, own, contract, manage, maintain, and operate any buildings, public works, improvements or other assets including but not limited to public electric generation resources;

3.2.4 acquire property for electric generation/interconnection purposes by eminent domain, or otherwise, except as limited under Section 6508 of the Act and Sections 3.6 and 4.12.3 of this Agreement, and to hold or dispose of any property; provided, however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party over its objection;

3.2.5 lease any property;

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- 3.2.6 sue and be sued in its own name;
  - 3.2.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers authorized by law pursuant to Government Code Section 53850 et seq. and authority under the Act;
  - 3.2.8 issue revenue bonds and other forms of indebtedness;
  - 3.2.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;
  - 3.2.10 form independent corporations or entities, if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
  - 3.2.11 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
  - 3.2.12 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority;
  - 3.2.13 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services;
  - 3.2.14 enter into neutrality agreements where the Authority has a proprietary or significant financial interest, negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties; and
  - 3.2.15 receive revenues from sale of electricity and other energy-related programs.
- 3.3 **Additional Powers to be Exercised.** In addition to those powers common to each of the Parties, the Authority shall have those powers that may be conferred upon it by law and by subsequently enacted legislation.
- 3.4 **Limitation on Powers.** As required by Section 6509 of the Act, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the City of Encinitas and any other restrictions on exercising the powers of the Authority that may be adopted by the Board.
- 3.5 **Obligations of the Authority.** The debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of any of the Parties unless a Party agrees in writing to assume any of the debts, liabilities, and



SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY --  
JOINT POWERS AGREEMENT

obligations of the Authority with the approval of its Governing Body, in its sole discretion. In addition, pursuant to the Act, no Director shall be personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of bonds.

- 3.6 **Compliance with Local Zoning and Building Laws.** Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities are constructed.
- 3.7 **Compliance with the Political Reform Act and Government Code Section 1090.** The Authority and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. The Board shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board may adopt additional conflict of interest regulations in the Operating Policies and Procedures.

4. **GOVERNANCE**

4.1 **Board of Directors.**

- 4.1.1 The Governing Body of the Authority shall be a Board of Directors ("Board") consisting of two Directors for each Party appointed in accordance with Section 4.2 (Appointment and Removal of Directors) of this Agreement until there are five or more Parties of the Authority. When the fifth Party joins the Authority, the number of Directors per Party shall be reduced to one Director per Party; each Party shall determine which Director shall be that Party's representative on the Board within 45 days of the date the fifth Party joins the Authority.
- 4.1.2 Each Director(s) must be a member of the Governing Body of the appointing Party. Each Director shall serve at the pleasure of the Governing Body of the Party whom appointed such Director and may be removed as Director by such Governing Body at any time. If at any time a vacancy occurs on the Board, then a replacement shall be appointed to fill the position of the previous Director within 45 days after the date that position becomes vacant.
- 4.1.3 Once the Authority reaches five members and becomes governed by a single appointed Director for each Party, then the Governing Body of each Party shall appoint an alternate to serve in the absence of the primary Director. The alternate is not required to be a member of the Governing Body of the appointing Party. The alternate shall have all the rights and responsibilities of the primary Director when serving in his/her absence.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- 4.1.4 Any change to the size and composition of the Board other than what is described in this section shall require amendment of this Joint Powers Agreement in accordance with Section 4.12.
- 4.2 **Appointment and Removal of Directors.** The Directors shall be appointed and may be removed as follows:
  - 4.2.1 The Governing Body of each Party shall appoint and designate in writing two regular Directors if there are four or fewer Parties to this Agreement, or one regular Director if there are five or more Parties to this Agreement, who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The Governing Body of each Party shall appoint and designate in writing one alternate Director if there are five or more Parties in the Authority who may vote on matters when the regular Director is absent from a Board meeting. The alternate Director may vote on matters in committee, chair committees, and fully participate in discussion and debate during meetings. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.
  - 4.2.2 The Authority's policies and procedures, to be developed and approved by the Board, pursuant to Section 3.2.12, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director have been removed may appoint a replacement.
- 4.3 **Director Compensation.** The Board may adopt by resolution a policy relating to the compensation of its Directors.
- 4.4 **Terms of Office.** Each Party shall determine the term of office for their regular and alternate Director.
- 4.5 **Purpose of Board.** The general purpose of the Board is to:
  - 4.5.1 Provide structure for administrative and fiscal oversight;
  - 4.5.2 Retain a Chief Executive Officer to oversee day-to-day operations of the Authority;
  - 4.5.3 Retain legal counsel;
  - 4.5.4 Identify and pursue funding sources;
  - 4.5.5 Set policy;
  - 4.5.6 Maximize the utilization of available resources; and

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

4.5.7 Oversee all Committee activities.

4.6 **Specific Responsibilities of the Board.** The specific responsibilities of the Board shall be as follows:

- 4.6.1 Identify Party and ratepayer needs and requirements;
- 4.6.2 Formulate and adopt an annual budget prior to the commencement of the fiscal year;
- 4.6.3 Develop and implement a financing and/or funding plan for ongoing Authority operations and capital improvements, if applicable;
- 4.6.4 Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
- 4.6.5 Develop a workforce policy that promotes a local, sustainable, and inclusive workforce;
- 4.6.6 Adopt policies for procuring electric supply and operational needs such as professional services, equipment and/or supplies;
- 4.6.7 Develop and implement a Strategic Plan to guide the development, procurement, and integration of renewable energy resources consistent with the intent and priorities identified in this Agreement;
- 4.6.8 Adopt rules for the disposal of surplus property;
- 4.6.9 Establish standing and ad hoc committees as necessary to ensure that the interests of the Authority and concerns of each Party are represented to ensure effective operational, technical, and financial functioning of the Authority and monitor the distribution and usage of Authority programs and benefits throughout the Authority's service territory;
- 4.6.10 The setting of retail rates for power sold by the Authority and the setting of charges for any other category of retail service provided by the Authority;
- 4.6.11 To wind up and resolve all obligations of the Authority in the event the Authority is terminated pursuant to Section 8.2;
- 4.6.12 Address any concerns of consumers and customers;
- 4.6.13 Conduct and oversee Authority operational audits at intervals not to exceed three years including review of customer access to Authority programs and benefits, where applicable;
- 4.6.14 Arrange for an annual independent fiscal audit;

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- 4.6.15 Adopt such bylaws, rules and regulations as are necessary or desirable for the purposes hereof; provided that nothing in the bylaws, rules and regulations shall be inconsistent with this Agreement;
- 4.6.16 Exercise the Specific Powers identified in Sections 3.2 and 4.6 except as those which the Board may elect to delegate to the Chief Executive Officer; and
- 4.6.17 Discharge other duties as appropriate and/or required by law.
- 4.7 **Startup Responsibilities.** The Authority shall have the duty to do the following within one year of the Effective Date of the Agreement:
  - 4.7.1 Oversee the preparation of, adopt, and update an implementation plan, pursuant to Public Utilities Code Section 366.2(c)(3), for electrical load aggregation;
  - 4.7.2 Prepare a statement of intent, pursuant to Public Utilities Code Section 366.2(c)(4), for electrical load aggregation;
  - 4.7.3 Encourage other qualified public agencies to participate in the Authority;
  - 4.7.4 Obtain financing and/or funding as is necessary to support start up and ongoing working capital;
  - 4.7.5 Evaluate the need for, acquire, and maintain insurance;
  - 4.7.6 Consider and take action on the assumption of City of San Diego consulting and services agreements related to the Authority's start up and implementation activities, subject to the City of San Diego continuing to advance payment, or if another source is secured by the JPA, until such time as an agreement is executed for payment of Initial Costs as specified under Section 7.3.2.
- 4.8 **Meetings and Special Meetings of the Board.** The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board. The location of regular meetings may rotate for the convenience of the Parties, subject to Board approval and availability of appropriate meeting space. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. Board meeting agendas generally shall be set, in consultation with the Board Chair, by the Chief Executive Officer appointed by the Board pursuant to Section 5.5. The Board itself may add items to the agenda upon majority vote pursuant to Section 4.11.1.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

- 4.9 **Brown Act Applicable.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.).
- 4.10 **Quorum.** A simple majority of the Directors shall constitute a quorum. No actions may be taken by the Board without a quorum of the Directors present. If a Party fails to be represented by a Director(s) or alternate Director in more than one meeting in a 12-month period, the Board may take action by publicly noticing the Party that they are at risk of lack of representation within the Authority.
- 4.11 **Board Voting.**
- 4.11.1 **Equal Vote.** Once a quorum has been established, in general, except when Special Voting is expressly required pursuant to Section 4.12 hereof, Board action shall require votes of a majority of the total number of the Directors of the Board. All votes taken pursuant to this Section 4.11.1 shall be referred to as an "Equal Vote." The consequence of a tie vote shall generally be "no action" taken. Notwithstanding the foregoing, an "Equal Vote" may be subject to a "Voting Shares Vote" as provided in Section 4.11.2, below.
- 4.11.2 **Voting Shares Vote.** At the same meeting at which an Equal Vote action was taken, three or more Directors shall have the right to request and have conducted a "Voting Shares Vote" to reconsider that action. Approval of a proposed action by a Voting Shares Vote to reconsider an Equal Vote action shall require the affirmative vote of Directors representing a two-thirds supermajority (66.7%) of the "Voting Shares" cast. The formula and process for allocating Voting Shares is set forth in Section 4.11.3, below. If a Voting Shares Vote for reconsideration fails, the legal effect is to affirm the Equal Vote with respect to which the Voting Shares Vote was taken. If the Voting Shares Vote succeeds, the legal effect is to nullify the Equal Vote with respect to which the Voting Shares Vote was taken. If the underlying Equal Vote was a tie, the Voting Shares Vote replaces that tie vote. No action may be taken solely by a Voting Shares Vote without first having taken an Equal Vote.
- 4.11.3 **Voting Shares Vote Formula and Process.** For the process of a Voting Shares Vote, each Director shall have a Voting Share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where:
- (a) "Annual Energy Use" means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the first anniversary of the Effective Date, the annual electricity usage,

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY --  
JOINT POWERS AGREEMENT

expressed in kWh, of accounts within a Party's respective jurisdiction that are served by the Authority; and

- (b) "Total Annual Energy" means the sum of all Parties' Annual Energy Use. The initial values for Annual Energy Use will be designated in Exhibit C and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board.

The combined voting share of all Directors representing a Party shall be based upon the annual electricity usage within the Party's jurisdiction. If a Party has two Directors, then the voting shares allocated to that Party shall be equally divided between its two Directors.

The initial voting shares will be set forth in Exhibit D. Exhibit D shall be revised no less than annually as necessary to account for changes in the number of Parties and changes in the Parties' Annual Energy Use. Exhibit D and adjustments shall be approved by the Board.

Notwithstanding the formula for Voting Shares set forth above, for the purposes of the Voting Shares Vote, no one Party to this Agreement shall have a Director (or Directors, as the case may be) with a Voting Share that exceeds 49%, regardless of the Party's actual annual electric usage. If a Party would have a voting share that exceeds 49%, the excess above 49% shall be distributed among the other Parties in accordance with their relative annual electricity usage, as shown in Exhibit D.

**4.12 Special Voting.**

- 4.12.1 Except as provided below, matters that require Special Voting as described in this section shall require 72 hours prior notice to any Brown Act meeting or special meeting.
- 4.12.2 Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:
- (a) Issue bonds or other forms of debt;
  - (b) Adding or removing Parties;
  - (c) Amend or terminate this Agreement or adopt or amend the bylaws of the Authority. At least 30 days advance notice shall be provided for such actions. The Authority shall also provide prompt written

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

notice to all Parties of the action taken and enclose the adopted or modified documents; and

4.12.3 Three-Fourths Vote shall be required to initiate any action for Eminent Domain

4.12.4 Matters requiring Special Voting under the terms of this Section shall not be subject to Voting Shares Voting pursuant to Section 4.11.2, above.

**5. INTERNAL ORGANIZATION**

- 5.1 **Elected and Appointed Officers.** For each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors and shall appoint a Secretary and a Treasurer as provided in Government Code section 6505.5. No Director may hold more than one such office at any time and elected officers shall represent different Parties of the Authority. Appointed officers shall not be elected officers of the Board.
- 5.2 **Chair and Vice Chair.** For each fiscal year, the Board shall elect a Chair and Vice Chair from among the Directors. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall perform duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall perform all of the Chair's duties. The office of the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board, or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement. Upon a vacancy, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices.
- 5.3 **Secretary.** The Board shall appoint a qualified person who is not on the Board to serve as Secretary. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other office records of the Authority. If the appointed Secretary is an employee of any Party, such Party shall be entitled to reimbursement for any documented out of pocket costs it incurs in connection with such employee's service as Secretary of the Authority, and full cost recovery for any documented hours of service provided by such employee during such Party's normal working hours.
- 5.4 **Treasurer/Chief Financial Officer and Auditor.** The Board of Directors shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer for the

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

Authority shall be the depository and have custody of all money of the Authority from whatever source and shall draw all warrants and pay demands against the Authority as approved by the Board. The Treasurer shall cause an independent audit(s) of the finances of the Authority to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any qualified person or entity as the law allows at the time. The duties and obligations of the Treasurer are further specified in Section 7. The Treasurer shall serve at the pleasure of the Board. If the appointed Treasurer is an employee of any Party, such Party shall be entitled to reimbursement for any documented out of pocket costs it incurs in connection with such employee's service as Treasurer of the Authority, and full cost recovery for any documented hours of service provided by such employee during such Party's normal working hours.

- 5.5 **Chief Executive Officer.** The Board shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Board shall appoint a qualified person, hired through a transparent, competitive process, to act as the Chief Executive Officer; he or she may not be an elected member of the Board or otherwise representing any Party to the Authority. The Chief Executive Officer may exercise all powers of the Authority, except those powers specifically reserved to the Board including but not limited to those set forth in Section 4.6 (Specific Responsibilities of the Board) of this Agreement or the Authority's bylaws, or those powers which by law must be exercised by the Board. The Chief Executive Officer may enter into and execute power purchase agreements and other contracts, in accordance with criteria and policies established by the Board.
- 5.6 **General Counsel.** The Board shall appoint a qualified person to act as the Authority's General Counsel, who shall not be a member of the Board, or an elected official or employee of a Party.
- 5.7 **Bonding of Persons Having Access to Property.** Pursuant to the Act, the Board shall designate the public officer or officers or person or persons who have charge of, handle, or have access to any property of the Authority exceeding a value as established by the Board, and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the Board.
- 5.8 **Other Employees/Agents.** The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees, or independent contractors, as may be necessary or desirable to carry-out the purpose of this Agreement, pursuant to terms and conditions adopted by the Board.
- 5.9 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief,



SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this Agreement. None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by the Authority to be employed by the Parties or by reason of their employment by the Authority, to be subject to any of the requirements of the Parties.

- 5.10 **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, related energy programs, and the provisions of this Agreement. To the extent possible, the commissions, boards, and committees should have equal representation from each Party. The Board may establish criteria to qualify for appointment on said commissions, boards, and committees. The Board may establish rules, regulations, policies, or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

5.10.1 **Executive Committee.** The Board may establish an executive committee consisting of a subset of its Directors. The Board may delegate to the Executive Committee such authority as the Board might determine appropriate to serve as a liaison between the Board and the Chief Executive Officer and to make recommendations to the Board regarding the operations of the Authority. Notwithstanding the foregoing, the Board may not delegate authority regarding essential Board functions, including but not limited to, approving the fiscal year budget or hiring or firing the Chief Executive Officer, and other functions as provided in the Authority bylaws or policies. Further, the Board may not delegate to the Executive Committee, or any other committee, the Board's authority under Section 3.2.12 to adopt and amend Authority policies and procedures.

5.10.2 **Finance and Risk Management Committee.** The Board shall establish a finance and risk management committee consisting of a subset of its Directors. The primary purpose of the Finance and Risk Management Committee is to review and recommend to the Board:

- (a) A funding plan;
- (b) A fiscal year budget; and
- (c) Financial policies and procedures to ensure equitable contributions by Parties; and

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

The Finance and Risk Management Committee may have such other responsibilities as may be approved by the Board, including but not limited to advising the Chief Executive Officer on fiscal and risk management policies and procedures, rules and regulations governing investment of surplus funds, audits to achieve best practices in corporate governance and selection and designation of financial institutions for deposit of Authority funds, and credit/depository matters.

- 5.10.3 Community Advisory Committee. The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority. The Community Advisory Committee is advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board of Directors. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.
- 5.10.4 Technical Advisory Committee. The Board may establish a Technical Advisory Committee comprised of non-Board members. The primary purpose of the Technical Advisory Committee shall be to advise the Board of Directors and provide the Authority with technical support and engagement in the energy-related operations of the Authority, supplementing the expertise of the Authority staff, independent contractors, and consultants. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should have significant expertise in electric markets, programs, procurement, regulatory and legislative engagement, and/or energy law.
- 5.10.5 Meetings of the Advisory Committees. All meetings of the committees shall be held in accordance with the Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the bylaws, a majority of the members of the committee shall constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each committee may adjourn meetings from time-to-time. As soon as practicable, but no later than the time of posting, the Secretary of the committee shall provide notice and the agenda to each Party, Director(s), and Alternate Director(s).
- 5.10.6 Officers of Advisory Committees. Unless otherwise determined by the Board, each Committee shall choose its officers, comprised of a Chair, a Vice Chair, and a Secretary.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**6. IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS**

**6.1 Preliminary Implementation of the CCA Program.**

6.1.1 **Enabling Ordinance.** In addition to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

6.1.2 **Implementation Plan.** The Authority shall cause to be prepared and secure Board approval of an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations, and consistent with the terms of this Agreement, as soon after the Effective Date as reasonably practicable.

6.2 **Authority Documents.** The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to operational procedures and policies, the annual budget, and specific plans such as a local renewable energy development and integration plan and other policies defined as the Authority Documents by this Agreement. All such Authority Documents shall be consistent with and designed to advance the goals and objectives of the Authority as expressed in this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Section 8 (Withdrawal and Termination) of this Agreement.

6.3 **Integrated Resource Plan and Regulatory Compliance.** The Authority shall cause to be prepared an Integrated Resource Plan in accordance with California Public Utilities Commission regulations, and consistent with the terms of this Agreement, that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with other regulatory requirements including the State Renewable Portfolio Standard (RPS) and customer rate competitiveness. The Authority shall prioritize the development of cost competitive clean energy projects in San Diego and adjacent counties.

6.4 **Renewable Portfolio Standards.** The Authority shall provide its customers energy primarily from Category 1 eligible renewable resources, as defined under the California RPS and consistent with the goals of the CCA Program. The Authority shall avoid the procurement of energy from Category 2 or 3 eligible renewable resources (unbundled Renewable Energy Credits or RECs) to the extent feasible. The Authority's ultimate objective shall be to achieve—and sustain—a renewable energy portfolio with 100 percent renewable energy

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

availability and usage, at competitive rates, within the Authority service territory by no later than 2035, and then beyond.

**7. FINANCIAL PROVISIONS**

**7.1 Fiscal Year.** The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

**7.2 Depository.**

7.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

7.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection and duplication by the Parties at all reasonable times. Annual financial statements shall be prepared in accordance with Generally Accepted Accounting Principles of the United States of America within 6 months of the close of the fiscal year. The Board shall contract with a certified public accountant to make an annual audit of the financial statements of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

**7.3 Budget and Recovery Costs.**

7.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval.

**7.3.2 Funding of Initial Costs.**

- (a) The City of San Diego shall fund the Initial Costs of establishing the Authority and implementing its CCA Program. In the event that the CCA Program becomes operational, the City of San Diego will be reimbursed for its Initial Costs on the terms set forth in this Section. The City shall first submit to the Founding Members a description of the types of costs, cost estimates, and interest for which it expects reimbursement. Reimbursable costs shall include,

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

but not limited to, repayment of hard costs associated with CCA vendor contracts and Authority formation, reimbursement for the portion of staff costs associated with managing Authority and program formation and other out-of-pocket expenses directly attributable to the implementation of CCA through the Authority. The City will meet and confer with Founding Members in the development of its proposal for reimbursement to the Authority. The amount and the terms for City reimbursement shall be subject to the approval of the Authority Board. The Authority Board may establish a reasonable time period over which such Initial Costs are recovered once Authority revenues commence. In the event that the CCA Program does not become operational, to the extent Authority funds are available the City of San Diego may be reimbursed in accordance with section 8.6 of this Agreement.

- (b) The Authority shall also reimburse Founding Members for their Initial Costs in supporting the implementation of the Authority pursuant to the execution of an agreement specifying the services provided and their related costs. The Authority may establish reasonable costs and a reasonable time period over which such costs are recovered once Authority revenues commence. The Authority shall not provide for staff time costs or on-going cost reimbursement to Parties once the Authority becomes fully operational unless a specific Agreement between the Authority and the Party for specified services not otherwise provided by Authority staff has been approved by the Board.

7.3.3 Program Costs. The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through appropriate charges to CCA customers receiving such electric services.

7.3.4 No Requirement for Contributions or Payments. Parties are not required under this Agreement to make any financial contributions or payments to the Authority, and the Authority shall have no right to require such a contribution or payment unless expressly set forth herein (for example, as provided in Section 2.4.3, with respect to Additional Members and provided in Section 8.1, with respect to Withdrawal), or except as otherwise required by law.

Notwithstanding the foregoing, a Party may volunteer to provide, or negotiate terms with the Authority to provide the following:

- (a) contributions from its treasury for the purposes set forth in this Agreement;

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

- (b) payments of public funds to defray the cost of the purposes of the Agreement and Authority;
- (c) advances of public funds for such purposes, such advances to be repaid as provided by written agreement; or
- (d) its personnel, equipment or property in lieu of other contributions or advances.

Any agreement with the Authority to provide any of the above-referenced contributions or payments shall require a Special Vote of the Board pursuant to Section 4.12.2.

No Party shall be required, by or for the benefit of the Authority, to adopt any local tax, assessment, fee or charge under any circumstances.

- 7.4 **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any bonds issued by the Authority. The books and records of the Authority in the hands of the Treasurer shall be open to inspection and duplication at all reasonable times by duly appointed representatives of the Parties. The Treasurer, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Parties. The Treasurer shall cooperate with all regular audits required by Section 4.6.11 and 4.6.12.
- 7.5 **Funds.** The Treasurer shall receive, have custody of and/or disburse Authority funds in accordance with the laws applicable to public agencies and generally accepted accounting practices, and shall make the disbursements required by this Agreement in order to carry out any of the purposes of this Agreement.

**8. WITHDRAWAL AND TERMINATION**

**8.1 Withdrawal**

- 8.1.1 **Withdrawal by Parties.** Any Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's Governing Body.
- 8.1.2 **Amendment.** Notwithstanding Section 8.1.1 (Withdrawal by Parties) of this Agreement, a Party may withdraw its membership in the Authority upon approval and execution of an amendment to this Agreement provided that the requirements of this Section 8.1.2 are strictly followed. A Party shall be deemed to have withdrawn its

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board.

8.1.3 **Continuing Liability; Further Assurances.** A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.5 (Continuing Liability; Refund) of this Agreement, including, but not limited to, power purchase agreements and other Authority contracts and operational obligations. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Board shall also consider, pursuant to Section 3.2.12, adoption of a policy that allows a withdrawing Party to negotiate assignment to the Party of costs of electric power or other resources procured on behalf of its customers by the Authority upon its withdrawal. The Authority's policies shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party. In the implementation of this Section 8.1.3, the Parties intend, to the maximum extent possible, without compromising the viability of ongoing Authority operations, that any claims, demands, damages, or liabilities covered hereunder, be funded from the rates paid by CCA Program customers located within the service territory of the withdrawing Party, and not from the general fund of the withdrawing Party itself.

8.2 **Termination of CCA Program.** Nothing contained in Section 6 or elsewhere in this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

8.3 **Involuntary Termination.** This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or Authority documents upon a two-thirds vote of the Board in which the minimum Equal Vote or Voting Shares Vote, as applicable in Section 4.11 (Board Voting) of this Agreement, shall be no less than two-thirds vote excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 8.5 (Continuing Liability; Refund) of this Agreement.

- 8.4 **Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 8.1 (Withdrawal) of this Agreement.
- 8.5 **Continuing Liability; Refund.** Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the effective date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities commencing or arising after the date of the Party's withdrawal or involuntary termination. In addition, such Party also shall be responsible for (a) any damages, losses, or costs incurred by the Authority which result directly from the Party's withdrawal or termination, including but not limited to costs arising from the resale of capacity, electricity, or any attribute thereof no longer needed to serve such Party's load; and (b) any costs or obligations associated with the Party's customer participation in any program in accordance with the program's terms, provided such costs or obligations were incurred prior to the withdrawal of the Party. The withdrawing Party agrees to pay any such deposit determined by the Authority to cover the Party's liability for the operational and contract costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party. In the implementation of this Section 8.5, the Parties intend, to the maximum extent possible, without compromising the viability of ongoing Authority operations, that any claims, demands, damages, or liabilities covered hereunder, be funded from the rates paid by CCA Program customers located within the service territory of the withdrawing Party, and not from the general fund of the withdrawing Party itself.
- 8.6 **Disposition of Authority Assets.** Upon termination of this Agreement and dissolution of the Authority by all Parties, and after payment of all obligations of the Authority, the Board
- 8.6.1 May sell or liquidate Authority property; and



SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

8.6.2 Shall distribute assets to Parties in proportion to the contributions made by the existing Parties.

Any assets provided by a Party to the Authority shall remain the asset of that Party and shall not be subject to distribution under this section.

**9. MISCELLANEOUS PROVISIONS**

- 9.1 **Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation in the manner agreed upon by the Party or Parties and the Authority. The Parties agree that each Party may specifically enforce this section. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation is made, any Party and the Authority may pursue any remedies provided by law.
- 9.2 **Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.
- 9.3 **Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective governing board members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts and omissions of the Authority.
- 9.4 **Notices.** Any notice required or permitted to be made hereunder shall be in writing and shall be delivered in the manner prescribed herein at the principal place of business of each Party. The Parties may give notice by (1) personal delivery; (2) e-mail; (3) U.S. Mail, first class postage prepaid, or a faster delivery method; or (3) by any other method deemed appropriate by the Board.

Upon providing written notice to all Parties, any Party may change the designated address or e-mail for receiving notice.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

All written notices or correspondence sent in the described manner will be deemed given to a party on whichever date occurs earliest: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by "first class" mail; or (3) the date of transmission, when sent by e-mail or facsimile.

- 9.5 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of each Party.
- 9.6 **Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This section does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of the proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.
- 9.7 **Severability.** If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were adjudged invalid or void by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.
- 9.8 **Governing Law.** This Agreement is made and to be performed in the State of California, and as such California substantive and procedural law shall apply.
- 9.9 **Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.
- 9.10 **Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

CCALS

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

CITY OF \_\_\_\_\_

By: \_\_\_\_\_  
(Insert Name), Mayor

ATTEST:

By: \_\_\_\_\_  
(Insert Name), City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
(Insert Name), City Attorney

00-21133

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit A: Definitions**

- "AB 117" means Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Section 366.2), which created Community Choice Aggregation.
- "Act" means the Joint Exercise of Powers Act of the State of California (Chapter 5, Division 7, Title 1 of the Government Code commencing with Section 6500).
- "Agreement" means this Joint Powers Agreement.
- "Authority" means San Diego Regional Community Choice Energy Authority.
- "Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Policies and Procedures, the annual budget, and plans and policies.
- "Board" means the Board of Directors of the Authority.
- "Community Choice Aggregation" or "CCA" means an electric service option available to cities, counties, and other public agencies pursuant to Public Utilities Code Section 366.2.
- "CCA Program" means the Authority's program relating to CCA that is principally described in Section 2.3 (Purpose) of this Agreement.
- "Days" shall mean calendar days unless otherwise specified by this Agreement.
- "Director" means a member of the Board representing a Party, including up to two alternate Directors appointed in accordance with Sections 4.1 (Board of Directors) and 4.2 (Appointment and Removal of Directors) of this Agreement.
- "Effective Date" means the date on which the Agreement shall become effective and the Authority shall exist as a separate public agency, as further described in Section 2.1 (Effective Date and Term) of this Agreement.
- "Founding Member" means any jurisdiction that joins with the City of San Diego to form the San Diego Regional CCE Authority in 2019, as identified in Exhibit B. Founding members shall not incur any expenses related to their membership in the Authority or its operational implementation.
- "Governing Body" means: for the County of San Diego, its Board of Supervisors; for any city other than San Diego, its City Council; for San Diego, the Mayor and the City Council; and, for any other public agency, the equivalent policy making body that exercises ultimate decision-making authority over such agency.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY --  
JOINT POWERS AGREEMENT

"Initial Costs" means implementation costs advanced by the City of San Diego and other Founding Members in support of the formation of the Authority, which are (a) directly related to the establishment of the Authority and its CCA program, and (b) incurred by the Authority or its Members relating to the initial operation of the Authority, such as the hiring of the executive and operations staff, any required accounting, administrative, technical and legal services in support of the Authority's initial formation activities or in support of the negotiation, preparation and approval of power purchase agreements. Initial Costs do not include costs associated with the investigation of the CCA model, attendance at routine planning meetings, or a Party's pre-formation reports related to their decision to pursue CCA or join the Authority. The Authority Board shall determine the repayment timing and termination date for the Initial Costs.

"Investor Owned Utilities" means a privately-owned electric utility whose stock is publicly traded. It is rate regulated and authorized to achieve an allowed rate of return.

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions as defined above in "Founding Members" or in Section 2.4 (Addition of Parties) of this Agreement, such that they are considered members of the Authority.

"Party" means, singularly, a signatory to this Agreement that has satisfied the conditions as defined above in "Founding Members" or in Section 2.4 (Addition of Parties) of this Agreement, such that it is considered a member of the Authority.

"Public Agency" as defined in the Act includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, a county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to the Act.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit B: List of Founding Members**

City of San Diego

City of Chula Vista

City of Encinitas

City of La Mesa

City of Imperial Beach

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit C: Annual Energy Use by Jurisdiction**

<b>Party</b>	<b>MWh</b>
San Diego	6,300,000*
Chula Vista	702,000*
Encinitas	231,000**
La Mesa	217,000*
Imperial Beach	108,500

\* 2018 data provided by SDG&E

\*\*2017 data provided by SDG&E

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit D: Voting Shares of Founding Members**

<b>Party</b>	<b>MWh</b>	<b>Voting Share</b>
San Diego	6,300,000*	49.00%
Chula Vista	702,000*	28.45%
Encinitas	231,000**	9.36%
La Mesa	217,000*	8.79%
Imperial Beach	108,500	4.40%
Total	7,558,500	100.00%

\* 2018 data provided by SDG&E

\*\*2017 data provided by SDG&E



SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit E: Signatures**

CITY OF San Diego

By: \_\_\_\_\_



\_\_\_\_\_, Mayor

ATTEST:

By: \_\_\_\_\_



\_\_\_\_\_, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_



\_\_\_\_\_, Deputy, City Attorney

10/30/19

R-312666

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit E: Signatures**

CITY OF Chula Vista

By: Mary Casillas Salas  
Mary Casillas Salas, Mayor

ATTEST:

By: Kerry K. Bigelow  
Kerry K. Bigelow, City Clerk

APPROVED AS TO FORM:

By: Glen R. Googins  
Glen R. Googins, City Attorney

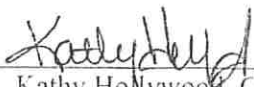
SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit E: Signatures**


CITY OF Encinitas

By:  10/9/19  
Karen P. Brust, City Manager

ATTEST:

By:   
Kathy Hollywood, City Clerk

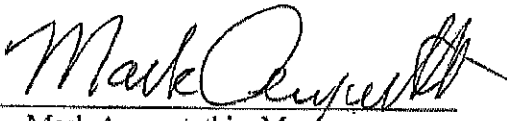
APPROVED AS TO FORM:

By:  9/30/18  
Glenn Sabine, City Attorney


SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY -  
JOINT POWERS AGREEMENT

**Exhibit E: Signatures**

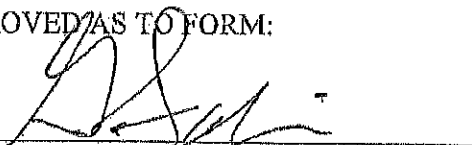
CITY OF La Mesa

By:   
Mark Arapostathis, Mayor

ATTEST:

By:   
Megan Wiegelman, City Clerk

APPROVED AS TO FORM:

By:   
Glenn Sabine, City Attorney

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY –  
JOINT POWERS AGREEMENT

**Exhibit E: Signatures**

CITY OF Imperial Beach

By: 

Serge Dedina, Mayor

ATTEST:

By: 

Jacqueline M. Kelly, City Clerk

APPROVED AS TO FORM:

By: 

Jennifer M. Lyon, City Attorney

**FIRST AMENDMENT TO THE  
SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY  
JOINT POWERS AGREEMENT**

This First Amendment to the Joint Powers Agreement for the San Diego Regional Community Choice Energy Authority (First Amendment) is made and entered into by and between those certain public agencies, hereinafter referred to as the Parties, which have duly executed, pursuant to resolution or ordinance, the Joint Powers Agreement for the San Diego Regional Community Choice Energy Authority (Authority), as follows:

**RECITALS**

WHEREAS, the Joint Powers Agreement for the San Diego Regional Community Choice Energy Authority (Agreement), was executed by the Cities of San Diego, Chula Vista, Encinitas, La Mesa, and Imperial Beach, effective October 1, 2019, to provide electricity service to residents and businesses located within the municipal boundaries of the public agencies in a responsible, reliable, innovative, and efficient manner.

WHEREAS, on November 21, 2019, the Authority's Board of Directors voted and approved changing the Authority's name from "San Diego Regional Community Choice Energy Authority" to " San Diego Community Power ".

WHEREAS, the Agreement may be amended in the manner set forth in Section 4.12.2, subsection (c) of the Agreement.

Now THEREFORE, it is mutually agreed by and between the Parties hereto to amend the Agreement, as follows:

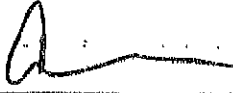
1. Amendment of Agreement to Change the Name: The Agreement is hereby amended to change the name of the Authority to " San Diego Community Power " All references to "San Diego Regional Community Choice Energy Authority" or "SDRCCEA", such as set out in the title of the Agreement, Section 2 (Formation), and in all other places throughout the Agreement, shall be changed to " San Diego Community Power, or SDCP ".
2. Except as specifically amended herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed  
as of the date listed below.

IN WITNESS WHEREOF, the Interim Executive Officer of the Authority, authorized by the  
Board on November 21, 2019, has executed this First Amendment of the Joint Powers  
Agreement on behalf of the Authority.

SAN DIEGO REGIONAL COMMUNITY CHOICE ENERGY AUTHORITY

Date: 11/22/19

By:   
CODY HOOVEN  
Interim Executive Officer

SIGNATURE PAGE OF THE CITY OF NATIONAL CITY AGREEING TO BECOME A  
PARTY TO THE SAN DIEGO COMMUNITY POWER JOINT POWERS AGREEMENT

Pursuant to Resolution No. 2021-166 of the City Council of National City, the City of National City, California hereby agrees to become a Party to the San Diego Community Power Joint Powers Agreement dated October 1, 2019, as amended on November 22, 2019 (previously known as the "San Diego Regional Community Choice Energy Authority Joint Powers Agreement"), pursuant to Section 2.4 of the Agreement.

CITY OF NATIONAL CITY

By: 

Name: Alejandra Sotelo-Solis

Title: Mayor

Date: 11/18/21

ATTEST:

By: 

Name: Luz Molina

Title: City Clerk

APPROVED AS TO FORM:

By: 

Name: Charles E. Bell, Jr.

Title: City Attorney

Note: The addition of the above-named entity as a Party to the San Diego Community Power Joint Powers Agreement is subject to satisfaction of the conditions set forth in Section 2.4 of the Agreement and such other reasonable conditions as may be adopted by the San Diego Community Power Board of Directors.