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San Diego Community Power Sets Rates to Bring Value to Customers

NEW ELECTRICITY RATES OFFER CUSTOMER SAVINGS WHILE CREATING OPPORTUNITIES TO BUY POWER AT LOWER PRICES

SAN DIEGO – As part of its ongoing efforts to provide clean energy at the greatest value possible for its customers, the San Diego Community Power Board of Directors today approved new rates that provide a 3% discount compared to San Diego Gas & Electric's electricity generation rates.

The new rates will take effect on Feb. 1.

“San Diego Community Power’s mission is to provide the lowest rates possible for its customers while maintaining a strong financial foundation,” said San Diego Community Power Chair and San Diego City Councilmember Joe LaCava. “The approved rates continue to give San Diegans a less expensive option for electricity today while investing in this young organization’s reserves for rate and operational stability tomorrow.”

The new rates will also help SDCP continue to grow its financial reserves – a key move that will help it secure more green energy resources for its customers, support regional climate action goals, and continue to offer rates that are more affordable than SDG&E.

Specifically, the vote allows SDCP to achieve its goal of having 180 days cash on hand by October 2023. Reaching this milestone will create the opportunity for the three-year-old, not-for-profit public agency to achieve a credit rating, which will create opportunities to purchase power at cheaper rates, develop local power sources and pass greater cost savings onto its customers.

SDCP sources electricity for its customers, while SDG&E transmits and delivers that power to customers' homes and businesses. Earlier this month, SDG&E announced that its transmission and delivery fees would jump 8 percent while its natural gas prices more than doubled. For a full breakdown of how electric bills in SDCP's service areas work, visit <https://sdcommunitypower.org/billing-rates/understanding-your-bill/>.

“We recognize that economic uncertainty and rising costs across the board have put significant stress on our customers and global energy markets,” SDCP CEO Karin Burns said. “As a not-for-profit organization that keeps our community at the heart of all we do, it was critical for us to create value for our customers today, while also ensuring we can continue to provide viable energy choices and a clean energy future for San Diegans.”

Last November, SDCP's board approved a rate development policy, which acts as a guide for staff to make recommendations to the board of directors about electricity generation rates.

This standalone policy was the first of its kind for a Community Choice Aggregation program in California. It provides the framework for staff and its board to ensure the rate design and development process remains focused on competitive pricing and transparency, while creating necessary financial strength to bring long-term benefits to customers.

SDCP must set rates, at a minimum, to recover costs associated with the purchase of power, operational costs and debt service. SDCP's power costs comprise more than 90% of its total budget. It is in the best interest of SDCP and its customers to design rates that meet legally-mandated revenue requirements as well as targeted reserves, while maintaining rate competitiveness and setting the foundation for long-term financial viability.

San Diego Community Power is a community choice energy program that gives customers an option to run their businesses and homes on significantly higher levels of renewable power at competitive rates. Over the last two years, San Diego Community Power has served more than 770,000 municipal, business and residential power customers in the cities of San Diego, Chula Vista, Encinitas, La Mesa and Imperial Beach. San Diego Community Power will serve nearly one million customer meters when it expands its service to National City and the unincorporated areas of the County in April 2023.

San Diego Community Power is a not-for-profit, public agency that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region. Learn more at www.sdcommunitypower.org.

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