



# ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: San Diego Community Power ("SDCP")

Utility type:

☒ ELC ☐ GAS ☐ WATER  
☐ PLC ☐ HEAT

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## EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 10.E-A

Tier Designation: 3 Subject

Of AL: "Supplemental: San Diego Community Power's Implementation of the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs"

Keywords (choose from CPUC listing): Solar, Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-5246

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: n/a

Summarize differences between the AL and the prior withdrawn or rejected AL: n/a

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☒ No ☐ Yes

Requested effective date: 03/16/23

No. of tariff sheets: 8

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: See Advice Letter

Service affected and changes proposed<sup>1</sup>: See Advice Letter

Pending advice letters that revise the same tariff sheets: n/a

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

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Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

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Clear Form

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

April 19, 2023

California Public Utilities Commission  
Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298

SDCP Advice Letter 10-E-A

**RE: Supplemental: San Diego Community Power's Implementation of the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs**

**PURPOSE**

San Diego Community Power ("SDCP") submits this supplemental advice letter in accordance with General Rule 7.5.1 of the California Public Utilities Commission's ("Commission or CPUC") General Order ("GO") 96-B and in compliance with Ordering Paragraph ("OP") 1 of Commission Resolution E-5246, issued on March 20, 2023 ("Final Resolution"). The Final Resolution approved, with modifications, SDCP's request under Advice Letter 10-E to establish and implement Disadvantaged Community Green Tariff ("DAC-GT") and Community Solar Green Tariff ("CSGT") programs. OP 1 of the Final Resolution requires SDCP to submit a supplemental compliance advice letter within 30 days of the issuance of the Final Resolution. SDCP submits this supplemental advice letter in compliance with this requirement.

**BACKGROUND**

SDCP is a California Joint Powers Authority formed on October 1, 2019 by the founding cities of Chula Vista, Encinitas, La Mesa, Imperial Beach, and San Diego for the purpose of implementing a Community Choice Aggregation ("CCA") program. The Commission certified SDCP's CCA Implementation Plan on March 9, 2020. SDCP started serving customers in the five cities starting in March 2021 for municipal accounts, and in June 2021 for commercial and industrial accounts. Residential customers were enrolled using a phased-in approach, starting with Imperial Beach in February 2022, followed by La Mesa in March 2022, Encinitas in April 2022, and concluding with Chula Vista and San Diego in May 2022. The SDCP Board of Directors subsequently voted to accept the unincorporated communities of San Diego County and the city of National City. On February 28, 2022, the Commission certified Addendum #1 to SDCP's Implementation Plan, adding these two new member jurisdictions. Enrollment of these accounts is occurring in April of 2023, and, upon full enrollment, will increase SDCP's total number of customer accounts to approximately 960,000.

Pursuant to Commission Decision ("D.")18-06-027, CCAs may develop and implement their own DAC-GT and CSGT programs.<sup>1</sup> CCA tariffs must abide by all DAC-GT or CSGT rules and requirements adopted in D.18-06-027. D.18-06-027 also provides that CCAs must file a Tier 3

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<sup>1</sup> See D.18-06-027 at 104 (OP 17).

advice letter to implement the CCA DAC-GT and CSGT programs.<sup>2</sup> Commission Resolution E-4999, issued June 3, 2019, provides guidance on the submittal of advice letters.

On October 12, 2022, SDCP submitted Advice Letter 10-E requesting approval via a Commission resolution of SDCP's DAC-GT and CSGT programs. The Final Resolution was issued in response to this request.

The Final Resolution requested that SDCP submit a supplemental compliance letter with revised DAC-GT and CSGT tariffs that reflect the following updates, as quoted from the Final Resolution:

- a. SDCP shall update its DAC-GT and CSGT tariffs to clarify that the above-market energy budget line item should be funded with greenhouse gas allowance proceeds and the customer 20 percent discount, program administration, and marketing, outreach, and education line items should be funded with public purpose program funds.
- b. SDCP shall update its DAC-GT tariff to allow customers to remain on the DAC-GT tariff for up to 20 years from the time of enrollment.<sup>3</sup>

## **TARIFF UPDATES**

The following appendices are included as part of this supplemental advice letter, and are intended to reflect the updates to SDCP's tariffs, as required under OP 1 of the Final Resolution:

**Appendix A1: Updated Implementation Plan for the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs (Clean)**

**Appendix A2: Updated Implementation Plan for the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs (Redlined)**

**Appendix B1: Electric Schedule DAC-GT, Disadvantaged Communities Green Tariff Program, and Schedule CSGT, Community Solar Green Tariff Program (Clean)**

**Appendix B2: Electric Schedule DAC-GT, Disadvantaged Communities Green Tariff Program, and Schedule CSGT, Community Solar Green Tariff Program (Redlined)**

## **PROTESTS**

Pursuant to General Rule 7.5.1 of GO 96-B, SDCP requests to maintain the original protest and comments period designated in Advice Letter 10-E, and to not reopen the protest period. This supplemental advice letter only addressed changes made in compliance with OP 1 of the Final Resolution.

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<sup>2</sup> *Id.*

<sup>3</sup> Final Resolution at 15; OP 1.a. and 1.b.

## **EFFECTIVE DATE**

SDCP requests that this supplemental advice letter become effective concurrent with original Advice Letter 10-E, as modified herein, on March 16, 2023, the effective date for the Final Resolution.

## **NOTICE**

A copy of this supplemental advice letter is being served on the official Commission service list for R.14-07-002.

For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

## **CONCLUSION**

SDCP respectfully requests that the Commission approve the updates to SDCP's DAC-GT and CSGT tariffs in compliance with OP 1 of the Final Resolution.

/s/ Stephen Gunther

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## **APPENDIX A1**

**Implementation Plan for the  
Disadvantaged Communities Green Tariff and  
Community Solar Green Tariff Programs**



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**April 19, 2023**



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## 1. Introduction

In June 2018, the California Public Utilities Commission (“CPUC” or “Commission”) issued Decision (D.) 18-06-027, creating three new programs to promote the installation of renewable energy generation among residential customers in disadvantaged communities (“DACs”). One program is the DAC Single Family Solar Homes (DAC-SASH) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC Green Tariff (“DAC-GT”) and the Community Solar Green Tariff (“CSGT”) programs are community solar programs that offer 100% solar energy to customers and reduce the burden of energy costs for eligible DAC residential customers via a 20 percent bill discount.

The DAC-GT program is available for residential customers who live in DACs and meet the income eligibility requirements for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) programs.<sup>1</sup> The CSGT program is structured similarly to the DAC-GT program but is intended to drive more local, community-developed solar projects. The CSGT program requires community involvement with the solar project through a local sponsor(s) and will result in a solar facility serving a nearby community.<sup>2</sup> The CSGT program is open to all residential customers located in a DAC, with at least 50% of the program’s capacity reserved for CARE and FERA-eligible customers. Non-low-income and/or master-metered residential rate accounts are accepted once the 50% threshold is met.

Per D.18-06-027, Greenhouse gas (“GHG”) auction proceeds are the primary funding source, supplemented by public purpose program (“PPP”) funds as needed. However, in 2021 the Commission’s Energy Division discovered California Air Resources Board (“CARB”) Cap-and-Trade regulation prohibited the use of GHG auction proceeds for programs to ratepayers in a volumetric manner.<sup>3</sup> Therefore, only the DAC-GT and CSGT above-market energy budget line item will be funded with GHG allowance proceeds. All other line items for the customer 20 percent discount, program administration, and marketing, outreach, and education should be funded through PPP funds.

Pursuant to D.18-06-027, as clarified in E-4999, authorized Community Choice Aggregators (“CCAs”) to access these same program funding sources to run their own DAC-GT and CSGT programs in addition to the Investor-Owned Utilities (“IOUs”) programs. Resolution E-4999 allocated a portion of the program capacity to existing CCAs at the time and determined that any established CCAs interested in becoming a PA in the future must file an Implementation Advice Letter (“AL”) with the CPUC by January 1, 2021.<sup>4</sup> When CPUC established its original decision for capacity allocations in 2018 there were no CCAs in SDG&E’s service area. As a result, SDG&E was allocated all 18 MW of DAC-GT program capacity and 5 MW of CSGT program

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<sup>1</sup> See CARE/FERA Program. (<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>).

<sup>2</sup> See D.18-06-027 at 64.

<sup>3</sup> Barclays Official California Code of Regulations Title 17 Division. Air Resources Chapter 1 Air Resources Board Subchapter 10 Climate Change Article 5 California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Sub article 9 Direct Allocations of California GHG Allowances (Refs & Annos) 17 CCR § 95892 § 95892. Allocation to Electrical Distribution Utilities for Protection of Electricity Ratepayers.

<sup>4</sup> Resolution E-4999 at 17.

capacity. On September 29, 2021, SDCP submitted AL 004-E seeking an allocation request for 14.39 MW of DAC-GT program capacity and 4 MW of CSGT program capacity. In agreeance, SDG&E filed a support letter on October 18, 2021. The CPUC then accepted SDCP's request for allocation transfer via a disposition letter effective October 29, 2021.

As laid out in Appendix A, on February 28, 2022, the Commission certified Addendum #1 of SDCP's Implementation Plan and Statement of Intent to add unincorporated San Diego County and the city of National City into SDCP service. Since National City includes several DACs within its territory that were not part of the original capacity allocation transfer request and given the update to CalEnviroScreen 3.0 into 4.0, SDCP's original DAC-GT allocation without National City would have decreased to 12.07 MW and remained the same for CSGT. Contingent upon Commission approval of Appendix A contained herein, SDCP's allocation would increase to 15.78 MW and 4.38 MW for DAC-GT and CSGT, respectively. For the purposes of this advice letter, SDCP will utilize the anticipated allocation which includes National City.

San Diego Community Power is a joint powers authority that was founded by the cities of San Diego, Encinitas, La Mesa, Chula Vista, and Imperial Beach on October 1, 2019.<sup>5</sup> On September 23, 2021, and November 18, 2021, the SDCP Board of Directors voted to authorize the County of San Diego and the City of National City, respectively, as new members of San Diego Community Power. SDCP has enrolled municipal, commercial, and industrial (C&I), as well as residential customers in the five founding cities. Service to the new members will be expanded in 2023.

SDCP hereby submits this Implementation Plan for the DAC-GT and CSGT programs. The Implementation Plan includes the following sections:

- Customer Eligibility and Enrollment;
- Rate and Discount Design;
- Procurement;
- Budget and Cost Recovery;
- Marketing, Education, and Outreach;
- Reporting; and
- Program Measurement and Evaluation.

## **2. Customer Eligibility and Enrollment**

This section establishes customer and sponsor(s) eligibility and enrollment terms. These terms can also be found in the DAC-GT and CSGT tariff schedules, included in Appendix C.

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<sup>5</sup> SDCP Joint Powers Agreement. ([https://sdcommunitypower.org/wp-content/uploads/2021/07/SDRCCEA-JPA-Agreement\\_Signed\\_Searchable.pdf](https://sdcommunitypower.org/wp-content/uploads/2021/07/SDRCCEA-JPA-Agreement_Signed_Searchable.pdf)).

## 2.1. DAC-GT Program

### 2.1.1. Customer Eligibility

The DAC-GT program is available to residential customers who live in DACs, receive generation service from SDCP, and meet the income eligibility requirements for the CARE and/or FERA program.<sup>6</sup> DACs are defined under D. 18-06-027 as communities that are identified in the current version CalEnviroScreen (CES) and among the top 25% of census tracts statewide. Additionally, census tracts in the top 5% of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic, or health data. However, D.18-06-027 established that in the event of an update to CES 3.0, the latest version would be used for the purposes of the program. Since D.18-06-027, CES has been updated from CES 3.0 to CES 4.0. Additionally, pursuant to Resolution E-5212, approved on October 6, 2022 program eligibility includes all eligible DACs from prior version of CES, beginning from the time at which a Program Administrator's DAC-GT or CSGT implementation advice letter is approved.<sup>7</sup> Resolution E-5212 also includes Federally recognized tribal lands as DACs.<sup>8</sup> Therefore, customers will be eligible per CES 4.0 and CalEPA's definition of DACs.

Customer eligibility for the DAC-GT program is verified at the Service Delivery Point. Service accounts enrolled under the following rate schedules are not eligible to participate in SDCP's DAC-GT program:

- IOU bundled service;
- Direct Access customers;
- Standby service;
- Net energy metering rates;
- Non-metered service;
- Rates that are not CARE- or FERA-eligible;
- Non-residential rates;
- Master-metered customers<sup>9</sup>; and
- Schedule CSGT, Community Solar Green Tariff.

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<sup>6</sup> Customers must be eligible to participate in either the CARE or FERA programs, however customers are not required to be enrolled under those programs in order to be eligible to participate in DAC-GT or CS-GT. CARE/FERA eligibility is established as currently defined under those programs. Resolution E-4999 at 20.

<sup>7</sup> Resolution E-5212 at 10.

<sup>8</sup> While San Diego County's Federally recognized tribal lands are located in the unincorporated communities of San Diego County, which are part of SDCP, these tribal lands are treated as separate governments and therefore not currently part of SDCP unbundled service. In the future, these tribal governments may become part of SDCP and their residents may therefore become eligible for DAC-GT/CSGT service.

<sup>9</sup> SDCP cannot ensure that all tenants under one master-meter are eligible for the CARE or FERA program, as the sub-metered tenants are not SDCP direct customers. Hence, master-metered accounts are not eligible for the DAC-GT program.

A customer's service under this schedule is portable within SDCP's electric service area<sup>10</sup> as long as the customer continues to live in a DAC as defined under the program and meets all other eligibility requirements. Customers who move retain their status as a program participant provided they move to an eligible service address and continue to meet all other eligibility requirements. If the customer is found to still be eligible, they are not required to go on a waitlist, so long as capacity is available and the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

In the event that the CalEnviroScreen tool is updated and SDCP has unsubscribed program capacity available, SDCP will file a Tier 1 AL within 30 days of the release of the new version to update program eligibility rules. Customers who are already enrolled in DAC-GT will retain their eligibility even if their census tract is no longer considered a top 25% DAC under the revised CalEnviroScreen.

### **2.1.2. Customer Enrollment**

Customer enrollment under Schedule DAC-GT occurs at the level of the Service Delivery Point. Subscribing customers receive 100% solar energy from the DAC-GT facility up to the enrollment cap and will receive a 20% discount on their Otherwise Applicable Schedule (OAS) for the enrolled Service Delivery Points. Customer enrollment is capped at a maximum of 2 MW solar equivalent per Service Delivery Point.<sup>11</sup>

The DAC-GT program allows eligible customers to purchase renewable electricity produced by a pool of program solar projects for up to 100% of their electric usage. More specifically, customers subscribe to a percentage of the total program's capacity based on their previous 12-month average monthly usage.<sup>12</sup>

The following example describes the calculation of the customer's subscription allocation in further detail:

We assume for this example that a residential customer has an average historical usage at the time of enrollment based on the previous 12 months of 500 kilowatt hours (kWh) per month. The customer subscribes to a 100 kW program solar project with an estimated average monthly output of 21,900 kWh.<sup>13</sup> The customer's subscription allocation is then calculated as a percentage of the average monthly output of the solar system.

$$\frac{500 \text{ kWh}}{21,900 \text{ kWh}} = 2.3\% \text{ average monthly output}$$

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<sup>10</sup> SDCP's service area is composed of the cities of Encinitas, La Mesa, Imperial Beach, San Diego, National City, Chula Vista, and unincorporated San Diego County.

<sup>11</sup> This limitation does not apply to federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>12</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

<sup>13</sup> Based on a capacity factor of 30%.

In this example, the customer will subscribe to 2.3% of the project's generation. This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

A participating customer can remain on the DAC-GT tariff for up to 20 years from the time of enrollment. There is no contract required when enrolling in the DAC-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date after a cancellation request is made; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle. Customers who, after enrollment into the DAC-GT program become ineligible for CARE or FERA, will also be unenrolled from the DAC-GT program. Customer enrollment will be available upon resources coming online.

Eligible customers may enroll in the program until customer subscriptions reach the capacity of the SDCP DAC-GT program, based on the capacity required to meet the customer's forecasted annual load. Once SDCP reaches its program cap, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll new eligible customers on a first-come, first-served basis up to the program cap.

### **2.1.3. Customer Auto-Enrollment**

SDCP intends to auto-enroll eligible customers into the DAC-GT program. The current economic situation impacted by the COVID-19 pandemic has created uncertainty in households throughout the San Diego region. Therefore, SDCP will enroll any eligible residential customers that live in one of the top 10% DACs of CalEnviroScreen 4.0 and who are currently enrolled in CARE or FERA until customer subscriptions reach SDCP's DAC-GT program cap. Priority will be given to customers who have had payments made to their accounts, as defined by at least four (4) full or partial payments in the last eight (8) months ("category 1"). If program capacity remains unsubscribed after enrolling these customers, SDCP will enroll additional customers in the following order:

1. Category One (1): Customers have had payments to their accounts, as defined by at least 4 full or partial payments in the last eight (8) months;
2. Category Two (2): Customers who have had at least three (3) full or partial payments in the past eight (8) months;
3. Category Three (3): Customers who have had at least two (2) full or partial payments in the past eight (8) months.

If there is not enough program capacity to enroll all customers in a given category under the DAC-GT program, customers from the respective category will be randomly selected for program enrollment. All remaining customers will be placed on a waitlist. SDCP will monitor program attrition on a monthly basis and will enroll additional customers from the waitlist as program capacity becomes available.

## **2.2. CSGT Program**

### **2.2.1. Customer Eligibility**

The CSGT program is available to residential customers who live in DACs (as defined above) and receive generation service from SDCP. Non-residential customers are not eligible to participate, except for the project sponsor (see more information on sponsor eligibility rules below). Solar generation project(s) supporting the program must be located within SDG&E service territory and must be within a five (5) mile radius of participating customers' DAC census tract. At least 50% of a project's capacity must be reserved by low-income customers, defined as those meeting the income qualifications for either the CARE or FERA programs.

Customer eligibility is verified at the level of the Service Delivery Point. Service accounts enrolled under the following rate schedules are not eligible to participate in the CSGT program:

- IOU bundled service;
- Direct access customers;
- Standby service;
- Net Energy Metering (NEM) rates;
- Non-metered service;
- Schedule DAC-GT – Disadvantaged Communities Green Tariff.

Master-metered customers may participate in the CSGT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

A customer's service under this schedule is portable within SDCP's electric service area<sup>14</sup> as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements (including the locational requirements). Customers who move retain their status as a program participant provided they have moved to an eligible service address and continue to meet all other eligibility requirements. If the customer is found to still be eligible, they are not required to go on a waitlist, so long as capacity is available and the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

In the event that CalEnviroScreen is updated, SDCP will file a Tier 1 AL within 30 days of the release of the new version to update program eligibility rules. As with the DAC-GT program, all customers in an eligible DAC at the time of a project's initial energy delivery date will remain eligible to subscribe to that CSGT project, even if their DAC designation changes in subsequent iterations of CalEnviroScreen. This grandfathered eligibility will apply to both existing subscribers and customers not previously subscribed to the project in the same DAC, to ensure that the project's output can be fully subscribed by customers whose census tract is within five (5) miles of the project.

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<sup>14</sup> SDCP's service area is composed of the cities of Encinitas, La Mesa, Imperial Beach, San Diego, National City, Chula Vista, and unincorporated San Diego County.

### 2.2.2. Customer Enrollment

As with DAC-GT, customer enrollment will occur at the Service Delivery Point level. Customer enrollment is capped at a maximum of 2 MW solar equivalent per Service Delivery Point.<sup>15</sup>

The CSGT program allows eligible customers to purchase renewable electricity produced by a local community solar project for up to 100% of their electric usage. More specifically, customers subscribe to a percentage of the forecasted solar system's project generation based on their previous 12-month average monthly usage.<sup>16</sup> As previously described, participating customers will receive a 20% discount on their Otherwise Applicable Schedule (OAS) for enrolled Service Delivery Points. Customers cannot be subscribed to more than one community solar facility at any time.

The following example describes the calculation of the customer's subscription allocation in more detail:

We assume for this example that a residential customer has an average historical usage at the time of enrollment based on the previous 12-months of 500 kilowatt hours (kWh) per month. The customer subscribes to a 100 kW community solar project with an estimated average monthly output of 21,900 kWh.<sup>17</sup> The customer's subscription allocation is then calculated as a percentage of the average monthly output of the solar system.

$$\frac{500 \text{ kWh}}{21,900 \text{ kWh}} = 2.3\% \text{ average monthly output}$$

In this example, the customer will subscribe to 2.3% of the project's generation. This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

Customers interested in enrolling in the CSGT program can sign up with SDCP online or by phone. SDCP will verify customer eligibility based on service account address to verify DAC census tract and the five (5) mile locational requirement. CARE/FERA enrollment status will also be identified to track the subscription of low-income customers. Enrollment attrition will be reviewed on a monthly basis. The program will be available for new enrollments until the project is fully subscribed.

Low-income customers will be enrolled on a first-come, first-served basis. Once 50% of project capacity is subscribed by low-income customers, non-low-income qualified customers located in DACs will become eligible for enrollment. Non-low-income customers can be recruited before

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<sup>15</sup> This limitation does not apply to federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>16</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

<sup>17</sup> Based on a capacity factor of 30%.



the 50% subscription requirement for low-income customers is met. Recruited customers will be placed on a waitlist until 50% of the project capacity is subscribed by low-income customers.

SDCP will assess the subscription rate of low-income customers on a monthly basis after the PPA(s) is awarded. If the low-income subscription rate drops below 50% over the life of the project, existing non-low-income customers are not required to go back on a waitlist. However, new enrollments of non-low-income program participants will be barred until the 50% low-income threshold is met again. During this time, new enrollments of non-low-income participants will be put on a waitlist. SDCP will inform the Commission's Energy Division Director in writing if the low-income enrollment rate drops below 35% of project capacity.

Customer enrollment will be available immediately upon program launch. There is no contract required when enrolling in the CSGT program. Customers may be enrolled for any number of months, and there is no enrollment or cancellation fee. A participating customer can remain on the CSGT tariff for the remaining duration of the project's contract term, or up to 20 years, whichever concludes first. Customer participation in the program automatically terminates should the PPA between SDCP and the developer for the CSGT facility to which the customer is subscribed be terminated or the delivery term ends.

### **2.2.3. Sponsor Eligibility**

Under the CSGT program, community involvement must be demonstrated by a non-profit community-based organization (CBO) or a local government entity "sponsoring" a community solar project on behalf of residents. Local government entities include schools. The community sponsor's role is to work with the project developer to encourage program participation within their community. Sponsors are also required to include job training and workforce development in their efforts to benefit the local community which would benefit from their projects. Additional sponsor requirements are described in the Procurement section below.

To receive the 20% discount as described below, the sponsor must fulfill all of the following requirements:

1. The sponsor must be an SDCP electric customer;
2. The sponsor must take service under CSGT program;
3. The sponsor must be located in the same geographic areas as any other customer, i.e., within a DAC with the solar project being located 5 miles from the sponsor's census tract;
4. 50% of the project's capacity must be subscribed by low-income customers; and
5. The sponsor must meet all other eligibility requirements of any participating customer as described in the section on CSGT customer eligibility above (including ineligible rate schedules).

CBOs or local government entities that do not fulfill all or any of these requirements may still become project sponsors; however, they are not eligible to receive the 20% discount.

There may be more than one sponsoring entity supporting a single community solar project. Multiple sponsors may receive the 20% discount as long as all sponsors meet the eligibility requirements outlined above. More detail on the sponsor bill discount can be found below. Lastly, a sponsor may also be (although not required to be) a site host.<sup>18</sup>

#### **2.2.4. Sponsor Enrollment**

Sponsors of a CSGT project are subject to the same enrollment rules and requirements as described above for residential customers participating in the program. For example, enrollment occurs at the level of the Service Delivery Point and is capped at a maximum of 2 MW of solar equivalent per Service Delivery Point.<sup>19</sup>

The sponsor's subscription allocation is also calculated the same way as for any other participating customer, with one modification: a sponsor's subscription allocation is limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs).

To illustrate in further detail, please refer to the previous example (100 kW solar project with a monthly output of 21,900 kWh). Assumptions include the total monthly usage among all the sponsor's eligible Service Delivery Point is 10,000 kWh, which is greater than the 25% of monthly project output (5,475 kWh). In this example, the sponsor's subscription allocation is limited to 25% of project output per month, and the sponsor will receive the discount on only 5,475 kWh.

If two or more sponsors are designated, the sponsors will need to inform SDCP in writing how the "discountable usage" (in this example, 5,475 kWh/monthly) will be allocated between them.

### **3. Rate and Discount Design**

This section describes the rules and requirements for providing the 20% bill discount to participating customers.

#### **3.1. Customer Bill Discount**

Participants in both the DAC-GT and CSGT programs will receive a 20% discount on the electric portion of their bills compared to their otherwise applicable schedule ("OAS").<sup>20</sup> The discount applies so long as customers are enrolled under the programs and comply with all eligibility and enrollment terms described in SDCP's DAC-GT and CSGT tariff sheets.

For low-income customers enrolled in CARE or FERA, the OAR is the customer's existing CARE or FERA rate.<sup>21</sup> Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE/FERA discount has been applied.

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<sup>18</sup> For the purposes of this program, the concept of a "host" only refers to a customer site where the project is located. The community solar project must be located in-front-of-the meter, even if located at a customer host site. Accordingly, all concepts and rules of an in-front-of-the-meter program continue to apply.

<sup>19</sup> This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>20</sup> D.18-06-027 at 53, 74.

<sup>21</sup> Resolution E-4999, Conclusion 28 at 55.

For customers who are not enrolled in CARE or FERA, but are otherwise eligible to participate in those programs, the OAR is the customer's existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP's 100% renewable energy generation service option (i.e., SDCP's "Power100") when enrolling under the programs, will be defaulted to SDCP's base service (i.e., SDCP's "PowerOn") for the purposes of calculating the 20% discount. In other words, SDCP's PowerOn service becomes the de-facto OAR for residential customers who are not on the CARE or FERA rate.

A customer's electric portion of the bill consists of two main parts: (1) generation portion; and (2) delivery portion. SDCP is currently working with SDG&E to coordinate the best approach to applying the bill discount and plans to file a supplemental advice letter once that approach has been agreed upon. SDCP does not expect this to delay customer enrollment as resources need to be brought online first.

### **3.2. Sponsor Bill Discount**

CSGT project sponsors who meet all of the eligibility requirements outlined above will receive a 20% bill discount on enrolled Service Delivery Points. The sponsor bill discount will be calculated based on the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e., limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled Service Delivery Points). The discount applies as long as sponsors are enrolled under the program and comply with all of the sponsor eligibility and enrollment terms described above. If two or more sponsors are designated, both sponsors must inform SDCP in writing of how the "discountable usage", capped at 25% of the project's energy output, are to be allocated among them. SDCP will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the community solar project has reached its required minimum 50% low-income subscription rate. If, after reaching the required minimum 50% low-income subscription requirement, the subscription rate of low-income customers drops below 50% of project capacity at any time throughout the life of the project, the sponsor bill discount will not be revoked.

## **4. Procurement**

As articulated in Appendix A, SDCP received approval from the Commission on an initial allocation transfer from SDG&E of 14.39 MW for DAC-GT and 4 MW for CSGT based on data from CES 3.0. Since then, CES 4.0 is now available with updated data. Given these updates, SDCP's initial allocation decreased to 12.07 MW for DAC-GT while staying the same for CSGT. With the inclusion of the city of National City into SDCP service, SDCP estimates that its total capacity allocation will increase by 3.71 MW to 15.78 MW for DAC-GT and by 0.38 MW to 4.38 MW for CSGT.

Per D. 18-06-027, Green-e certification is required for the DAC-GT program and SDCP will plan to do so accordingly.

Moreover, due to the unique geographical nature of SDG&E's IOU service territory and the urbanized nature of San Diego County's DACs, SDCP estimates that new generation resources will not come online until 2025.<sup>22</sup> Nonetheless, SDCP seeks program administrator status to engage the developer community and find suitable sites to develop and benefit eligible customers.

#### **4.1. DAC-GT Program**

DAC-GT projects must be located in a DAC<sup>23</sup> within the same IOU service territory as the customers being served. Existing DAC-GT projects located in census tracts that were previously considered a DAC under the program but are no longer scored as such due to updates to the CalEnviroScreen tool will continue to be eligible to serve customers under the DAC-GT program.<sup>24</sup>

Pending Commission approval, SDCP will have 15.78 MW for its DAC-GT program from its original 12.07 MW based on CES 4.0 data. Eligible projects must be sized between 500 kW and 20 MW. SDCP will consider both full deliverability and energy-only projects in the solicitations.

SDCP will issue DAC-GT solicitations once a year, or as needed, until the program cap is reached. The solicitation process will follow these guiding principles:

1. The project is selected through a competitive solicitation;
2. SDCP executes a Power Purchase Agreement ("PPA") with a developer for a solar project;
3. There is no direct relationship between the customer and the project developer;
4. Subscribing customers receive 100% renewable energy; and
5. Subscribing customers receive a defined bill credit.

Eligibility for procurement under the DAC-GT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC's Energy Division Staff via email on September 5, 2019.<sup>25</sup>

#### **4.2. CS-GT Program**

CSGT projects must be sited in a DAC within the same IOU service territory as the customers being served and must also be located within five (5) miles of the benefitting customers' DAC

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<sup>22</sup> Please see the Evergreen Economics Independent Evaluator Report here: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report\\_033122v2.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report_033122v2.pdf)

<sup>23</sup> Resolution E-4999 at 16.

<sup>24</sup> In the event the CalEnviroScreen tool is updated, SDCP will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

<sup>25</sup> Energy Division staff explains in an email dated September 5, 2019, that CCAs are expected to compare the unadjusted project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments. Energy Division staff also clarified in the September 16, 2020 DAC-GT and CSGT Stakeholder Workshop that the value of the CCA cost cap will change when all three IOUs procure new resources under the Green Tariff Shared Renewables program or under the Renewable Auction Mechanism as-available-peaking category. Energy Division will notify the CCAs when this occurs.

census tract. CSGT projects located in census tracts that were previously considered a DAC under the program but are no longer scored as such due to updates to the CalEnviroScreen tool, will continue to be eligible to serve customers under the CS-GT program.<sup>26</sup>

Pending Commission approval, SDCP will have 4.38 MW for its CSGT program from its original 4 MW based on CES 4.0 data. Eligible projects have no minimum size and a maximum size of 3 MW. SDCP will consider both full deliverability and energy-only projects in the solicitations.

SDCP will issue CSGT solicitations once a year, or as needed, until the program cap is reached. Solicitations will be run in conjunction with the DAC-GT program's solicitations. However, the DAC-GT and CSGT programs will each have separate capacity allocations and bid requirements under the same solicitation. The solicitation process will follow the same guiding principles as for the DAC-GT program:

1. The project is selected through a competitive solicitation;
2. SDCP executes a PPA with a developer for a solar project;
3. There is no direct relationship between the customer and the project developer;
4. Subscribed customers receive 100% renewable energy; and
5. Subscribed customers receive a defined bill credit.

Eligibility for procurement under the CSGT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC's Energy Division Staff via email on September 5, 2019.<sup>27</sup>

Twenty-five percent of each project's capacity must be subscribed by eligible low-income customers prior to permission to operate. If this requirement is not met, the project will not be able to begin delivery under the contract.<sup>28</sup>

Community sponsorship of the project by a CBO or local government is required to be eligible to bid for the CSGT program. Developers will be required to obtain and provide a letter of commitment from a sponsor as part of the solicitation process. A letter of commitment from a sponsor must include:

1. Demonstration of substantial interest of community members in subscribing to the project;
2. Estimated number of subscribers, with justification to ensure project is sized to likely demand;

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<sup>26</sup> In the event the CalEnviroScreen tool is updated, SDCP will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

<sup>27</sup> Energy Division staff explains in an email dated September 5, 2019, that CCAs are expected to compare the unadjusted project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments.

<sup>28</sup> No interconnection or other project development processes will be influenced. The project can be finalized but payment on the delivery will not be started until 25% low-income customer subscription is achieved.

3. A preliminary plan to conduct outreach and recruit subscribers (which may be conducted in conjunction with the developer and/or SDCP); and
4. Siting preferences, including community-suggested host sites, and verification that the site chosen for the bid is consistent with community preference.

In addition to these solicitation requirements, D.18-06-027 also established several metrics for prioritization of CSGT project bids.<sup>29</sup> Firstly, SDCP will prioritize projects located in the top 5% of census tracts of DACs per CalEnviroScreen 4.0. (if applicable). Secondly, SDCP will grant priority for projects that leverage other government funding, or projects that provide evidence of support or endorsements from programs such as Transformative Climate Communities or other local climate initiatives. Thirdly, SDCP will also prioritize job training and workforce development factors and will require workforce development for all projects, including local hiring and targeted hiring, to enable creation of job opportunities for low-income communities.

To encourage the development of CSGT projects, SDCP will provide support to local CBOs and project developers to identify potential community solar sites within its service territory as needed. As a local government agency, SDCP has existing relationships within its communities that can be leveraged to enhance the success of the CSGT program.

## 5. Budget and Cost Recovery

This section describes the rules and requirements regarding program costs and budget, funding and cost recovery mechanisms, and the process of reviewing program costs.

### 5.1. Budget

Program Administrators must submit annual program budget forecasts via a Tier 1 Advice Letter by February 1st of each year for the following program year (“PY”). Each Advice Letter must include separate program budget forecasts for the DAC-GT and CSGT programs and must clearly identify any costs that are shared between the programs.

Annual budget submissions will include, at a minimum, the following budget line items:

1. Generation cost delta, if any;<sup>30</sup>
2. 20 percent bill discount for participating customers;
3. Program administration costs; and
4. Marketing, education, and outreach (“ME&O”) costs.

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<sup>29</sup> D.18-06-027 at 82.

<sup>30</sup> Resolution E-4999 establishes that above market generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers’ bills. In conversations with the CPUC’s Energy Division after the release of the Resolution, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/CSGT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the “Delta of generation costs between the DAC-GT/CSGT resources and the otherwise applicable class average generation rate.”

## **Generation Cost Delta**

For subscribed energy, the generation cost delta is the net renewable resource costs and other generation-related costs used to support the program that is more or less than the customers' otherwise applicable class average generation rate.

SDCP will calculate the generation cost delta by comparing the generation cost for DAC-GT and CSGT resources to the generation cost for the base product that customers would otherwise receive if they were not participating in the program (i.e., SDCP's PowerOn rate). The cost components are defined as follows:

- The generation cost for the base product (SDCP's PowerOn rate) will be a weighted average of the generation costs of the product's renewable and non-renewable content, including Resource Adequacy;
- The generation cost for the DAC-GT program will be the weighted average of the generation costs of all solar projects under the program; and
- The generation costs for the CSGT program will be the generation costs of the specific solar project that the customer subscribes to.

The delta between the base rate and the total generation cost of the DAC-GT or CSGT resources will then be multiplied by the volume of load served each month by each program to arrive at the total above-market generation cost or below-market generation savings from the program.

The above/below market generation costs, if any, will not be charged to participating customers and thus will not appear on the customers' bills. Instead, the cost delta, if any, will be tracked in the background and will be charged as program costs (or credits) and recovered through PPP funds as outlined below.

Because the facility will be contracted to SDCP to provide all output, any potential above-market costs associated with unsubscribed output will also be covered by the same program funds that cover the above-market costs for subscribed customers of the program.<sup>31</sup> Unsubscribed project energy will be trued-up annually, and SDCP will seek ways to create value in other avenues as deemed appropriate. Any revenue received will be applied as a credit towards program funds.

There is no estimated generation cost delta for PYs 2023-2024 because there are no interim resources to utilize and SDCP estimates that bringing new projects online will take place in 2025.

## **Participant Bill Discount**

As described above, program participants will receive a 20 percent discount on the otherwise applicable rate of eligible Service Delivery Points. SDCP's annual program budget will not include the estimated total amount of revenue loss to be experienced by providing the 20 percent discount on the generation portion of the bill because SDCP does not expect new resources to be online in either PY 2023 or 2024 due to the urbanized nature of the DACs located in SDG&E's IOU service territory as compared to the Pacific Gas and Electric Company and Southern California Edison Company. We anticipate the discount to commence in PY 2025 once projects

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<sup>31</sup> D.18-06-027 at 83.

are brought online. As such, this calculation will be based on forecasted monthly enrollment in each program and average monthly bills by customer class.

### **Program Administration and ME&O Costs**

Under the DAC-GT and CSGT programs, program administrators (“PAs”) can recover all program administration and ME&O costs from program funds. SDCP will track program costs for the DAC-GT and CSGT programs in separate accounts.

The administrative budget must be broken out into:

1. Program management;
2. Information technology (“IT”);
3. Billing operations;
4. Regulatory compliance; and
5. Procurement.

Marketing, education, and outreach (“ME&O”) costs must be broken out into:

1. Labor costs;
2. Outreach and material costs;
3. Local CBO/sponsor costs (for CSGT only).

Resolution E-4999 establishes a budget cap of ten percent of the total budget for program administration costs and a budget cap of four percent of the total budget for ME&O costs.<sup>32</sup> However, administrative, and ME&O costs may be higher than these budget allocations in the first two years of program implementation, acknowledging that program start-up costs may be higher.

### **Program Evaluation Costs**

The DAC-GT and CSGT programs must be reviewed by an independent evaluator every three years. The first independent evaluator review of the utilities’ DAC-GT and CSGT programs was completed on March 31, 2022.<sup>33</sup>

For the next iteration, one statewide Independent Evaluator will evaluate all IOU and CCA DAC-GT and CSGT programs statewide.<sup>34</sup> This program evaluation costs will not be included in SDCP’s program budget.

In addition to budget forecasts, annual program budget submissions must also include the following details on program capacity and customer enrollment numbers for both programs:

1. Existing capacity at previous PY’s close;
2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at previous PY’s close; and

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<sup>32</sup> Pursuant to Resolution E-5125 PAs can submit a request an adjustment to the budget allocations if need arises as part of their Annual Budget Advice Letters due each February.

<sup>33</sup> Please see the Evergreen Economics Independent Evaluator Report here: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report\\_033122v2.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report_033122v2.pdf)

<sup>34</sup> Resolution E-5102 at 8; Resolution E-5124 at 21.



4. Forecasted customer enrollment for the upcoming PY.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if available.

Program costs will not be charged to participating customers and will thus not appear on customers' bills. Instead, the cost categories described above will be tracked and charged as program costs to the DAC-GT and CSGT programs.

SDCP submits a budget estimate for PYs 2023 and 2024 in Attachment D to the Implementation Advice Letter.

## **5.2. Budget Forecasting and Reconciliation Procedures**

SDCP will file, by February 1 of each program year, a Tier 1 Budget Advice Letter.<sup>35</sup> In this Annual Budget Advice Letter filing, SDCP will, for each program separately:

1. Request approval of its **forecasted budget** for the upcoming PY (e.g., by February 1, 2024, for the 2025 PY);
2. Reports its **actual expenditures** during the prior PY (e.g., by February 1, 2024, for the 2023 PY); and
3. **Reconcile** the prior year's budget forecast with actual expenditures.

### **Budget Forecast**

SDCP will forecast the estimated program cost for the upcoming PY for all budget categories described above. For the projected revenue loss associated with providing the 20 percent discount to customers, SDCP will estimate the total expected revenue loss for the generation portion of the electric bill in PY 2024 once projects are expected to come online in PY 2025. It is expected that SDG&E will estimate the total expected revenue loss for the delivery portion of the electric bill, however, SDCP will continue to coordinate with SDG&E.

### **Report Actual Expenditures**

SDCP will report on actual expenditures for the previous PY for all budget categories described above. For the actual revenue loss associated with providing the 20 percent discount to customers, SDCP will report on the actual total revenue loss for the generation portion of the electric bill when projects are expected to come online in PY 2025. It is expected that SDG&E will report on the total actual revenue loss for the delivery portion of the electric bill, however, SDCP will continue to coordinate with SDG&E.

The Annual Budget Advice Letter will be the mechanism for the Commission and stakeholders to review SDCP's actual program costs and performance. Based on the information provided in SDCP's Annual Budget Advice Letter, SDG&E can include a summary of actual program

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<sup>35</sup> The budgets for PY 2023 and 2024 are included as an attachment to this filing. Therefore, SDCP understands that no additional Tier 1 Advice Letter will be required by February 1, 2023, for the 2024 PY.

expenditures for the previous PY in the Energy Resource Recovery Account (“ERRA”) Compliance Review.

### **Budget Reconciliation**

In the Annual Budget Advice Letter, SDCP will true up forecasted program costs against actual expenditures by budget category for the prior PY. Any unspent funds from the prior PY will be used to offset the forecasted budget for the upcoming PY. If actual expenditures exceeded the forecast in the previous PY, SDCP will add the shortfall to the forecasted budget for the upcoming PY.

### **5.3. Cost Recovery Procedures**

Pursuant to D.18-06-027, the DAC-GT and CSGT programs are funded first through available GHG allowance proceeds. If such funds are exhausted, the programs will be funded through PPP funds. However, in 2021 the Commission’s Energy Division learned that the California Air Resources Board (“CARB”) Cap-and-Trade regulation prohibits the use of Greenhouse Gas Allowances to ratepayers in a volumetric manner.<sup>36</sup> Therefore, only the DAC-GT and CSGT above-market energy budget line item will be funded with GHG allowance proceeds. All other line items for the customer 20 percent discount, program administration, and marketing, outreach, and education should be funded through PPP funds.

D.18-06-027 authorizes CCAs to access PPP funds to run the DAC-GT and CSGT programs.<sup>37</sup> The IOUs collect PPP funds and have established balancing accounts for the DAC-GT and CSGT programs. CCAs are not in the position to either access those funds directly or establish balancing accounts to track program costs. Therefore, SDCP requests that the Commission direct SDG&E modify its DAC-GT and CSGT balancing accounts to include a sub-account to track the funding and costs of SDCP’s DAC-GT and CSGT programs.

Consistent with prior Commission Decisions, SDG&E is asked to include the total budget estimate for the upcoming PY for SDCP’s DAC-GT and CSGT programs in its 2023 Energy Resource Recovery Account (“ERRA”) November update.<sup>38</sup> Once SDG&E receives approval of its ERRA Forecast from the Commission, SDG&E will set aside the requested SDCP budget for the following budget categories in a sub-account of its DAC-GT and CSGT balancing accounts:

1. Generation cost delta
2. Bill discount (generation portion)
3. Program administration costs
4. ME&O costs
5. Program evaluation costs

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<sup>36</sup> Barclays Official California Code of Regulations Title 17 Division. Air Resources Chapter 1 Air Resources Board Subchapter 10 Climate Change Article 5 California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Sub article 9 Direct Allocations of California GHG Allowances (Refs & Annos) 17 CCR § 95892 § 95892. Allocation to Electrical Distribution Utilities for Protection of Electricity Ratepayers.

<sup>37</sup> D.18-06-027, OP 17 at 104.

<sup>38</sup> See D.20-12-038 at 26 (directing Pacific Gas and Electric Company (“PG&E”) to set aside CCA DAC-GT and CSGT program funding in PG&E’s 2021 Energy Resource Recovery Account Application.

SDG&E will then transfer program funds for these budget categories to SDCP in four quarterly installments (by January 1, April 1, July 1, and October 1 of each year) for the upcoming quarter.

If the ERRA forecast is not approved by January 1 or a given PY, SDG&E will transfer all past due funds to SDCP within 30 days of issuance of such approval.

## **6. Marketing, Education, and Outreach**

SDCP will establish a ME&O program to promote customer participation in the DAC-GT and CSGT programs. SDCP plans to directly implement the ME&O program and execute outreach.

SDCP is submitting a ME&O plan for PYs 2023-2024 as Appendix E.<sup>39</sup> The ME&O plan discusses specific methods for customer outreach, including any coordination with CBOs and community sponsors, for each of the programs separately. The plan addresses how SDCP will work to identify residential customers in DACs who are likely eligible for the CARE and FERA programs, but who are not yet enrolled. Finally, the plan discusses how to leverage existing customer programs to market the DAC-GT and CSGT programs.

SDCP will file annual ME&O plans and detailed budgets by February 1 or each year for the upcoming PY, starting in 2024.

## **7. Reporting**

Within 30 calendar days after the end of each calendar quarter, SDCP will file a quarterly report for both programs, distinguishing between the DAC-GT and CSGT program data. The quarterly report will detail:

1. Procured capacity;
2. Online capacity;
3. DAC(s) in which project(s) are located;
4. Number of participating customers in each DAC within SDCP's service territory;
5. Number of customers who have successfully enrolled in CARE and FERA as part of auto-enrollment into DAC-GT or in the process of signing up for the CSGT program.

The quarterly report will be filed in R.14-07-002 and served onto the same service list.

Semi-annually, within 30 calendar days after the end of each six-month period of the year, SDCP will report the following information for CSGT projects to the Commission's Energy Division Central Files:

1. Number of income-qualified customers subscribed to each project and the capacity those customers are receiving;
2. Whether a waitlist of non-income-qualified customers exists and the number of customers on that list;
3. If project sponsors are receiving bill credits under CSGT projects and the size of each sponsor's subscription; and

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<sup>39</sup> The ME&O plan and budget for PY 2023-2024 are subject to change depending on the date of approval of the Implementation Advice Letter.

4. The number of master-metered properties served on the CSGT tariff and the total capacity those properties are subscribed to receive.

SDCP's first quarterly or semi-annual report will be filed on the first scheduled due date after customer enrollment begins.

## **8. Program Measurement and Evaluation**

An independent evaluator will review the utilities' DAC-GT and the CSGT programs every three years beginning in 2021.<sup>40</sup> The CSGT program must also be assessed by the same independent evaluator one year after program launch.<sup>41</sup>

Responsibilities for funding the independent evaluator review will remain with the IOUs for each service territory in which a CCA resides. One statewide Independent Evaluator will evaluate all IOU and CCA DAC-GT and CSGT programs statewide.<sup>42</sup>

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<sup>40</sup> D.18-10-007 at OP 18.

<sup>41</sup> Resolution E-4999 clarified that it is appropriate to interpret the first year of the CSGT program as the first-year customers are able to subscribe to projects.

<sup>42</sup> Resolution E-5102 at 8.

## **APPENDIX A2**

Updated **Implementation Plan for the  
Disadvantaged Communities Green Tariff and  
Community Solar Green Tariff Programs  
(Redlined)**

Proposed by



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OctoberApril 12, 20223

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## 1. Introduction

In June 2018, the California Public Utilities Commission (“CPUC” or “Commission”) issued Decision (D.) 18-06-027, creating three new programs to promote the installation of renewable energy generation among residential customers in disadvantaged communities (“DACs”). One program is the DAC Single Family Solar Homes (DAC-SASH) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC Green Tariff (“DAC-GT”) and the Community Solar Green Tariff (“CSGT”) programs are community solar programs that offer 100% solar energy to customers and reduce the burden of energy costs for eligible DAC residential customers via a 20 percent bill discount.

The DAC-GT program is available for residential customers who live in DACs and meet the income eligibility requirements for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) programs.<sup>1</sup> The CSGT program is structured similarly to the DAC-GT program but is intended to drive more local, community-developed solar projects. The CSGT program requires community involvement with the solar project through a local sponsor(s) and will result in a solar facility serving a nearby community.<sup>2</sup> The CSGT program is open to all residential customers located in a DAC, with at least 50% of the program’s capacity reserved for CARE and FERA-eligible customers. Non-low-income and/or master-metered residential rate accounts are accepted once the 50% threshold is met.

Per D.18-06-027, Greenhouse gas (“GHG”) auction proceeds are the primary funding source, supplemented by public purpose program (“PPP”) funds as needed. However, in 2021 the Commission’s Energy Division discovered California Air Resources Board (“CARB”) Cap-and-Trade regulation prohibited the use of GHG auction proceeds for programs to ratepayers in a volumetric manner.<sup>3</sup> Therefore, the programs will be funded solely through PPP funds. only the DAC-GT and CSGT above-market energy budget line item will be funded with GHG allowance proceeds. All other line items for the customer 20 percent discount, program administration, and marketing, outreach, and education should be funded through PPP funds.

Pursuant to D.18-06-027, as clarified in E-4999, authorized Community Choice Aggregators (“CCAs”) to access these same program funding sources to run their own DAC-GT and CSGT programs in addition to the Investor-Owned Utilities (“IOUs”) programs. Resolution E-4999 allocated a portion of the program capacity to existing CCAs at the time and determined that any established CCAs interested in becoming a PA in the future must file an Implementation Advice Letter (“AL”) with the CPUC by January 1, 2021.<sup>4</sup> When CPUC established its original decision for capacity allocations in 2018 there were no CCAs in SDG&E’s service area. As a result, SDG&E was allocated all 18 MW of DAC-GT program capacity and 5 MW of CSGT program

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<sup>1</sup> See CARE/FERA Program. (<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>).

<sup>2</sup> See D.18-06-027 at 64.

<sup>3</sup> Barclays Official California Code of Regulations Title 17 Division. Air Resources Chapter 1 Air Resources Board Subchapter 10 Climate Change Article 5 California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Sub article 9 Direct Allocations of California GHG Allowances (Refs & Annos) 17 CCR § 95892 § 95892. Allocation to Electrical Distribution Utilities for Protection of Electricity Ratepayers.

<sup>4</sup> Resolution E-4999 at 17.



capacity. On September 29, 2021, SDCP submitted AL 004-E seeking an allocation request for 14.39 MW of DAC-GT program capacity and 4 MW of CSGT program capacity. In agreeance, SDG&E filed a support letter on October 18, 2021. The CPUC then accepted SDCP's request for allocation transfer via a disposition letter effective October 29, 2021.

As laid out in Appendix A, on February 28, 2022, the Commission certified Addendum #1 of SDCP's Implementation Plan and Statement of Intent to add unincorporated San Diego County and the city of National City into SDCP service. Since National City includes several DACs within its territory that were not part of the original capacity allocation transfer request and given the update to CalEnviroScreen 3.0 into 4.0, SDCP's original DAC-GT allocation without National City would have decreased to 12.07 MW and remained the same for CSGT. Contingent upon Commission approval of Appendix A contained herein, SDCP's allocation would increase to 15.78 MW and 4.38 MW for DAC-GT and CSGT, respectively. For the purposes of this advice letter, SDCP will utilize the anticipated allocation which includes National City.

San Diego Community Power is a joint powers authority that was founded by the cities of San Diego, Encinitas, La Mesa, Chula Vista, and Imperial Beach on October 1, 2019.<sup>5</sup> On September 23, 2021, and November 18, 2021, the SDCP Board of Directors voted to authorize the County of San Diego and the City of National City, respectively, as new members of San Diego Community Power. SDCP has enrolled municipal, commercial, and industrial (C&I), as well as residential customers in the five founding cities. Service to the new members will be expanded in 2023.

SDCP hereby submits this Implementation Plan for the DAC-GT and CSGT programs. The Implementation Plan includes the following sections:

- Customer Eligibility and Enrollment;
- Rate and Discount Design;
- Procurement;
- Budget and Cost Recovery;
- Marketing, Education, and Outreach;
- Reporting; and
- Program Measurement and Evaluation.

## **2. Customer Eligibility and Enrollment**

This section establishes customer and sponsor(s) eligibility and enrollment terms. These terms can also be found in the DAC-GT and CSGT tariff schedules, included in Appendix C.

### **2.1. DAC-GT Program**

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<sup>5</sup> SDCP Joint Powers Agreement. ([https://sdcommunitypower.org/wp-content/uploads/2021/07/SDRCCEA-JPA-Agreement\\_Signed\\_Searchable.pdf](https://sdcommunitypower.org/wp-content/uploads/2021/07/SDRCCEA-JPA-Agreement_Signed_Searchable.pdf)).

### 2.1.1. Customer Eligibility

The DAC-GT program is available to residential customers who live in DACs, receive generation service from SDCP, and meet the income eligibility requirements for the CARE and/or FERA program.<sup>6</sup> DACs are defined under D. 18-06-027 as communities that are identified in the current version CalEnviroScreen (CES) and among the top 25% of census tracts statewide. Additionally, census tracts in the top 5% of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic, or health data. However, D.18-06-027 established that in the event of an update to CES 3.0, the latest version would be used for the purposes of the program. Since D.18-06-027, CES has been updated from CES 3.0 to CES 4.0. Additionally, pursuant to Resolution E-5212, approved on October 6, 2022 program eligibility includes all eligible DACs from prior version of CES, beginning from the time at which a Program Administrator's DAC-GT or CSGT implementation advice letter is approved.<sup>7</sup> Resolution E-5212 also includes Federally recognized tribal lands as DACs.<sup>8</sup> Therefore, customers will be eligible per CES 4.0 and CalEPA's definition of DACs.

Customer eligibility for the DAC-GT program is verified at the Service Delivery Point. Service accounts enrolled under the following rate schedules are not eligible to participate in SDCP's DAC-GT program:

- IOU bundled service;
- Direct Access customers;
- Standby service;
- Net energy metering rates;
- Non-metered service;
- Rates that are not CARE- or FERA-eligible;
- Non-residential rates;
- Master-metered customers<sup>9</sup>; and
- Schedule CSGT, Community Solar Green Tariff.

A customer's service under this schedule is portable within SDCP's electric service area<sup>10</sup> as long as the customer continues to live in a DAC as defined under the program and meets all other eligibility requirements. Customers who move retain their status as a program participant provided they move to an eligible service address and continue to meet all other eligibility

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<sup>6</sup> Customers must be eligible to participate in either the CARE or FERA programs, however customers are not required to be enrolled under those programs in order to be eligible to participate in DAC-GT or CS-GT. CARE/FEA eligibility is established as currently defined under those programs. Resolution E-4999 at 20.

<sup>7</sup> Resolution E-5212 at 10.

<sup>8</sup> While San Diego County's Federally recognized tribal lands are located in the unincorporated communities of San Diego County, which are part of SDCP, these tribal lands are treated as separate governments and therefore not currently part of SDCP unbundled service. In the future, these tribal governments may become part of SDCP and their residents may therefore become eligible for DAC-GT/CSGT service.

<sup>9</sup> SDCP cannot ensure that all tenants under one master-meter are eligible for the CARE or FERA program, as the sub-metered tenants are not SDCP direct customers. Hence, master-metered accounts are not eligible for the DAC-GT program.

<sup>10</sup> SDCP's service area is composed of the cities of Encinitas, La Mesa, Imperial Beach, San Diego, National City, Chula Vista, and unincorporated San Diego County.

requirements. If the customer is found to still be eligible, they are not required to go on a waitlist, so long as capacity is available and the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

In the event that the CalEnviroScreen tool is updated and SDCP has unsubscribed program capacity available, SDCP will file a Tier 1 AL within 30 days of the release of the new version to update program eligibility rules. Customers who are already enrolled in DAC-GT will retain their eligibility even if their census tract is no longer considered a top 25% DAC under the revised CalEnviroScreen.

### 2.1.2. Customer Enrollment

Customer enrollment under Schedule DAC-GT occurs at the level of the Service Delivery Point. Subscribing customers receive 100% solar energy from the DAC-GT facility up to the enrollment cap and will receive a 20% discount on their Otherwise Applicable Schedule (OAS) for the enrolled Service Delivery Points. Customer enrollment is capped at a maximum of 2 MW solar equivalent per Service Delivery Point.<sup>11</sup>

The DAC-GT program allows eligible customers to purchase renewable electricity produced by a pool of program solar projects for up to 100% of their electric usage. More specifically, customers subscribe to a percentage of the total program's capacity based on their previous 12-month average monthly usage.<sup>12</sup>

The following example describes the calculation of the customer's subscription allocation in further detail:

We assume for this example that a residential customer has an average historical usage at the time of enrollment based on the previous 12 months of 500 kilowatt hours (kWh) per month. The customer subscribes to a 100 kW program solar project with an estimated average monthly output of 21,900 kWh.<sup>13</sup> The customer's subscription allocation is then calculated as a percentage of the average monthly output of the solar system.

$$\frac{500 \text{ kWh}}{21,900 \text{ kWh}} = 2.3\% \text{ average monthly output}$$

In this example, the customer will subscribe to 2.3% of the project's generation. This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

A participating customer can remain on the DAC-GT tariff for up to 20 years from the time of enrollment ~~or the duration of the project's term, whichever concludes first~~. There is no contract

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<sup>11</sup>This limitation does not apply to federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>12</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

<sup>13</sup> Based on a capacity factor of 30%.

required when enrolling in the DAC-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date after a cancellation request is made; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle. Customers who, after enrollment into the DAC-GT program become ineligible for CARE or FERA, will also be unenrolled from the DAC-GT program. Customer enrollment will be available upon resources coming online.

Eligible customers may enroll in the program until customer subscriptions reach the capacity of the SDCP DAC-GT program, based on the capacity required to meet the customer's forecasted annual load. Once SDCP reaches its program cap, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll new eligible customers on a first-come, first-served basis up to the program cap.

### **2.1.3. Customer Auto-Enrollment**

SDCP intends to auto-enroll eligible customers into the DAC-GT program. The current economic situation impacted by the COVID-19 pandemic has created uncertainty in households throughout the San Diego region. Therefore, SDCP will enroll any eligible residential customers that live in one of the top 10% DACs of CalEnviroScreen 4.0 and who are currently enrolled in CARE or FERA until customer subscriptions reach SDCP's DAC-GT program cap. Priority will be given to customers who have had payments made to their accounts, as defined by at least four (4) full or partial payments in the last eight (8) months ("category 1"). If program capacity remains unsubscribed after enrolling these customers, SDCP will enroll additional customers in the following order:

1. Category One (1): Customers have had payments to their accounts, as defined by at least 4 full or partial payments in the last eight (8) months;
2. Category Two (2): Customers who have had at least three (3) full or partial payments in the past eight (8) months;
3. Category Three (3): Customers who have had at least two (2) full or partial payments in the past eight (8) months.

If there is not enough program capacity to enroll all customers in a given category under the DAC-GT program, customers from the respective category will be randomly selected for program enrollment. All remaining customers will be placed on a waitlist. SDCP will monitor program attrition on a monthly basis and will enroll additional customers from the waitlist as program capacity becomes available.

## **2.2. CSGT Program**

### **2.2.1. Customer Eligibility**

The CSGT program is available to residential customers who live in DACs (as defined above) and receive generation service from SDCP. Non-residential customers are not eligible to participate, except for the project sponsor (see more information on sponsor eligibility rules below). Solar generation project(s) supporting the program must be located within SDG&E

service territory and must be within a five (5) mile radius of participating customers' DAC census tract. At least 50% of a project's capacity must be reserved by low-income customers, defined as those meeting the income qualifications for either the CARE or FERA programs.

Customer eligibility is verified at the level of the Service Delivery Point. Service accounts enrolled under the following rate schedules are not eligible to participate in the CSGT program:

- IOU bundled service;
- Direct access customers;
- Standby service;
- Net Energy Metering (NEM) rates;
- Non-metered service;
- Schedule DAC-GT – Disadvantaged Communities Green Tariff.

Master-metered customers may participate in the CSGT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

A customer's service under this schedule is portable within SDCP's electric service area<sup>14</sup> as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements (including the locational requirements). Customers who move retain their status as a program participant provided they have moved to an eligible service address and continue to meet all other eligibility requirements. If the customer is found to still be eligible, they are not required to go on a waitlist, so long as capacity is available and the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

In the event that CalEnviroScreen is updated, SDCP will file a Tier 1 AL within 30 days of the release of the new version to update program eligibility rules. As with the DAC-GT program, all customers in an eligible DAC at the time of a project's initial energy delivery date will remain eligible to subscribe to that CSGT project, even if their DAC designation changes in subsequent iterations of CalEnviroScreen. This grandfathered eligibility will apply to both existing subscribers and customers not previously subscribed to the project in the same DAC, to ensure that the project's output can be fully subscribed by customers whose census tract is within five (5) miles of the project.

### **2.2.2. Customer Enrollment**

As with DAC-GT, customer enrollment will occur at the Service Delivery Point level. Customer enrollment is capped at a maximum of 2 MW solar equivalent per Service Delivery Point.<sup>15</sup>

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<sup>14</sup> SDCP's service area is composed of the cities of Encinitas, La Mesa, Imperial Beach, San Diego, National City, Chula Vista, and unincorporated San Diego County.

<sup>15</sup> This limitation does not apply to federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

The CSGT program allows eligible customers to purchase renewable electricity produced by a local community solar project for up to 100% of their electric usage. More specifically, customers subscribe to a percentage of the forecasted solar system's project generation based on their previous 12-month average monthly usage.<sup>16</sup> As previously described, participating customers will receive a 20% discount on their Otherwise Applicable Schedule (OAS) for enrolled Service Delivery Points. Customers cannot be subscribed to more than one community solar facility at any time.

The following example describes the calculation of the customer's subscription allocation in more detail:

We assume for this example that a residential customer has an average historical usage at the time of enrollment based on the previous 12-months of 500 kilowatt hours (kWh) per month. The customer subscribes to a 100 kW community solar project with an estimated average monthly output of 21,900 kWh.<sup>17</sup> The customer's subscription allocation is then calculated as a percentage of the average monthly output of the solar system.

$$\frac{500 \text{ kWh}}{21,900 \text{ kWh}} = 2.3\% \text{ average monthly output}$$

In this example, the customer will subscribe to 2.3% of the project's generation. This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

Customers interested in enrolling in the CSGT program can sign up with SDCP online or by phone. SDCP will verify customer eligibility based on service account address to verify DAC census tract and the five (5) mile locational requirement. CARE/FERA enrollment status will also be identified to track the subscription of low-income customers. Enrollment attrition will be reviewed on a monthly basis. The program will be available for new enrollments until the project is fully subscribed.

Low-income customers will be enrolled on a first-come, first-served basis. Once 50% of project capacity is subscribed by low-income customers, non-low-income qualified customers located in DACs will become eligible for enrollment. Non-low-income customers can be recruited before the 50% subscription requirement for low-income customers is met. Recruited customers will be placed on a waitlist until 50% of the project capacity is subscribed by low-income customers.

SDCP will assess the subscription rate of low-income customers on a monthly basis after the PPA(s) is awarded. If the low-income subscription rate drops below 50% over the life of the project, existing non-low-income customers are not required to go back on a waitlist. However, new enrollments of non-low-income program participants will be barred until the 50% low-income threshold is met again. During this time, new enrollments of non-low-income

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<sup>16</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

<sup>17</sup> Based on a capacity factor of 30%.

participants will be put on a waitlist. SDCP will inform the Commission’s Energy Division Director in writing if the low-income enrollment rate drops below 35% of project capacity.

Customer enrollment will be available immediately upon program launch. There is no contract required when enrolling in the CSGT program. Customers may be enrolled for any number of months, and there is no enrollment or cancellation fee. A participating customer can remain on the CSGT tariff for the remaining duration of the project’s contract term, or up to 20 years, whichever concludes first. Customer participation in the program automatically terminates should the PPA between SDCP and the developer for the CSGT facility to which the customer is subscribed be terminated or the delivery term ends.

### **2.2.3. Sponsor Eligibility**

Under the CSGT program, community involvement must be demonstrated by a non-profit community-based organization (CBO) or a local government entity “sponsoring” a community solar project on behalf of residents. Local government entities include schools. The community sponsor’s role is to work with the project developer to encourage program participation within their community. Sponsors are also required to include job training and workforce development in their efforts to benefit the local community which would benefit from their projects. Additional sponsor requirements are described in the Procurement section below.

To receive the 20% discount as described below, the sponsor must fulfill all of the following requirements:

1. The sponsor must be an SDCP electric customer;
2. The sponsor must take service under CSGT program;
3. The sponsor must be located in the same geographic areas as any other customer, i.e., within a DAC with the solar project being located 5 miles from the sponsor’s census tract;
4. 50% of the project’s capacity must be subscribed by low-income customers; and
5. The sponsor must meet all other eligibility requirements of any participating customer as described in the section on CSGT customer eligibility above (including ineligible rate schedules).

CBOs or local government entities that do not fulfill all or any of these requirements may still become project sponsors; however, they are not eligible to receive the 20% discount.

There may be more than one sponsoring entity supporting a single community solar project. Multiple sponsors may receive the 20% discount as long as all sponsors meet the eligibility requirements outlined above. More detail on the sponsor bill discount can be found below. Lastly, a sponsor may also be (although not required to be) a site host.<sup>18</sup>

### **2.2.4. Sponsor Enrollment**

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<sup>18</sup> For the purposes of this program, the concept of a “host” only refers to a customer site where the project is located. The community solar project must be located in-front-of-the meter, even if located at a customer host site. Accordingly, all concepts and rules of an in-front-of-the-meter program continue to apply.

Sponsors of a CSGT project are subject to the same enrollment rules and requirements as described above for residential customers participating in the program. For example, enrollment occurs at the level of the Service Delivery Point and is capped at a maximum of 2 MW of solar equivalent per Service Delivery Point.<sup>19</sup>

The sponsor's subscription allocation is also calculated the same way as for any other participating customer, with one modification: a sponsor's subscription allocation is limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs).

To illustrate in further detail, please refer to the previous example (100 kW solar project with a monthly output of 21,900 kWh). Assumptions include the total monthly usage among all the sponsor's eligible Service Delivery Point is 10,000 kWh, which is greater than the 25% of monthly project output (5,475 kWh). In this example, the sponsor's subscription allocation is limited to 25% of project output per month, and the sponsor will receive the discount on only 5,475 kWh.

If two or more sponsors are designated, the sponsors will need to inform SDCP in writing how the "discountable usage" (in this example, 5,475 kWh/monthly) will be allocated between them.

### **3. Rate and Discount Design**

This section describes the rules and requirements for providing the 20% bill discount to participating customers.

#### **3.1. Customer Bill Discount**

Participants in both the DAC-GT and CSGT programs will receive a 20% discount on the electric portion of their bills compared to their otherwise applicable schedule ("OAS").<sup>20</sup> The discount applies so long as customers are enrolled under the programs and comply with all eligibility and enrollment terms described in SDCP's DAC-GT and CSGT tariff sheets.

For low-income customers enrolled in CARE or FERA, the OAR is the customer's existing CARE or FERA rate.<sup>21</sup> Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE/FERA discount has been applied.

For customers who are not enrolled in CARE or FERA, but are otherwise eligible to participate in those programs, the OAR is the customer's existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP's 100% renewable energy generation service option (i.e., SDCP's "Power100") when enrolling under the programs, will be defaulted to SDCP's base service (i.e., SDCP's "PowerOn") for the purposes of calculating the 20% discount. In other words, SDCP's PowerOn service becomes the de-facto OAR for residential customers who are not on the CARE or FERA rate.

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<sup>19</sup> This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>20</sup> D.18-06-027 at 53, 74.

<sup>21</sup> Resolution E-4999, Conclusion 28 at 55.



A customer's electric portion of the bill consists of two main parts: (1) generation portion; and (2) delivery portion. SDCP is currently working with SDG&E to coordinate the best approach to applying the bill discount and plans to file a supplemental advice letter once that approach has been agreed upon. SDCP does not expect this to delay customer enrollment as resources need to be brought online first.

### **3.2. Sponsor Bill Discount**

CSGT project sponsors who meet all of the eligibility requirements outlined above will receive a 20% bill discount on enrolled Service Delivery Points. The sponsor bill discount will be calculated based on the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e., limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled Service Delivery Points). The discount applies as long as sponsors are enrolled under the program and comply with all of the sponsor eligibility and enrollment terms described above. If two or more sponsors are designated, both sponsors must inform SDCP in writing of how the "discountable usage", capped at 25% of the project's energy output, are to be allocated among them. SDCP will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the community solar project has reached its required minimum 50% low-income subscription rate. If, after reaching the required minimum 50% low-income subscription requirement, the subscription rate of low-income customers drops below 50% of project capacity at any time throughout the life of the project, the sponsor bill discount will not be revoked.

## **4. Procurement**

As articulated in Appendix A, SDCP received approval from the Commission on an initial allocation transfer from SDG&E of 14.39 MW for DAC-GT and 4 MW for CSGT based on data from CES 3.0. Since then, CES 4.0 is now available with updated data. Given these updates, SDCP's initial allocation decreased to 12.07 MW for DAC-GT while staying the same for CSGT. With the inclusion of the city of National City into SDCP service, SDCP estimates that its total capacity allocation will increase by 3.71 MW to 15.78 MW for DAC-GT and by 0.38 MW to 4.38 MW for CSGT.

Per D. 18-06-027, Green-e certification is required for the DAC-GT program and SDCP will plan to do so accordingly.

Moreover, due to the unique geographical nature of SDG&E's IOU service territory and the urbanized nature of San Diego County's DACs, SDCP estimates that new generation resources will not come online until 2025.<sup>22</sup> Nonetheless, SDCP seeks program administrator status to

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<sup>22</sup> Please see the Evergreen Economics Independent Evaluator Report here: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report\\_033122v2.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report_033122v2.pdf)

engage the developer community and find suitable sites to develop and benefit eligible customers.

#### **4.1. DAC-GT Program**

DAC-GT projects must be located in a DAC<sup>23</sup> within the same IOU service territory as the customers being served. Existing DAC-GT projects located in census tracts that were previously considered a DAC under the program but are no longer scored as such due to updates to the CalEnviroScreen tool will continue to be eligible to serve customers under the DAC-GT program.<sup>24</sup>

Pending Commission approval, SDCP will have 15.78 MW for its DAC-GT program from its original 12.07 MW based on CES 4.0 data. Eligible projects must be sized between 500 kW and 20 MW. SDCP will consider both full deliverability and energy-only projects in the solicitations.

SDCP will issue DAC-GT solicitations once a year, or as needed, until the program cap is reached. The solicitation process will follow these guiding principles:

1. The project is selected through a competitive solicitation;
2. SDCP executes a Power Purchase Agreement (“PPA”) with a developer for a solar project;
3. There is no direct relationship between the customer and the project developer;
4. Subscribing customers receive 100% renewable energy; and
5. Subscribing customers receive a defined bill credit.

Eligibility for procurement under the DAC-GT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC’s Energy Division Staff via email on September 5, 2019.<sup>25</sup>

#### **4.2. CS-GT Program**

CSGT projects must be sited in a DAC within the same IOU service territory as the customers being served and must also be located within five (5) miles of the benefitting customers’ DAC census tract. CSGT projects located in census tracts that were previously considered a DAC under the program but are no longer scored as such due to updates to the CalEnviroScreen tool, will continue to be eligible to serve customers under the CS-GT program.<sup>26</sup>

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<sup>23</sup> Resolution E-4999 at 16.

<sup>24</sup> In the event the CalEnviroScreen tool is updated, SDCP will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

<sup>25</sup> Energy Division staff explains in an email dated September 5, 2019, that CCAs are expected to compare the unadjusted project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments. Energy Division staff also clarified in the September 16, 2020 DAC-GT and CSGT Stakeholder Workshop that the value of the CCA cost cap will change when all three IOUs procure new resources under the Green Tariff Shared Renewables program or under the Renewable Auction Mechanism as-available-peaking category. Energy Division will notify the CCAs when this occurs.

<sup>26</sup> In the event the CalEnviroScreen tool is updated, SDCP will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

Pending Commission approval, SDCP will have 4.38 MW for its CSGT program from its original 4 MW based on CES 4.0 data. Eligible projects have no minimum size and a maximum size of 3 MW. SDCP will consider both full deliverability and energy-only projects in the solicitations.

SDCP will issue CSGT solicitations once a year, or as needed, until the program cap is reached. Solicitations will be run in conjunction with the DAC-GT program's solicitations. However, the DAC-GT and CSGT programs will each have separate capacity allocations and bid requirements under the same solicitation. The solicitation process will follow the same guiding principles as for the DAC-GT program:

1. The project is selected through a competitive solicitation;
2. SDCP executes a PPA with a developer for a solar project;
3. There is no direct relationship between the customer and the project developer;
4. Subscribed customers receive 100% renewable energy; and
5. Subscribed customers receive a defined bill credit.

Eligibility for procurement under the CSGT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC's Energy Division Staff via email on September 5, 2019.<sup>27</sup>

Twenty-five percent of each project's capacity must be subscribed by eligible low-income customers prior to permission to operate. If this requirement is not met, the project will not be able to begin delivery under the contract.<sup>28</sup>

Community sponsorship of the project by a CBO or local government is required to be eligible to bid for the CSGT program. Developers will be required to obtain and provide a letter of commitment from a sponsor as part of the solicitation process. A letter of commitment from a sponsor must include:

1. Demonstration of substantial interest of community members in subscribing to the project;
2. Estimated number of subscribers, with justification to ensure project is sized to likely demand;
3. A preliminary plan to conduct outreach and recruit subscribers (which may be conducted in conjunction with the developer and/or SDCP); and
4. Siting preferences, including community-suggested host sites, and verification that the site chosen for the bid is consistent with community preference.

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<sup>27</sup> Energy Division staff explains in an email dated September 5, 2019, that CCAs are expected to compare the unadjusted project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments.

<sup>28</sup> No interconnection or other project development processes will be influenced. The project can be finalized but payment on the delivery will not be started until 25% low-income customer subscription is achieved.

In addition to these solicitation requirements, D.18-06-027 also established several metrics for prioritization of CSGT project bids.<sup>29</sup> Firstly, SDCP will prioritize projects located in the top 5% of census tracts of DACs per CalEnviroScreen 4.0. (if applicable). Secondly, SDCP will grant priority for projects that leverage other government funding, or projects that provide evidence of support or endorsements from programs such as Transformative Climate Communities or other local climate initiatives. Thirdly, SDCP will also prioritize job training and workforce development factors and will require workforce development for all projects, including local hiring and targeted hiring, to enable creation of job opportunities for low-income communities.

To encourage the development of CSGT projects, SDCP will provide support to local CBOs and project developers to identify potential community solar sites within its service territory as needed. As a local government agency, SDCP has existing relationships within its communities that can be leveraged to enhance the success of the CSGT program.

## **5. Budget and Cost Recovery**

This section describes the rules and requirements regarding program costs and budget, funding and cost recovery mechanisms, and the process of reviewing program costs.

### **5.1. Budget**

Program Administrators must submit annual program budget forecasts via a Tier 1 Advice Letter by February 1st of each year for the following program year (“PY”). Each Advice Letter must include separate program budget forecasts for the DAC-GT and CSGT programs and must clearly identify any costs that are shared between the programs.

Annual budget submissions will include, at a minimum, the following budget line items:

1. Generation cost delta, if any;<sup>30</sup>
2. 20 percent bill discount for participating customers;
3. Program administration costs; and
4. Marketing, education, and outreach (“ME&O”) costs.

### **Generation Cost Delta**

For subscribed energy, the generation cost delta is the net renewable resource costs and other generation-related costs used to support the program that is more or less than the customers’ otherwise applicable class average generation rate.

SDCP will calculate the generation cost delta by comparing the generation cost for DAC-GT and CSGT resources to the generation cost for the base product that customers would otherwise

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<sup>29</sup> D.18-06-027 at 82.

<sup>30</sup> Resolution E-4999 establishes that above market generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers’ bills. In conversations with the CPUC’s Energy Division after the release of the Resolution, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/CSGT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the “Delta of generation costs between the DAC-GT/CSGT resources and the otherwise applicable class average generation rate.”

receive if they were not participating in the program (i.e., SDCP's PowerOn rate). The cost components are defined as follows:

- The generation cost for the base product (SDCP's PowerOn rate) will be a weighted average of the generation costs of the product's renewable and non-renewable content, including Resource Adequacy;
- The generation cost for the DAC-GT program will be the weighted average of the generation costs of all solar projects under the program; and
- The generation costs for the CSGT program will be the generation costs of the specific solar project that the customer subscribes to.

The delta between the base rate and the total generation cost of the DAC-GT or CSGT resources will then be multiplied by the volume of load served each month by each program to arrive at the total above-market generation cost or below-market generation savings from the program.

The above/below market generation costs, if any, will not be charged to participating customers and thus will not appear on the customers' bills. Instead, the cost delta, if any, will be tracked in the background and will be charged as program costs (or credits) and recovered through PPP funds as outlined below.

Because the facility will be contracted to SDCP to provide all output, any potential above-market costs associated with unsubscribed output will also be covered by the same program funds that cover the above-market costs for subscribed customers of the program.<sup>31</sup> Unsubscribed project energy will be trued-up annually, and SDCP will seek ways to create value in other avenues as deemed appropriate. Any revenue received will be applied as a credit towards program funds.

There is no estimated generation cost delta for PYs 2023-2024 because there are no interim resources to utilize and SDCP estimates that bringing new projects online will take place in 2025.

### **Participant Bill Discount**

As described above, program participants will receive a 20 percent discount on the otherwise applicable rate of eligible Service Delivery Points. SDCP's annual program budget will not include the estimated total amount of revenue loss to be experienced by providing the 20 percent discount on the generation portion of the bill because SDCP does not expect new resources to be online in either PY 2023 or 2024 due to the urbanized nature of the DACs located in SDG&E's IOU service territory as compared to the Pacific Gas & Electric ("PG&E") and Southern California Edison ("SCE"). We anticipate the discount to commence in PY 2025 once projects are brought online. As such, this calculation will be based on forecasted monthly enrollment in each program and average monthly bills by customer class.

### **Program Administration and ME&O Costs**

Under the DAC-GT and CSGT programs, program administrators ("PAs") can recover all program administration and ME&O costs from program funds. SDCP will track program costs for the DAC-GT and CSGT programs in separate accounts.

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<sup>31</sup> D.18-06-027 at 83.

The administrative budget must be broken out into:

1. Program management;
2. Information technology (“IT”);
3. Billing operations;
4. Regulatory compliance; and
5. Procurement.

Marketing, education, and outreach (“ME&O”) costs must be broken out into:

1. Labor costs;
2. Outreach and material costs;
3. Local CBO/sponsor costs (for CSGT only).

Resolution E-4999 establishes a budget cap of ten percent of the total budget for program administration costs and a budget cap of four percent of the total budget for ME&O costs.<sup>32</sup> However, administrative, and ME&O costs may be higher than these budget allocations in the first two years of program implementation, acknowledging that program start-up costs may be higher.

### **Program Evaluation Costs**

The DAC-GT and CSGT programs must be reviewed by an independent evaluator every three years. The first independent evaluator review of the utilities’ DAC-GT and CSGT programs was completed on March 31, 2022.<sup>33</sup>

For the next iteration, one statewide Independent Evaluator will evaluate all IOU and CCA DAC-GT and CSGT programs statewide.<sup>34</sup> This program evaluation costs will not be included in SDCP’s program budget.

In addition to budget forecasts, annual program budget submissions must also include the following details on program capacity and customer enrollment numbers for both programs:

1. Existing capacity at previous PY’s close;
2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at previous PY’s close; and
4. Forecasted customer enrollment for the upcoming PY.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if available.

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<sup>32</sup> Pursuant to Resolution E-5125 PAs can submit a request an adjustment to the budget allocations if need arises as part of their Annual Budget Advice Letters due each February.

<sup>33</sup> Please see the Evergreen Economics Independent Evaluator Report here: [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report\\_033122v2.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report_033122v2.pdf)

<sup>34</sup> Resolution E-5102 at 8; Resolution E-5124 at 21.

Program costs will not be charged to participating customers and will thus not appear on customers' bills. Instead, the cost categories described above will be tracked and charged as program costs to the DAC-GT and CSGT programs.

SDCP submits a budget estimate for PYs 2023 and 2024 in Attachment D to the Implementation Advice Letter.

## **5.2. Budget Forecasting and Reconciliation Procedures**

SDCP will file, by February 1 of each program year, a Tier 1 Budget Advice Letter.<sup>35</sup> In this Annual Budget Advice Letter filing, SDCP will, for each program separately:

1. Request approval of its **forecasted budget** for the upcoming PY (e.g., by February 1, 2024, for the 2025 PY);
2. Reports its **actual expenditures** during the prior PY (e.g., by February 1, 2024, for the 2023 PY); and
3. **Reconcile** the prior year's budget forecast with actual expenditures.

### **Budget Forecast**

SDCP will forecast the estimated program cost for the upcoming PY for all budget categories described above. For the projected revenue loss associated with providing the 20 percent discount to customers, SDCP will estimate the total expected revenue loss for the generation portion of the electric bill in PY 2024 once projects are expected to come online in PY 2025. It is expected that SDG&E will estimate the total expected revenue loss for the delivery portion of the electric bill, however, SDCP will continue to coordinate with SDG&E.

### **Report Actual Expenditures**

SDCP will report on actual expenditures for the previous PY for all budget categories described above. For the actual revenue loss associated with providing the 20 percent discount to customers, SDCP will report on the actual total revenue loss for the generation portion of the electric bill when projects are expected to come online in PY 2025. It is expected that SDG&E will report on the total actual revenue loss for the delivery portion of the electric bill, however, SDCP will continue to coordinate with SDG&E.

The Annual Budget Advice Letter will be the mechanism for the Commission and stakeholders to review SDCP's actual program costs and performance. Based on the information provided in SDCP's Annual Budget Advice Letter, SDG&E can include a summary of actual program expenditures for the previous PY in the Energy Resource Recovery Account ("ERRA") Compliance Review.

### **Budget Reconciliation**

In the Annual Budget Advice Letter, SDCP will true up forecasted program costs against actual expenditures by budget category for the prior PY. Any unspent funds from the prior PY will be used to offset the forecasted budget for the upcoming PY. If actual expenditures exceeded the

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<sup>35</sup> The budgets for PY 2023 and 2024 are included as an attachment to this filing. Therefore, SDCP understands that no additional Tier 1 Advice Letter will be required by February 1, 2023, for the 2024 PY.

forecast in the previous PY, SDCP will add the shortfall to the forecasted budget for the upcoming PY.

### 5.3. Cost Recovery Procedures

Pursuant to D.18-06-027, the DAC-GT and CSGT programs are funded first through available GHG allowance proceeds. If such funds are exhausted, the programs will be funded through PPP funds. However, in 2021 the Commission's Energy Division learned that the California Air Resources Board ("CARB") Cap-and-Trade regulation prohibits the use of Greenhouse Gas Allowances to ratepayers in a volumetric manner.<sup>36</sup> Therefore, only the DAC-GT and CSGT above-market energy budget line item will be funded with GHG allowance proceeds. All other line items for the customer 20 percent discount, program administration, and marketing, outreach, and education should be funded through PPP funds.~~the programs will be funded solely through PPP funds.~~

D.18-06-027 authorizes CCAs to access PPP funds to run the DAC-GT and CSGT programs.<sup>37</sup> The IOUs collect PPP funds and have established balancing accounts for the DAC-GT and CSGT programs. CCAs are not in the position to either access those funds directly or establish balancing accounts to track program costs. Therefore, SDCP requests that the Commission direct SDG&E modify its DAC-GT and CSGT balancing accounts to include a sub-account to track the funding and costs of SDCP's DAC-GT and CSGT programs.

Consistent with prior Commission Decisions, SDG&E is asked to include the total budget estimate for the upcoming PY for SDCP's DAC-GT and CSGT programs in its 2023 Energy Resource Recovery Account ("ERRA") November update.<sup>38</sup> Once SDG&E receives approval of its ERRA Forecast from the Commission, SDG&E will set aside the requested SDCP budget for the following budget categories in a sub-account of its DAC-GT and CSGT balancing accounts:

1. Generation cost delta
2. Bill discount (generation portion)
3. Program administration costs
4. ME&O costs
5. Program evaluation costs

SDG&E will then transfer program funds for these budget categories to SDCP in four quarterly installments (by January 1, April 1, July 1, and October 1 of each year) for the upcoming quarter.

If the ERRA forecast is not approved by January 1 or a given PY, SDG&E will transfer all past due funds to SDCP within 30 days of issuance of such approval.

## 6. Marketing, Education, and Outreach

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<sup>36</sup> Barclays Official California Code of Regulations Title 17 Division. Air Resources Chapter 1 Air Resources Board Subchapter 10 Climate Change Article 5 California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Sub article 9 Direct Allocations of California GHG Allowances (Refs & Annos) 17 CCR § 95892 § 95892. Allocation to Electrical Distribution Utilities for Protection of Electricity Ratepayers.

<sup>37</sup> D.18-06-027, OP 17 at 104.

<sup>38</sup> See D.20-12-038 at 26 (directing Pacific Gas and Electric Company ("PG&E") to set aside CCA DAC-GT and CSGT program funding in PG&E's 2021 Energy Resource Recovery Account Application.



SDCP will establish a ME&O program to promote customer participation in the DAC-GT and CSGT programs. SDCP plans to directly implement the ME&O program and execute outreach.

SDCP is submitting a ME&O plan for PYs 2023-2024 as Appendix E.<sup>39</sup> The ME&O plan discusses specific methods for customer outreach, including any coordination with CBOs and community sponsors, for each of the programs separately. The plan addresses how SDCP will work to identify residential customers in DACs who are likely eligible for the CARE and FERA programs, but who are not yet enrolled. Finally, the plan discusses how to leverage existing customer programs to market the DAC-GT and CSGT programs.

SDCP will file annual ME&O plans and detailed budgets by February 1 of each year for the upcoming PY, starting in 2024.

## **7. Reporting**

Within 30 calendar days after the end of each calendar quarter, SDCP will file a quarterly report for both programs, distinguishing between the DAC-GT and CSGT program data. The quarterly report will detail:

1. Procured capacity;
2. Online capacity;
3. DAC(s) in which project(s) are located;
4. Number of participating customers in each DAC within SDCP's service territory;
5. Number of customers who have successfully enrolled in CARE and FERA as part of auto-enrollment into DAC-GT or in the process of signing up for the CSGT program.

The quarterly report will be filed in R.14-07-002 and served onto the same service list.

Semi-annually, within 30 calendar days after the end of each six-month period of the year, SDCP will report the following information for CSGT projects to the Commission's Energy Division Central Files:

1. Number of income-qualified customers subscribed to each project and the capacity those customers are receiving;
2. Whether a waitlist of non-income-qualified customers exists and the number of customers on that list;
3. If project sponsors are receiving bill credits under CSGT projects and the size of each sponsor's subscription; and
4. The number of master-metered properties served on the CSGT tariff and the total capacity those properties are subscribed to receive.

SDCP's first quarterly or semi-annual report will be filed on the first scheduled due date after customer enrollment begins.

## **8. Program Measurement and Evaluation**

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<sup>39</sup> The ME&O plan and budget for PY 2023-2024 are subject to change depending on the date of approval of the Implementation Advice Letter.

An independent evaluator will review the utilities' DAC-GT and the CSGT programs every three years beginning in 2021.<sup>40</sup> The CSGT program must also be assessed by the same independent evaluator one year after program launch.<sup>41</sup>

Responsibilities for funding the independent evaluator review will remain with the IOUs for each service territory in which a CCA resides. One statewide Independent Evaluator will evaluate all IOU and CCA DAC-GT and CSGT programs statewide.<sup>42</sup>

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<sup>40</sup> D.18-10-007 at OP 18.

<sup>41</sup> Resolution E-4999 clarified that it is appropriate to interpret the first year of the CSGT program as the first-year customers are able to subscribe to projects.

<sup>42</sup> Resolution E-5102 at 8.

## **APPENDIX B1**

**Electric Schedule DAC-GT,  
Disadvantaged Communities Green Tariff Program, and  
Schedule CSGT,  
Community Solar Green Tariff Program**

*Effective Date: March 16, 2023*





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## **San Diego Community Power Disadvantaged Communities Green Tariff Program**

The purpose of the DAC-GT program is to provide eligible customers residing in disadvantaged communities (“DACs”) as defined in the Terms and Conditions below with a bill credit while also having their usage met with up to 100% renewable energy from qualified renewable generating facilities in DACs (“Qualified Facilities”).

### **APPLICABILITY**

This program is available to residential SDCP customers who are eligible for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) program and reside within a DAC.

Qualified Facilities are defined as new Renewable Portfolio Standard eligible generating facilities with a nameplate rated generating capacity between 500 kW to 20 MW that are located within a DAC in San Diego Gas and Electric’s (“SDG&E”) IOU service territory and that supply energy to SDCP via a Power Purchase Agreement for the purposes of meeting customer subscriptions under this program.

This program will auto-enroll customers based on a criterion specified in the Terms and Conditions below. Once SDCP reaches its DAC-GT program cap, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll customers based on the criteria specific.

This program is not available to customers served under standby service, master-metered schedules, non-CARE/FERA eligible rates, Net Energy Metering rates, non-residential rates, customers enrolled in SDCP’s CSGT, Direct Access customers or SDG&E bundled customers.

### **RATES AND CREDITS**

Customers taking service on this rate schedule will receive a 20% discount on the electric portion of the bill compared to their otherwise applicable schedule (“OAS”), including SDCP generation charges, SDG&E transmission and distribution charges, and SDG&E CCA PCIA charges. The discount will be applied prior to the application of state and local taxes. This discount applies so long as customers are enrolled under the program and compliant with all the eligibility and enrollment terms.

For low-income customers enrolled in the CARE and/or FERA programs, the OAS is the customer’s existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP’s 100% renewable energy generation service option when enrolling under the program will default to SDCP’s base rate for the purposes of calculating the 20% discount.

## TERMS AND CONDITIONS

1. **Customer eligibility.** To enroll in this program customers must meet the following eligibility criteria:
  - a. **SDCP enrollment:** Program participants must be residential SDCP customers. SDG&E bundled customers and customers served by Direct Access providers are not eligible to participate in this program.
  - b. **CARE/FERA Eligibility:** Customers must be eligible for the CARE or FERA program. If a customer is not already enrolled in CARE or FERA they may enroll in CARE or FERA via the Investor-Owned Utility. Since SDCP plans to auto-enroll residents into the DAC-GT program who are already enrolled in CARE or FERA, customers who are found to be eligible but not enrolled yet into the aforementioned programs will be encouraged to enroll and subsequently added to the program if capacity allows or add them to the end of the waiting list.
  - c. **Disadvantaged community:** The customer's service address must be located in a DAC, identified by the CalEnviroScreen 4.0 as scoring among the top 25% of census tracts statewide, or census tracts scoring in the highest 5% of the CalEnviroScreen's Pollution Burden, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. In the event the census tract in which a customer resides is not scored as a top 25% DAC in a subsequent version of the CalEnviroScreen tool or as one of the census tracts in the top 5% of pollution burden, the customer may retain their eligibility for DAC-GT.
2. **Ineligible rates.** Customers served under the following rate schedules cannot concurrently participate in DAC-GT:
  - a. IOU bundled service;
  - b. Direct Access customers;
  - c. Standby service;
  - d. Non-metered service;
  - e. Net Energy Metering schedules;
  - f. Other 100% renewable energy rates including SDCP's 100% Power100 rate and CSGT;
  - g. Customers served under a master-meter rate schedule;
  - h. Non-CARE/FERA eligible rates; and
  - i. Non-residential rate schedules.
3. **Customer enrollment and term.** After resources have been procured and brought online, service under this program will become effective within two billing periods after SDCP has identified the eligible customers to auto-enroll in this program and that there is sufficient capacity to serve the customers.

Customers subscribe to a percentage of the total capacity of all solar resources under the program based on their previous 12-month average monthly usage.<sup>1</sup> This percentage

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<sup>1</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.



allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

There is no minimum length of time that a customer must take service under this program. There is also no termination fee associated with un-enrolling from the DAC-GT program. In the event a customer elects to opt-out of SDCP's service, they'll no longer receive service under this program with the change becoming effective no later than two billing periods after the date that SDCP receives the customer's opt out request; the same is true for those customers who elect to un-enroll from or cease to be eligible for DAC-GT. Customers are eligible to remain on the DAC-GT for a period of up to 20 years from the date they first began service under the program.

In the event that a customer turns off electric service at their current address and moves to a new location, the customer will need to recertify eligibility at the new location for service under this program. If they still meet the eligibility requirements the customer will retain their status as a program participant so long as the customer's turn-on date at the new location is within 90 days of the final billing date at their original location. Customers who, after enrollment into the DAC-GT, become ineligible for CARE or FERA will be unenrolled from this program.

- 4. Maximum subscription per customer.** Enrollment in this program is capped at two megawatts for any single customer.
- 5. Metering.** All customers must be metered according to the requirements of their OAS.

## **San Diego Community Power Community Solar Green Tariff Program**

The purpose of the Community Solar Green Tariff (“CSGT”) program is to provide eligible customers in disadvantaged communities (“DACs”) with a bill credit while also having their usage met with up to 100% renewable energy from qualified renewable generating facilities in disadvantaged communities (“Qualified Facilities”).

### **APPLICABILITY**

This program is available to San Diego Community Power (“SDCP”) residential customers who meet the following eligibility requirements:

1. Customer must be eligible for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) program (“Qualifying Customers”);
2. Customer must reside in a census tract that is within a DAC as defined in the Terms and Conditions below; and
3. Customers must reside in a census tract that is within five miles of a community solar facility (“CS Facility”) as defined below.

Once 50% of a CS Facility’s output is subscribed by Qualifying Customers, this program is also available to:

1. Residential customers who are not eligible for the CARE or FERA program but reside within a DAC as well as census tract that is within five miles of the CS Facility (“Non-qualifying Customers”); and
2. Community Sponsors, as defined in the Community Sponsor section of this tariff.

This program will be available for Qualifying Customer participation once a CS facility has achieved commercial operation and for Non-qualifying Customers, once the subscription rate for Qualifying Customers reaches the 50% threshold. This program is not available to customers served under Net Energy Metering rate schedule, Standby service, non-metered service, customers enrolled in SDCP’s Disadvantaged Communities Green Tariff (“DAC-GT”) rate, or Direct Access or San Diego Gas and Electric (“SDG&E”) bundled customers.

Customers served under a master-metered schedule are eligible for this program once 50% of the CS Facility output is subscribed with Qualifying Customers. Master-metered customers may participate in the CSGT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

This program is available to customers until SDCP’s CSGT program cap is reached. However, an individual CS Facility may be smaller, and enrollment toward each CS Facility will be capped at

the capacity of that facility. Once SDCP's CSGT program cap is reached for one or all CS Facilities, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll new eligible customers on a first-come, first-served basis with priority given to Qualifying Customers.

## **COMMUNITY SOLAR FACILITIES**

For this tariff, a CS Facility is defined as a Renewable Portfolio Standard ("RPS") eligible generating facility that is located within a DAC and within five miles of the census tracts in which subscribing customers reside. CS Facilities may have a nameplate-rated generating capacity no larger than 3 MW for any one project. The developer of a CS Facility must enter into a Power Purchase Agreement ("PPA") with SDCP for the sale and purchase of the power produced by the facility and is responsible for developing and operating the CS Facility and partnering with one or more Community Sponsors for the project (see below for more information). Customers served by this program are not parties to the PPA and are not third-party beneficiaries to the PPA.

A CS Facility will retain its eligibility to serve customers under this program throughout the life of that project, even if the local qualified DAC designations change in subsequent iterations of CalEnviroScreen.

## **COMMUNITY SPONSOR**

Each CS facility must have one or more Community sponsors. Community Sponsors are local non-profit community-based organizations or local government entities, including schools, located in SDCP's service territory. Community Sponsors must demonstrate community involvement and awareness by sponsoring a CSGT project on behalf of the residents.

A Community Sponsor located within a DAC and in a census tract that is within five miles of the CS facility may take service under this program and is eligible for a 20% bill credit for usage up to 25% of the project's estimated output, not to exceed the Community Sponsor's energy needs. Any usage above 25% of the project's energy output will be billed at the Community Sponsor's OAT and is not eligible for the 20% bill credit. The 20% bill credit will apply to the eligible portion of the Community Sponsor bill once 50% of the project's capacity has been subscribed by Qualified Customers. Multiple Community Sponsors can sponsor a single CSGT project and share in the 20% bill credit up to 25% of the project's energy output provided that all sponsors meet the eligibility requirements above.

## **RATES AND CREDITS**

### **1. Residential Customer Rates**

Customers taking service under this rate schedule will receive a 20% discount on the electric portion of the bill compared to their otherwise applicable schedule ("OAS"). This discount applies so long as customers are enrolled under the program and compliant with all the eligibility and enrollment terms.

For the customers enrolled in the CARE or FERA programs, the OAT is the customer's existing CARE or FERA rate. Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE or FERA discount has been applied.

For customers who are not enrolled in CARE or FERA programs, the OAT is the customer's existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP's 100% renewable energy generation service option when enrolling under the programs will default to SDCP's base rate for the purposes of calculating the 20% discount.

## 2. Sponsor Rates

CSGT project sponsors who meet all eligibility requirements outlined above receive a 20% bill discount for enrolled Service Delivery Points. The sponsor bill discount will be calculated based on the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e., limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled Service Delivery Points). This discount applies so long as sponsors are enrolled under the programs and compliant with all the sponsor eligibility and enrollment terms described above.

If two or more sponsors are designated, both sponsors must inform SDCP in writing of how the "discountable usage" capped at 25% of the project's energy output, are to be allocated among them. SDCP will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the CSGT project has reached its required minimum 50% Qualifying Customer subscription rate. If the subscription rate of Qualifying Customers drops under 50% of the project capacity at any time throughout the life of the project, the sponsor bill credit will not be revoked.

## TERMS AND CONDITIONS

1. **Customer eligibility.** To enroll in this program customers must meet the following eligibility criteria:
  - a. **SDCP enrollment:** To receive service under this program, participants must be SDCP customers. SDG&E bundled customers and customers served by Direct Access providers are not eligible to participate in this program.
  - b. **Disadvantaged community:** The customer's service address must be located in a DAC, identified by CalEnviroScreen (CES) 4.0 as scoring in the top 25% of census tracts statewide, or census tracts scoring in the highest 5% of CES's Pollution Burden that does not have an overall CES score because of unreliable socioeconomic or health data and receive generation service from SDCP.
  - c. **Proximity to a Community Solar (CS) Facility:** Eligible SDCP customers must reside in a DAC census tract that is within five miles of a CS facility.
  - d. **CARE or FERA eligibility:** The first 50% of the output of a CS facility will be reserved for residential customers who meet the other enrollment criteria and are eligible for the CARE or FERA program ("Qualifying Customers"). If a customer

is not already enrolled in CARE or FERA, they may enroll in CARE or FERA prior to signing up for CS-GT. If they elect not to enroll in CARE or FERA, they will be required to certify their eligibility for one of these programs as part of the process of enrolling in the CSGT.

- e. **Non-qualifying customers:** After 50% of the output of a CS Facility has been subscribed by Qualifying Customers, non-qualifying residential customers who are not eligible for the CARE or FERA program but reside within a DAC as well as a census tract that is within five miles of the CS facility ("non-qualifying customers"), including customers served under a master-meter rate schedule, may enroll in the program and receive the 20% CSGT credit.
  - f. **Community Sponsors:** After 50% of the output of a CS Facility has been subscribed by Qualifying Customers, Community Sponsors may enroll eligible service accounts and receive the 20% CSGT credit, subject to conditions and limitations for Community Sponsors.
2. **Participation in Demand Response programs.** Customers served by this program can concurrently participate in any Demand Response ("DR") Programs for which they are otherwise eligible. All DR payments and credits are based on a customer's metered usage and are not impacted by participation in this program.
3. **Ineligible rates.** Customers served under the following rate schedules cannot concurrently participate in CSGT:
- a. IOU bundled service;
  - b. Direct Access customers;
  - c. Standby service;
  - d. Non-metered service
  - e. Net Energy Metering schedules;
  - f. Other 100% renewable energy rates including SDCP's 100% Power100 rate and DACGT;
  - g. Customers served under a master-meter rate schedule;
  - h. Non-CARE/FERA eligible rates; and
  - i. Non-residential rate schedules.
4. **Customer enrollment and term.** After a CS Facility has achieved commercial operation, service under this Schedule shall become effective within two billing periods after SDCP receives an enrollment request from a customer and SDCP has confirmed that the customer meets eligibility requirements.

In the event a customer elects to no longer receive service under this program, the change will become effective no later than two billing periods after the date that SDCP receives the customer's request to de-enroll from CSGT.

In the event that a customer turns off electric service at their current address and moves to a new location, the customer will need to recertify eligibility at the new location for service under this program. The customer will retain their status as a program participant so long as the customer meets all eligibility criteria, program capacity is available, the customer's turn-on date at the new location is within 90 days of the final billing date at their previous location and the application is received by SDCP within 90 days of the turn-on date.

Service under this program will automatically terminate at the start of the next billing period if the PPA between SDCP and the developer of the CS facility to which the customer is subscribed is terminated or the delivery term ends.

5. **Maximum subscription per customer.** The load served by SDCP to an individual customer under this program (subscription) is capped at 2 megawatts of the nameplate rated generating capacity from a CS Facility. Customers cannot be subscribed to more than one CS Facility at any time.
6. **Metering.** All Customers must be metered according to the requirements of their OAS.

## **APPENDIX B2**

**Updated Electric Schedule DAC-GT,  
Disadvantaged Communities Green Tariff Program, and  
Schedule CSGT,  
Community Solar Green Tariff Program  
(Redlined)**

*Effective Date:* ~~*FTBD upon Commission approval*~~ *March 16, 2023*

Proposed by



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## **San Diego Community Power Disadvantaged Communities Green Tariff Program**

The purpose of the DAC-GT program is to provide eligible customers residing in disadvantaged communities (“DACs”) as defined in the Terms and Conditions below with a bill credit while also having their usage met with up to 100% renewable energy from qualified renewable generating facilities in DACs (“Qualified Facilities”).

### **APPLICABILITY**

This program is available to residential SDCP customers who are eligible for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) program and reside within a DAC.

Qualified Facilities are defined as new Renewable Portfolio Standard eligible generating facilities with a nameplate rated generating capacity between 500 kW to 20 MW that are located within a DAC in San Diego Gas and Electric’s (“SDG&E”) IOU service territory and that supply energy to SDCP via a Power Purchase Agreement for the purposes of meeting customer subscriptions under this program.

This program will auto-enroll customers based on a criterion specified in the Terms and Conditions below. Once SDCP reaches its DAC-GT program cap, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll customers based on the criteria specific.

This program is not available to customers served under standby service, master-metered schedules, non-CARE/FERA eligible rates, Net Energy Metering rates, non-residential rates, customers enrolled in SDCP’s CSGT, Direct Access customers or SDG&E bundled customers.

### **RATES AND CREDITS**

Customers taking service on this rate schedule will receive a 20% discount on the electric portion of the bill compared to their otherwise applicable schedule (“OAS”), including SDCP generation charges, SDG&E transmission and distribution charges, and SDG&E CCA PCIA charges. The discount will be applied prior to the application of state and local taxes. This discount applies so long as customers are enrolled under the program and compliant with all the eligibility and enrollment terms.

For low-income customers enrolled in the CARE and/or FERA programs, the OAS is the customer’s existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP’s 100% renewable energy generation service option when enrolling under the program will default to SDCP’s base rate for the purposes of calculating the 20% discount.

## TERMS AND CONDITIONS

1. **Customer eligibility.** To enroll in this program customers must meet the following eligibility criteria:
  - a. **SDCP enrollment:** Program participants must be residential SDCP customers. SDG&E bundled customers and customers served by Direct Access providers are not eligible to participate in this program.
  - b. **CARE/FERA Eligibility:** Customers must be eligible for the CARE or FERA program. If a customer is not already enrolled in CARE or FERA they may enroll in CARE or FERA via the Investor-Owned Utility. Since SDCP plans to auto-enroll residents into the DAC-GT program who are already enrolled in CARE or FERA, customers who are found to be eligible but not enrolled yet into the aforementioned programs will be encouraged to enroll and subsequently added to the program if capacity allows or add them to the end of the waiting list.
  - c. **Disadvantaged community:** The customer's service address must be located in a DAC, identified by the CalEnviroScreen 4.0 as scoring among the top 25% of census tracts statewide, or census tracts scoring in the highest 5% of the CalEnviroScreen's Pollution Burden, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. In the event the census tract in which a customer resides is not scored as a top 25% DAC in a subsequent version of the CalEnviroScreen tool or as one of the census tracts in the top 5% of pollution burden, the customer may retain their eligibility for DAC-GT.
2. **Ineligible rates.** Customers served under the following rate schedules cannot concurrently participate in DAC-GT:
  - a. IOU bundled service;
  - b. Direct Access customers;
  - c. Standby service;
  - d. Non-metered service;
  - e. Net Energy Metering schedules;
  - f. Other 100% renewable energy rates including SDCP's 100% Power100 rate and CSGT;
  - g. Customers served under a master-meter rate schedule;
  - h. Non-CARE/FERA eligible rates; and
  - i. Non-residential rate schedules.
3. **Customer enrollment and term.** After resources have been procured and brought online, service under this program will become effective within two billing periods after SDCP has identified the eligible customers to auto-enroll in this program and that there is sufficient capacity to serve the customers.

Customers subscribe to a percentage of the total capacity of all solar resources under the program based on their previous 12-month average monthly usage.<sup>1</sup> This percentage

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<sup>1</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

There is no minimum length of time that a customer must take service under this program. There is also no termination fee associated with un-enrolling from the DAC-GT program. In the event a customer elects to opt-out of SDCP's service, they'll no longer receive service under this program with the change becoming effective no later than two billing periods after the date that SDCP receives the customer's opt out request; the same is true for those customers who elect to un-enroll from or cease to be eligible for DAC-GT. Customers are eligible to remain on the DAC-GT for a period of up to 20 years from the date they first began service under the program ~~or the direction of the project's term, whichever concludes first.~~

In the event that a customer turns off electric service at their current address and moves to a new location, the customer will need to recertify eligibility at the new location for service under this program. If they still meet the eligibility requirements the customer will retain their status as a program participant so long as the customer's turn-on date at the new location is within 90 days of the final billing date at their original location. Customers who, after enrollment into the DAC-GT, become ineligible for CARE or FERA will be unenrolled from this program.

- 4. Maximum subscription per customer.** Enrollment in this program is capped at two megawatts for any single customer.
- 5. Metering.** All customers must be metered according to the requirements of their OAS.

## **San Diego Community Power Community Solar Green Tariff Program**

The purpose of the Community Solar Green Tariff (“CSGT”) program is to provide eligible customers in disadvantaged communities (“DACs”) with a bill credit while also having their usage met with up to 100% renewable energy from qualified renewable generating facilities in disadvantaged communities (“Qualified Facilities”).

### **APPLICABILITY**

This program is available to San Diego Community Power (“SDCP”) residential customers who meet the following eligibility requirements:

1. Customer must be eligible for the California Alternate Rates for Energy (“CARE”) or Family Electric Rate Assistance (“FERA”) program (“Qualifying Customers”);
2. Customer must reside in a census tract that is within a DAC as defined in the Terms and Conditions below; and
3. Customers must reside in a census tract that is within five miles of a community solar facility (“CS Facility”) as defined below.

Once 50% of a CS Facility’s output is subscribed by Qualifying Customers, this program is also available to:

1. Residential customers who are not eligible for the CARE or FERA program but reside within a DAC as well as census tract that is within five miles of the CS Facility (“Non-qualifying Customers”); and
2. Community Sponsors, as defined in the Community Sponsor section of this tariff.

This program will be available for Qualifying Customer participation once a CS facility has achieved commercial operation and for Non-qualifying Customers, once the subscription rate for Qualifying Customers reaches the 50% threshold. This program is not available to customers served under Net Energy Metering rate schedule, Standby service, non-metered service, customers enrolled in SDCP’s Disadvantaged Communities Green Tariff (“DAC-GT”) rate, or Direct Access or San Diego Gas and Electric (“SDG&E”) bundled customers.

Customers served under a master-metered schedule are eligible for this program once 50% of the CS Facility output is subscribed with Qualifying Customers. Master-metered customers may participate in the CSGT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

This program is available to customers until SDCP’s CSGT program cap is reached. However, an individual CS Facility may be smaller, and enrollment toward each CS Facility will be capped at

the capacity of that facility. Once SDCP's CSGT program cap is reached for one or all CS Facilities, a waitlist will be maintained for new subscriptions. When program capacity becomes available, SDCP will enroll new eligible customers on a first-come, first-served basis with priority given to Qualifying Customers.

## **COMMUNITY SOLAR FACILITIES**

For this tariff, a CS Facility is defined as a Renewable Portfolio Standard ("RPS") eligible generating facility that is located within a DAC and within five miles of the census tracts in which subscribing customers reside. CS Facilities may have a nameplate-rated generating capacity no larger than 3 MW for any one project. The developer of a CS Facility must enter into a Power Purchase Agreement ("PPA") with SDCP for the sale and purchase of the power produced by the facility and is responsible for developing and operating the CS Facility and partnering with one or more Community Sponsors for the project (see below for more information). Customers served by this program are not parties to the PPA and are not third-party beneficiaries to the PPA.

A CS Facility will retain its eligibility to serve customers under this program throughout the life of that project, even if the local qualified DAC designations change in subsequent iterations of CalEnviroScreen.

## **COMMUNITY SPONSOR**

Each CS facility must have one or more Community sponsors. Community Sponsors are local non-profit community-based organizations or local government entities, including schools, located in SDCP's service territory. Community Sponsors must demonstrate community involvement and awareness by sponsoring a CSGT project on behalf of the residents.

A Community Sponsor located within a DAC and in a census tract that is within five miles of the CS facility may take service under this program and is eligible for a 20% bill credit for usage up to 25% of the project's estimated output, not to exceed the Community Sponsor's energy needs. Any usage above 25% of the project's energy output will be billed at the Community Sponsor's OAT and is not eligible for the 20% bill credit. The 20% bill credit will apply to the eligible portion of the Community Sponsor bill once 50% of the project's capacity has been subscribed by Qualified Customers. Multiple Community Sponsors can sponsor a single CSGT project and share in the 20% bill credit up to 25% of the project's energy output provided that all sponsors meet the eligibility requirements above.

## **RATES AND CREDITS**

### **1. Residential Customer Rates**

Customers taking service under this rate schedule will receive a 20% discount on the electric portion of the bill compared to their otherwise applicable schedule ("OAS"). This discount applies so long as customers are enrolled under the program and compliant with all the eligibility and enrollment terms.

For the customers enrolled in the CARE or FERA programs, the OAT is the customer's existing CARE or FERA rate. Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE or FERA discount has been applied.

For customers who are not enrolled in CARE or FERA programs, the OAT is the customer's existing rate schedule before program enrollment. Residential customer Service Delivery Points that are already enrolled in SDCP's 100% renewable energy generation service option when enrolling under the programs will default to SDCP's base rate for the purposes of calculating the 20% discount.

## 2. Sponsor Rates

CSGT project sponsors who meet all eligibility requirements outlined above receive a 20% bill discount for enrolled Service Delivery Points. The sponsor bill discount will be calculated based on the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e., limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled Service Delivery Points). This discount applies so long as sponsors are enrolled under the programs and compliant with all the sponsor eligibility and enrollment terms described above.

If two or more sponsors are designated, both sponsors must inform SDCP in writing of how the "discountable usage" capped at 25% of the project's energy output, are to be allocated among them. SDCP will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the CSGT project has reached its required minimum 50% Qualifying Customer subscription rate. If the subscription rate of Qualifying Customers drops under 50% of the project capacity at any time throughout the life of the project, the sponsor bill credit will not be revoked.

## TERMS AND CONDITIONS

1. **Customer eligibility.** To enroll in this program customers must meet the following eligibility criteria:
  - a. **SDCP enrollment:** To receive service under this program, participants must be SDCP customers. SDG&E bundled customers and customers served by Direct Access providers are not eligible to participate in this program.
  - b. **Disadvantaged community:** The customer's service address must be located in a DAC, identified by CalEnviroScreen (CES) 4.0 as scoring in the top 25% of census tracts statewide, or census tracts scoring in the highest 5% of CES's Pollution Burden that does not have an overall CES score because of unreliable socioeconomic or health data and receive generation service from SDCP.
  - c. **Proximity to a Community Solar (CS) Facility:** Eligible SDCP customers must reside in a DAC census tract that is within five miles of a CS facility.
  - d. **CARE or FERA eligibility:** The first 50% of the output of a CS facility will be reserved for residential customers who meet the other enrollment criteria and are eligible for the CARE or FERA program ("Qualifying Customers"). If a customer

is not already enrolled in CARE or FERA, they may enroll in CARE or FERA prior to signing up for CS-GT. If they elect not to enroll in CARE or FERA, they will be required to certify their eligibility for one of these programs as part of the process of enrolling in the CSGT.

- e. **Non-qualifying customers:** After 50% of the output of a CS Facility has been subscribed by Qualifying Customers, non-qualifying residential customers who are not eligible for the CARE or FERA program but reside within a DAC as well as a census tract that is within five miles of the CS facility ("non-qualifying customers"), including customers served under a master-meter rate schedule, may enroll in the program and receive the 20% CSGT credit.
  - f. **Community Sponsors:** After 50% of the output of a CS Facility has been subscribed by Qualifying Customers, Community Sponsors may enroll eligible service accounts and receive the 20% CSGT credit, subject to conditions and limitations for Community Sponsors.
2. **Participation in Demand Response programs.** Customers served by this program can concurrently participate in any Demand Response ("DR") Programs for which they are otherwise eligible. All DR payments and credits are based on a customer's metered usage and are not impacted by participation in this program.
3. **Ineligible rates.** Customers served under the following rate schedules cannot concurrently participate in CSGT:
- a. IOU bundled service;
  - b. Direct Access customers;
  - c. Standby service;
  - d. Non-metered service
  - e. Net Energy Metering schedules;
  - f. Other 100% renewable energy rates including SDCP's 100% Power100 rate and DACGT;
  - g. Customers served under a master-meter rate schedule;
  - h. Non-CARE/FERA eligible rates; and
  - i. Non-residential rate schedules.
4. **Customer enrollment and term.** After a CS Facility has achieved commercial operation, service under this Schedule shall become effective within two billing periods after SDCP receives an enrollment request from a customer and SDCP has confirmed that the customer meets eligibility requirements.

In the event a customer elects to no longer receive service under this program, the change will become effective no later than two billing periods after the date that SDCP receives the customer's request to de-enroll from CSGT.

In the event that a customer turns off electric service at their current address and moves to a new location, the customer will need to recertify eligibility at the new location for service under this program. The customer will retain their status as a program participant so long as the customer meets all eligibility criteria, program capacity is available, the customer's turn-on date at the new location is within 90 days of the final billing date at their previous location and the application is received by SDCP within 90 days of the turn-on date.



Service under this program will automatically terminate at the start of the next billing period if the PPA between SDCP and the developer of the CS facility to which the customer is subscribed is terminated or the delivery term ends.

5. **Maximum subscription per customer.** The load served by SDCP to an individual customer under this program (subscription) is capped at 2 megawatts of the nameplate rated generating capacity from a CS Facility. Customers cannot be subscribed to more than one CS Facility at any time.
6. **Metering.** All Customers must be metered according to the requirements of their OAS.