

Community
Advisory
Committee

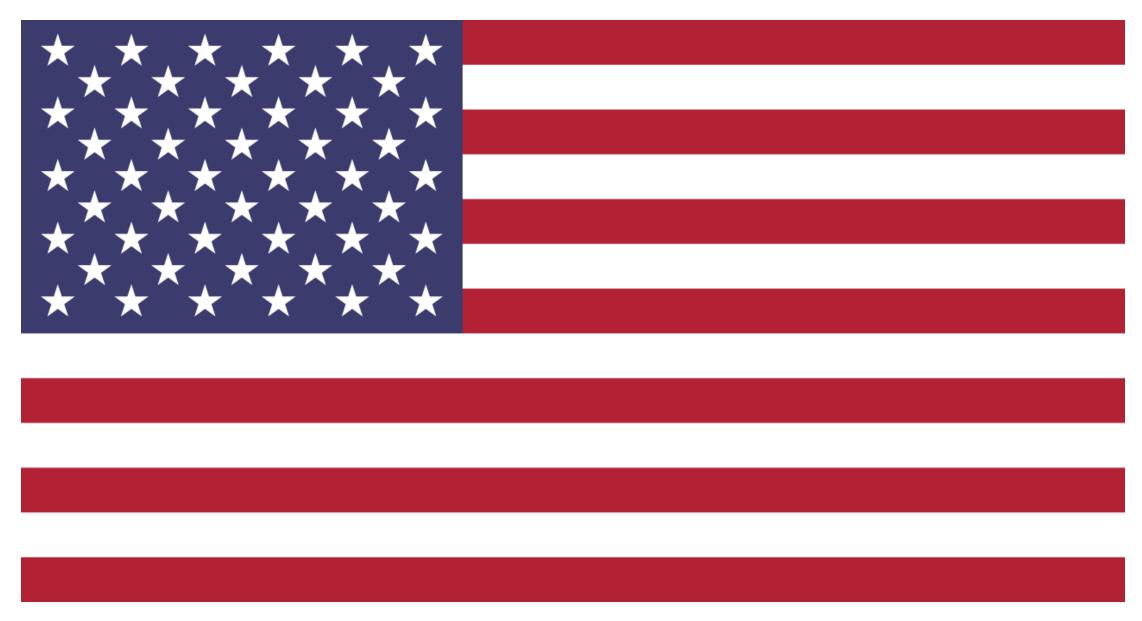
**Regular Meeting** 

July 13, 2023













# Warm Welcome!



Jack Clark
Chief
Operating
Officer













# Regular Meeting Agenda

- 1. Approval of June CAC Meeting Minutes
- 2. Update on Public Relations
- 3. Update on Customer Operations
- 4. Update on Regulatory and Legislative Affairs
- 5. Update on Sustainable and Equitable Workforce Policy
- 6. Update on Peak Load Reduction Pilot Program
- 7. Recommend Board Approval of Proposed Language Access Policy
- 8. Update on Programs Ad-Hoc Committee
- 9. Update on Community and Equity Ad-Hoc Committee
- 10. Election of Chair, Vice-Chair and Secretary for Fiscal Year 2023/2024
- 11. Standing Item: Update on CAC Fiscal Year 2022-2023 Work Plan
- 12. Standing Item: Discussion of Potential Agenda Items for Board of Directors Meetings

### **Approval of June CAC Meeting Minutes**

### **Recommendation:**

Approve the June CAC Meeting Minutes





### **Recommendation:**

Approve the June CAC Meeting Minutes



### **Update on Public Relations**

### **Recommendation:**

Receive and File Update on Public Relations

Presenter:

Jen Lebron, Director of Public Affairs



### **SDCP** in the news



The San Diego Union-Tribune



San Diego's 2 community energy programs also seeing customers fall behind on bills



An increasing number of San Diegans have fallen behind on their utility bills — and that includes customers of the recently formed community energy programs. (Getty Images)

15.4% of San Diego Community Power customers are more than 31 days late on payments; 4.8% of Clean Energy Alliance customers are past due

BY ROB NIKOLEWSKI

JULY 7, 2023 5:40 AM PT



#### < yahoo!finance</pre>



Ormat Technologies' Arrowleaf
Solar and Storage Facility Secures
Long-Term PPA with San Diego
Community Power



Home > Solar News > Energy Storage



#### Ormat Technologies Inks PPA with San Diego Community Power

By Valerie Swiantek - July 5, 2023





# **Community Grant Awardee Announcement**

#### Coming in late July

- Awardees have been notified
- Public announcement will not occur until later this month.
- All CAC members are invited to attend
- More details will be provided when we are closer to the event



# The next phase of SDCP public affairs

Growing the team and resetting our goals

Upcoming key hires:

- Digital media coordinator
- Public outreach coordinators



# The next phase of SDCP public affairs

Growing the team and resetting our goals

Strategically planning for our next year of earned media and marketing

- Messaging refresh
- Program promotion
- Conducting market research
- Building long-needed collateral such as a general newsletter and more targeted mailing lists





### Recommendation:

Receive and File Update on Public Relations



### **Update on Customer Operations**

### **Recommendation:**

Receive and File Update on Customer Operations

#### Presenter:

Lucas Utouh, Director of Data Analytics and Account Services



# **Participation Rates**

#### **Participation by Accounts**



Participation by Accounts
All Phases
96.0%

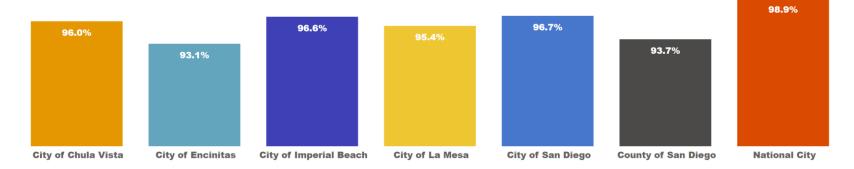
Participation Phases 1-3								
Town/Territory	Eligible	Opt Outs	Participation by Accounts					
City of Chula Vista	97,176	3,898	96.0%					
City of Encinitas	28,439	1,959	93.1%					
City of Imperial Beach	10,928	375	96.6%					
City of La Mesa	29,373	1,353	95.4%					
City of San Diego	618,489	20,494	96.7%					

28,079

96.4%

784,405

Town/Territory	Eligible (Noticed)	Opt Outs	Participation by Accounts
County of San Diego	155,478	9,814	93.7%
National City	18,570	200	98.9%
Total	174,048	10,014	94.2%



**7/3/2023**Refreshed

Total

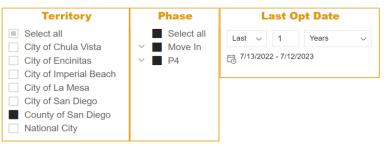
Active accounts only. Opt-outs for inactive accounts have been excluded



# Phase 4 Opt Out Trends: County of San Diego

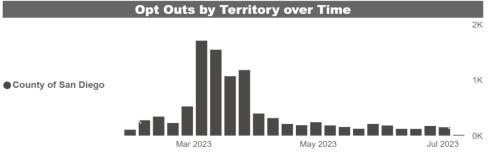
#### **Opt Out Summary**



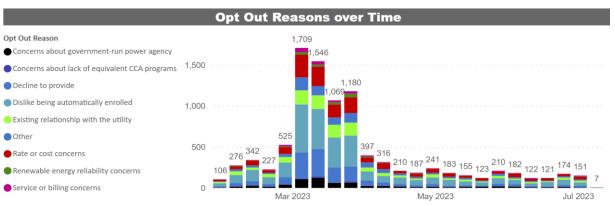


Opt Oı	Opt Out Method			
Class Code	Move In	P4	Total	
	5	1,042	1,047	— CSR
⊞ Residential	73	8,639	8,711	
Total	78	9,681	9,758	
				Web —

Opt Outs	by Terr	itory	and F	Pł
Territory	Move In	P4	Total	
County of San Diego	78	9,681	9,758	
Total	78	9,681	9,758	



Opt Out Reasons by Phase								
Opt Out Reason	Move In	P4	Total					
Dislike being automatically enrolled	24	3,196	3,220					
Decline to provide	13	1,619	1,632					
Rate or cost concerns	15	1,595	1,610					
Existing relationship with the utility	13	1,179	1,192					
Other	11	900	911					
Concerns about government-run power agency	1	658	659					
Service or billing concerns		271	271					
Renewable energy reliability concerns		206	206					
⊕ Concerns about lack of equivalent CCA programs	1	57	58					
Total	78	9,681	9,758					

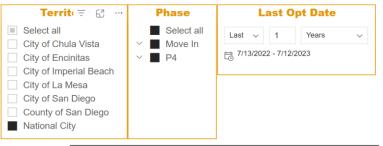




# Phase 4 Opt Out Trends: National City

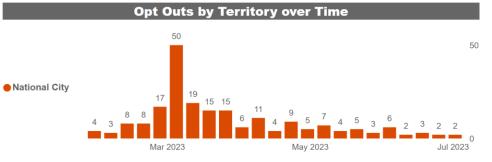




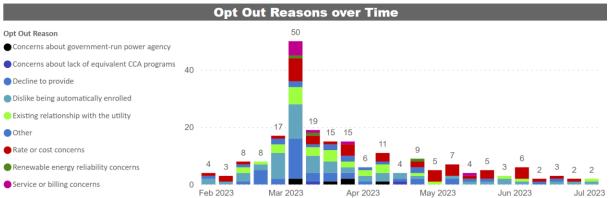


Opt Outs by Class and Rate			
Move In	Р4	Total	-
	28	28	CS
6	174	180	
6	202	208	Web —
			web —
			_ IVR
	6	28 6 174	28 <b>28</b> 6 174 <b>180</b>

Opt	Outs by	y Te	rrito
Territory	Move In	P4	Total
<b>National City</b>	6	202	208
Total	6	202	208



Opt Out Reasons by Phase							
Opt Out Reason	Move In	P4	Total				
Dislike being automatically enrolled	1	57	58				
Rate or cost concerns	3	42	45				
Decline to provide	1	36	37				
Existing relationship with the utility	1	30	31				
Other		18	18				
Service or billing concerns		8	8				
		6	6				
Renewable energy reliability concerns		3	3				
□ Concerns about lack of equivalent CCA programs		2	2				
Total	6	202	208				





# Opt Up to Power100 Summary

Power100 Participation by Active Accounts								
Town/Territory	Active	Opt Ups	Opt Downs	Power100 Accounts	Power100 Participation			
City of Chula Vista	93,278	867	4	863	0.9%			
City of Encinitas	26,480	19	471	26,028	98.3%			
City of Imperial Beach	10,553	81	1	80	0.8%			
City of La Mesa	28,020	266	2	264	0.9%			
City of San Diego	597,995	5,898	30	5,868	1.0%			
County of San Diego	131,489	142	2	140	0.1%			
National City	18,023	9	0	9	0.0%			
Total	905,838	7,282	510	33,252	3.6%			





### **Recommendation:**

Receive and File Update on Customer Operations



### **Update on Regulatory and Legislative Affairs**

### **Recommendation:**

Receive and File Update on Regulatory and Legislative Affairs

#### Presenters:

Laura Fernandez, Director of Regulatory and Legislative Affairs Stephen Gunther, Senior Regulatory Analyst



# **Protecting CCA Autonomy in Sacramento**

#### Review from Regulatory and Legislative Challenges April Discussion

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

- Local elected officials get to decide whether a community joins a CCA
- Decision making authority held by locally elected officials that comprise our board
- Ratemaking Autonomy = Board sets rates
- Procurement Autonomy = Board decides what resources to procure and from where
- CCAs able to tailor rates, programs, and procurement to local needs
- Relatively new model means a lack of clarity on jurisdiction and objectives in Legislature and at CPUC



# **Legislative Proposals**

Budget Trailer Bill Proposal and AB 1373 (Policy Bill) Concerns



Proposals to:



Expand CPUC Jurisdiction over CCA procurement autonomy



Create a new Central Procurement process to allow Department of Water Resources or investor-owned utilities to procure new resources



Enact Capacity Penalty Payments for load-serving entities that are short on year ahead Resource Adequacy requirements



# **AB 1373: Major Improvements**

Policy Committee Deadline 7/14 - But These Proposals May Resurface

CalCCA removed opposition to bill in light of significant improvements and changes, SDCP remains opposed

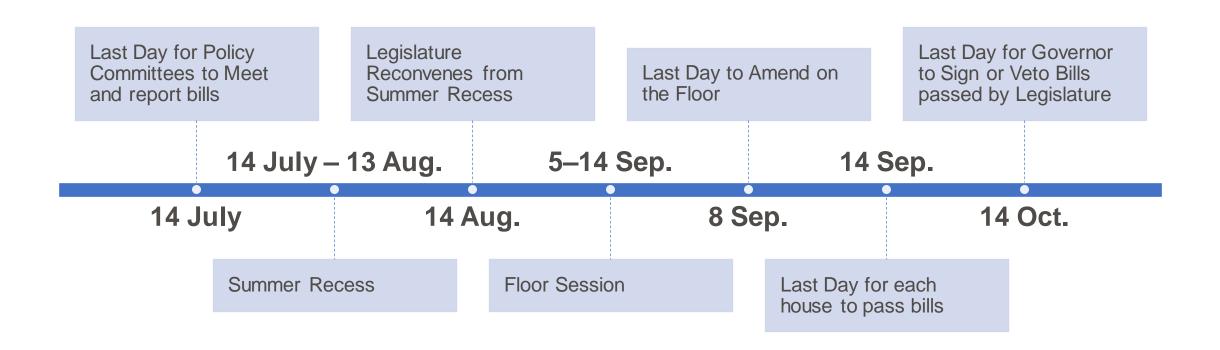
Major remaining concern is IOU Central Procurement

#### Requested Amendment:

- The commission may not direct an electrical corporation to procure resources on behalf of another load-serving entity to expand resource diversity or meet the state policy specified in Section 454.53 unless:
  - (1) The commission has first identified the resources needed to meet these objectives and provided the opportunity for each load-serving entity to procure the resources on behalf of its customers; and (2) The load-serving entity has not procured these resources within a reasonable time frame specified by the commission.



# Legislative Calendar Remainder 2023





# Resource Adequacy (RA)

#### Background

The RA program ensures the safe and reliable operation of the grid by ensuring sufficient capacity is available when and where it is needed.

The CPUC manages the RA program in coordination with CAISO.

Load serving entities (LSE) are obligated to procure and demonstrate sufficient RA resources to meet demand.

- 3 requirements: System, Local, and Flexible RA
- LSE filings annually (Year Ahead) and monthly (Month Ahead)



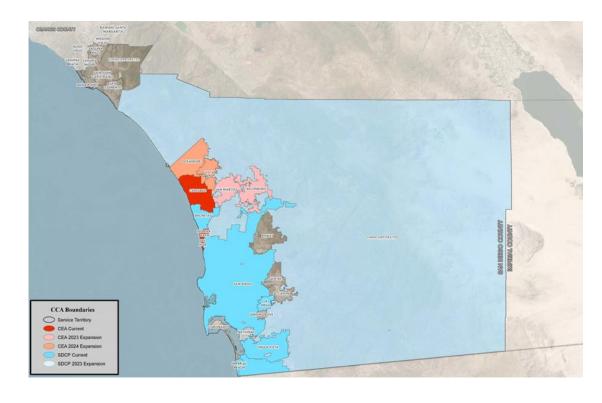
# Resource Adequacy (RA)

#### **LSE Expansion Restriction**

CPUC issued Decision 23-06-029 on July 5, 2023

CCAs are barred from expanding their service territory for two calendar years following an RA deficiency

- Restriction triggered by system RA deficiencies of 1% or greater
- Goes into effect for month-ahead deficiencies in September 2023 and subsequent months, and year-ahead deficiencies in 2024 and subsequent years





# Resource Adequacy (RA)

#### Impact and next steps

Current RA market is extremely tight making it likely this provision will impact future CCA expansion CalCCA has argued this restriction is a violation of statute and overreach of CPUC jurisdiction SDCP and CalCCA are continuing to explore options to fight this element of the Decision, including filing an application for rehearing and appeal



# Income Graduated Fixed Charges (IGFC)

#### Background

Assembly Bill (AB) 205 was passed in June 2022 authorizing residential fixed charges established on an income-graduated basis

CPUC has required the investor-owned utilities (IOUs) to present their IGFCs in the **Demand Flexibility proceeding (R. 22-07-005)** 

On April 7, 2023, the IOUs, which include SDG&E, and other parties submitted testimony in which they proposed IGFC for residential rate schedules

"The Commission may authorize fixed charges for any rate schedule applicable to a residential customer account. The fixed charge shall be established on an income graduated basis with no fewer than three income thresholds so that low-income ratepayers in each baseline territory would realize a lower than average monthly bill without making any changes in usage."

-AB 205



# Income Graduated Fixed Charges (IGFC)

#### **Proposed Rate Changes**

Current rates reflect volumetric costs and fixed costs combined to create one overall customer rate charged as a cents-per-kwh rate multiplied by usage.

The proposed rates will separate the fixed charges from the marginal volumetric rates. The fixed charges will be a set \$ amount that varies by income, and the volumetric rates will be the traditional cents-per kWh rate.

By removing the fixed costs from the volumetric rate, the volumetric rate will be reduced for each time of use (TOU) period

#### Example rate structures initially proposed

	Revenue Requirement Category	\$/Month Charge
1	Marginal Distribution Customer Access Costs	\$11.26
2	Non-Marginal Distribution Costs	\$30.18
3	Public Purpose Programs (Excl. CARE Surcharge)	\$4.32
4	Local Generation Charge	\$5.04
5	Nuclear Decommissioning	\$0.03
6	Public Purpose Programs – Residential CARE Contribution	\$4.88
	Total – Public Tool Default Cost Categories	\$55.70

SDG&E Testimony proposing what will be included in the IGFC

Income Bracket	Criteria	PG&E IGFC (\$/month)	SDG&E IGFC (\$/month)	SCE IGFC (\$/month)
Av	verage Fixed Charge	\$53	\$74	\$49
1	CARE (<= 100% FPL)	\$15	\$24	\$15
2	All Other CARE/FERA	\$30	\$34	\$20
3	Non-CARE/FERA <= 650% FPL	\$51	\$73	\$51
4	Non-CARE/FERA >650% FPL	\$92	\$128	\$85

IGFCs by Income Bracket from Joint IOU Testimony



# Income Graduated Fixed Charges (IGFC)

#### Impact to SDCP and engagement

The proposed rate changes impact costs that are currently recovered from SDCP customers by SDG&E

- Confined to the transmission and delivery side of the bill
- To date, CalCCA engagement has been limited to ensuring generation rates and CCA competitiveness are not impacted

In addition to the IOUs, initial proposals were filed by groups including:

Public Advocates Office	Sierra Club				
California Environmental Justice Alliance (CEJA)	Solar Energy Industries Association (SEIA)				
Natural Resources Defense Council (NRDC)/The	Utility Reform Network (TURN)				

SDCP will continue to track proceeding, analyze impacts for <u>all</u> customers, and address other considerations (e.g., customer education, bill presentment)



# Income Graduated Fixed Charges (IGFC)

#### **Procedural Next Steps and Timing**

June 19, 2023: ALJ Ruling seeking comments on the implementation pathway for IGFC July 1, 2024: Deadline set by AB 205 for CPUC to authorize fixed charges for default residential rates













Q1 2024:

Proposed Decision on Implementation pathways

IOUs file the rate design applications and seek CPUC approval



"I expect that the <u>earliest</u> that the <u>first version of IGFCs</u> could be implemented in rates is the <u>end of 2026</u>." -Administrative Law Judge Stephanie Wang, June 19, 2023 Ruling



#### **Recommendation:**

Receive and File Update on Regulatory and Legislative Affairs



# Update on Sustainable and Equitable Workforce Policy

#### **Recommendation:**

Receive and File the Update on Sustainable and Equitable Workforce Policy



# SDCP Energy Proposal Evaluation Criteria

#### Background

- SDCP Staff and Energy Contracts Working Group (ECWG) use an Energy Proposal Evaluation Criteria for purposes of evaluating each potential long-term project received in response to solicitations
- In the 2020 Long-term Renewable Energy Request for Offers (2020 RPS RFO) and Local Renewable Energy and Energy Storage (2021 Local RFI), Staff and SDCP's Ad-Hoc Contracts Committee employed an Interim Evaluation Criteria
- In March 2022, Staff proposed to revise the Interim Evaluation Criteria and adopt an Energy Proposal Evaluation Criteria (EPEC), which was modeled after – and very similar to – the Interim Evaluation Criteria;
  - SDCP Board:
    - adopted the proposed EPEC as a Revised Interim Evaluation Criteria; and
    - directed Staff to pursue further refinement regarding Community Benefits and interplay with SDCP's Inclusive and Sustainable Workforce Policy (ISWF).
- Staff have since modified the RFO Offer Form to fully capture information regarding, incorporated requirements of the Inflation Reduction Act in the Workforce Development section, and plan to bring a revised EPEC to the CAC and Board this fall

# SDCP Energy Proposal Evaluation Criteria

Illustrative Example of the Energy Proposal Evaluation Summary

Project	Location	Price	Capacity (MW)	COD	Project Location	Price / Value	Dev Score	Community Benefits	Workforce Dev	Enviro
SDCP A	SD County	\$2	100	1/1/24	High	High	High	Med	High	Med
SDCP B	Orange County	\$1.50	200	1/1/24	Med	High	High	High	High	Neutral
SDCP C	SD County	\$2.25	50	1/1/25	High	High	Med	Neutral	High	Neutral
SDCP D	Imperial County	\$2	20	1/1/24	High	High	High	Neutral	High	Neutral
SDCP E	SD County	\$3	75	1/1/25	High	Med	Med	Neutral	Med	Neutral
SDCP F	Riverside County	\$3.50	20	1/1/25	Med	Med	High	Med	Med	Neutral
SDCP G	Imperial County	\$4	50	1/1/24	High	Low	Med	Low	TBD	Neutral
SDCP H	SD County	\$3.75	100	1/1/24	High	Low	High	Neutral	Med	Low



# Workforce Development (Interim)

HIGH

• The project meets all objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to Power Purchase Agreements (PPAs).

**MEDIUM** 

 The project does not meet all objectives of SDCP's ISWF Policy but can demonstrate prevailing wage, skilled and trained workforce, and local hire commitments

LOW

 The project does not demonstrate prevailing wage, skilled and trained workforce, and local hire commitments



# Workforce Development (Revised Interim)

**HIGH** 

 The project meets all objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs

MEDIUM+

 The project does not meet all objectives of SDCP's ISWF Policy but can demonstrate prevailing wage, skilled and trained workforce, and local hire commitments

**MEDIUM-**

Meets the requirements of the Inflation Reduction Act ("IRA")

NEUTRAL

• The project has not yet determined its plan for workforce development

LOW

 The project does not demonstrate prevailing wage, skilled and trained workforce, and local hire commitments



# **SDCP ISWF Policy**

#### 2. Sustainable Workforce

- a. <u>PPAs</u> San Diego Community Power will encourage the submission of information from respondents to any bidding and/or RFP/RFQ process regarding planned efforts by project developers and their contractors to:
  - Employ workers and use businesses from San Diego and Imperial County;
  - Employ properly licensed contractors and California certified electricians;
  - iii. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
  - iv. Pay workers the prevailing wage rates for each craft, classification and type of work performed;
  - Display a poster at jobsites informing workers of prevailing wage requirements;
  - vi. Provide workers compensation coverage to on-site workers; and
  - vii. Support and use of State of California approved apprenticeship programs.





#### **Recommendation:**

Receive and File the Update on Sustainable and Equitable Workforce Policy



# Update on Peak Load Reduction Pilot Project

#### **Recommendation:**

Receive and File the Update on Peak Load Reduction Pilot Project



# Peak Load Reduction Pilot Project

#### Background

- Staff presented several pilot project concepts to the May 2023 meetings of the Community Advisory Committee and Board of Directors as well as at the April 2023 Strategic Planning Session.
- SDCP Board of Directors approved the FY 2023-2024 budget at June Board of Director Meeting
- FY 2023-2024 budget included a multi-year \$2M pilot project budget
- Staff anticipates bringing the Peak Load Reduction Pilot Project to the July Board of Directors meeting, including approval of contracting mechanism



# Peak Load Reduction Pilot Project

#### **Pilot Design**

#### Goal:

- Reduce load during peak hours during summer months (Aug/Sept)
- Evaluate pilot design and scalability to larger future program

#### Mechanism:

- Identify projects and sites that have potential to deliver peak load reductions this summer
- Primarily lighting & HVAC projects with commercial and industrial customers
- Projects installed by end of August in anticipation of early September peak load
- "Pay for Performance" model using the CPUC avoided cost curve incentives vary by hour
- SDCP only paying for actual savings realized relative to a control group of
   buildings and pay more for more 'valuable' reductions



# Peak Load Reduction Pilot Project

#### **Pilot Design**

#### **Evaluation:**

- Total budget of \$550K, includes \$100K of in-kind from Calpine and Recurve
- Upon project enrollment(s), estimated impacts will be calculated (e.g., kWh, GHG)
- Pilot evaluation report expected by December 2023
- Inform future summer and year-round peak load reduction programs









#### **Recommendation:**

Receive and File the Update on Peak Load Reduction Pilot Project



# Recommend Board Approval of Language Access Policy

#### **Recommendation:**

Recommend Board Approve the Language Access Policy



### Language Access Policy

#### **Purpose**

Establish procedures for providing information and services directly to SDCP communities in a way that makes them accessible to all customers, including those who are not proficient in the English language.

#### **Background**

Essential to the success of SDCP's mission and vision to provide meaningful and equitable access to the services, programs, and activities offered by SDCP to all customers, regardless of their primary language.

#### **Policy**

Set forth effective guidelines for meaningful and effective language access services as well as procedures for providing effective communication between SDCP and the communities we serve.





#### **Recommendation:**

Recommend Board Approve the Language Access Policy



## **Update on Programs Ad Hoc Committee**

#### **Recommendation:**

Receive and File the Update on Programs Ad Hoc Committee



Lawrence Emerson, Programs Ad-Hoc Committee Chair



## **Programs Ad Hoc Committee**

#### **Key Objectives**

- Work closely with SDCP staff to analyze and provide feedback on upcoming customer energy service offerings
- Serve as the first group of volunteers for program evaluation committees, where applicable
- Help assess and establish the appropriate structure to provide long-term feedback on Community Power Plan implementation

#### Scope of Work

- Providing Input on the Solar Discount Program and Community Solar Program
- Receiving Pilot Projects Updates
- Reviewing and Providing Input on Education and Outreach Initiative
- Reviewing and Providing Input on the Regional Energy Network (REN) Draft Program List
- Receiving Updates on FY 2023- 2024 Community Clean Energy Innovation Grant Program
- Receiving Updates on Net Energy Metering

#### **Members**

Anna Webb, Imperial Beach Carolyn Scofield, Chula Vista

Peter Andersen, County of San Diego

Matthew Vasilakis, City of San Diego

Lawrence Emerson, National City (Chair)





#### **Recommendation:**

Receive and File the Update on Programs Ad Hoc Committee



# **Update on Community and Equity Ad Hoc** Committee

#### **Recommendation:**

Receive and File the Update on Community and **Equity Ad Hoc Committee** 







## **Community and Equity Ad Hoc Committee**

#### **Key Objectives**

- Make on-going recommendations on SDCP's community engagement and public outreach strategy; help develop a volunteer pool to expand outreach efforts
- Help SDCP staff develop guiding principles for its leadership to assess community engagement and outreach efforts associated with the power procurement process
- Help SDCP staff develop an Equity, Accessibility, Inclusion, and Diversity Policy

#### Scope of Work

- Providing Input on the Solar Discount Program and Community Solar Program
- Reviewing and Providing Input on Payment Assistance Programs Referral Strategy
- Developing Guiding Principles for Community Benefits Agreements
- Receiving a Presentation on CalCCA's Equity Committee and Best Practices
- Developing Pillars for an SDCP Equity, Accessibility, Inclusion, and Diversity Policy
- Reviewing and Provide Input on a CAC Communications and Advocacy Tool Kit
- Receive an Update on 2023 Sponsorships
- Discussing Leveraging Partnerships with Community-Based Organizations

#### **Members**

Eddie Price, City of San Diego Aida Castañeda, National City

Lauren Cazares, La Mesa Tara Hammond, Encinitas

David Harris, La Mesa (Chair)





#### **Recommendation:**

Receive and File the Update on Community and Equity Ad Hoc Committee



Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2023-2024

#### **Recommendation:**

Elect a Chair, Vice-Chair and Secretary for Fiscal Year 2023-2024



#### Election of Chair, Vice-Chair, and Secretary for Fiscal Year 2023-2024

#### Chair

- Serve as the primary liaison and spokesperson for the CAC
- Support SDCP Staff with setting the CAC agenda
- Guide the CAC in developing an annual workplan consistent with the CAC scope and supported by the Board of Directors
- Determine if meetings are required or if a meeting should be canceled
- Run CAC meetings (ensure that all CAC members and community are heard, work to keep meetings to allotted time, as well as manage public comment submissions)
- Determine which specific agenda items from the upcoming Board of Directors meeting will be prioritized during the CAC meeting
- Work with staff to gain access to Zoom in hosting the CAC meetings. In the event that stay-at-home orders are lifted and an inperson meeting is necessary, the Chair will work with staff to determine a suitable meeting location
- Represent the CAC to the Board to provide updates, submit information, or respond to Board requests
- Represent the CAC to other organizations or at events, as appropriate

#### Vice-Chair

Take over the CAC Chair responsibilities in the event the Chair is not available

#### Secretary

- Take attendance and meeting notes
- Work with SDCP staff to ensure meeting agendas are finalized and posted online





#### **Recommendation:**

Elect a Chair, Vice-Chair and Secretary for Fiscal Year 2023-2024



### **Standing Item:**

Update on CAC Fiscal Year 2022-2023 Work Plan



# Community Advisory Committee (CAC) Work Plan Fiscal Year 2022 - 2023

**Equity Overview** 

CAC Educational Presentations

Legislative/ Public Policy/ Regulatory

Equitable, Inclusive and Sustainable Workforce Policy

Energy Bid Evaluation Criteria Marketing and Communications

Power Procurement Efforts

Community Power Plan

DAC-GT & CS-GT





## **Standing Item:**

Update on CAC Fiscal Year 2022-2023 Work Plan



### **Standing Item:**

Discussion of Potential Agenda Items for Board of Directors Meetings





### **Standing Item:**

Discussion of Potential Agenda Items for Board of Directors Meetings









Next Regular
Community Advisory
Committee Meeting

**September 14, 2023** 

