



AGENDA

Regular Meeting of Community Advisory Committee San Diego Community Power (SDCP)

October 12, 2023
5:30 p.m.

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way, San Diego, CA 92123

Alternate Location:
7354 Eads Avenue, San Diego, CA 92037

The meeting will be held in person at the above date, time and location. Community Advisory Committee (CAC) Members and members of the public may attend in person. Under certain circumstances, CAC Members may also attend and participate in the meeting virtually pursuant to the Brown Act (Gov. Code § 54953). As a convenience to the public, SDCP provides a call-in option and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Additional details on in-person and virtual public participation are below. Please note that, in the event of a technical issue causing a disruption in the call-in option or internet-based option, the meeting will continue unless otherwise required by law, such as when a CAC Member is attending the meeting virtually pursuant to certain provisions of the Brown Act.

Note: Any member of the public may provide comments to the Community Advisory Committee (CAC) on any agenda item. When providing comments to the CAC, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the CAC as a whole through the Chair. Comments may be provided in one of the following manners:

1. Providing Oral Comments During Meeting. Anyone attending in person desiring to address the CAC is asked to fill out a speaker's slip and present it to the CAC Chair or the Secretary. To provide remote comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this ([web form](#)). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the CAC members in writing. In the discretion of the Chair, the first ten (10) submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited

to the first 400 words. Comments received after the start of the meeting will be collected, sent to the CAC members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the CAC, please provide it via info@sdcommunitypower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

Teleconference Meeting Webinar

<https://zoom.us/j/93647500600>

Telephone (Audio Only)

(669) 900-6833 or (253) 215-8782 | Webinar ID: 936 4750 0600

WELCOME

ROLL CALL

PLEDGE OF ALLEGIANCE

LAND ACKNOWLEDGMENT

SPECIAL PRESENTATIONS AND INTRODUCTIONS

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Opportunity for members of the public to address the CAC on any items not on the agenda but within the jurisdiction of the CAC. Members of the public may provide a comment in either manner described above.

CONSENT CALENDAR

All matters are approved by one motion without discussion unless a CAC member requests a specific item to be removed from the Consent Calendar for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

- 1. Approval of September 14, 2023 CAC Meeting Minutes**
- 2. Update on Marketing and Public Relations**
- 3. Update on Customer Operations**
- 4. Update on Regulatory and Legislative Affairs**

REGULAR AGENDA

The following items call for discussion or action by the CAC.

5. Update on Energy Proposal Evaluation Criteria Revision

Recommendation: Receive and File the Update on Energy Proposal Evaluation Criteria Revision

6. Update on Net Billing Tariff

Recommendation: Receive and File the Update on Net Billing Tariff

7. Update on Existing Net Energy Metering Policy

Recommendation: Receive and File the Update on Existing Net Energy Metering Policy

8. Update on Programs Ad-Hoc Committee

Recommendation: Receive and File the Update on the Programs Ad-Hoc Committee

9. Update on Community and Equity Ad-Hoc Committee

Recommendation: Receive and File the Update on Community and Equity Ad-Hoc Committee

10. Update on CAC Fiscal Year 2022-2023 Work Plan

Recommendation: Receive and File the Update on Fiscal Year 2022-2023 Work Plan

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

There are two ways that the CAC may bring items to the attention of the Board:

- 1. Standing Board Agenda Item: CAC Report. The CAC report may be a standing item on the Board agenda, in which the CAC Chair or CEO reports on updates related to a recent CAC meeting. Consistent with the Brown Act, items raised during the CAC report may not result in extended discussion or action by the Board unless agendaized for a future meeting.*
- 2. Suggesting Board Agenda Items: The CAC may suggest agenda items for a Board of Directors meeting agenda. Such agenda items would allow extended discussion or action by the Board. These must have prior approval of the SDCP Chief Executive Officer and the Chair of the Board of Directors to be added onto the agenda. If approval is provided, staff must be given at least 5 days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.*

COMMITTEE MEMBER ANNOUNCEMENTS

Committee Members may briefly provide information to other members and the public. There is to be no discussion or action taken on comments made by Committee Members unless authorized by law.

ADJOURNMENT

Availability of Committee Documents

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a CAC meeting item which are distributed to a majority of the Members prior to or during the CAC meeting are available for public review as required by law. Public records, including agenda-related documents, can instead be requested electronically at info@sdcommunitypower.org or by mail to SDCP at PO Box 12716, San Diego, CA 92112. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at San Diego Community Power, 2488 Historic Decatur Road, Suite 250, San Diego, CA 92106. Please contact info@sdcommunitypower.org to arrange an appointment.



**COMMUNITY ADVISORY COMMITTEE
SAN DIEGO COMMUNITY POWER (SDCP)
DRAFT**

City of San Diego Metropolitan Operations Complex (MOC II) Auditorium
9192 Topaz Way
San Diego, CA 92123

MINUTES
September 14, 2023

The Committee minutes are prepared and ordered to correspond to the Committee Agenda. Agenda Items can be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

WELCOME

Chair Vasilakis (City of San Diego) called the meeting to order at 6:00 p.m.

Committee Member Webb (Imperial Beach) announced she was attending virtually under the just cause provision of AB 2449 and there were no individuals over the age of 18 present in the room with her.

ROLL CALL

PRESENT: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Scofield (Chula Vista), Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Webb (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), and Committee Member Andersen (County of San Diego)

ABSENT: Committee Member Sclafani (Chula Vista) and Committee Member Price (City of San Diego)

VACANT: Seat 10 (Imperial Beach), Seat 12 (County of San Diego)

PLEDGE OF ALLEGIANCE

Chair Vasilakis (City of San Diego) led the Pledge of Allegiance.

LAND ACKNOWLEDGMENT

Chair Vasilakis (City of San Diego) acknowledged the Kumeyaay Nation and all the original stewards of the land.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

Chair Vasilakis (City of San Diego) introduced the following new SDCP staff members:

Jushaun Jamieson, Public Outreach Coordinator
Adana Martinez, Public Outreach Coordinator

ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA

There were no items withdrawn or reordered on the agenda.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

(Items 1 through 4)

1. Approval of July 13, 2023 CAC Meeting Minutes

Approved.

2. Update on Marketing and Public Relations

Received and filed.

3. Update on Customer Operations

Received and filed.

4. Update on Regulatory and Legislative Affairs

Received and filed.

ACTION: Motioned by Committee Member Webb (Imperial Beach) and seconded by Committee Member Scofield (Chula Vista) to approve Consent Calendar Items 1 through 4. The motion carried by the following vote:

Vote: 10-0

Yes: Chair Vasilakis (City of San Diego), Vice Chair Harris (La Mesa), Secretary Cazares (La Mesa), Committee Member Scofield (Chula Vista), Committee Member Jahns (Encinitas), Committee Member Hammond (Encinitas), Committee Member Webb (Imperial Beach), Committee Member Castañeda (National City), Committee Member Emerson (National City), and Committee Member Andersen (County of San Diego)

No: None

Abstained: None

REGULAR AGENDA

5. Update on Regional Energy Network Progress

Director of Programs Santulli and Senior Program Manager Tran provided a PowerPoint presentation on the Regional Energy Network (REN) progress, highlighting the San Diego REN (SDREN) formation timeline, governance structure, and core values, the draft programs: workforce education and training, commercial, residential, public, and codes and standards, the sectors and target participants of the draft programs, and the next steps.

Following Committee questions and comments, no action was taken.

6. Update on Programs Ad-Hoc Committee

Committee Member Emerson (National City) provided an update on the efforts and progress of the Programs Ad Hoc Subcommittee.

Following Committee questions and comments, no action was taken.

7. Update on Community and Equity Ad-Hoc Committee

Vice Chair Harris (La Mesa) provided an update on the efforts and progress of the Community and Equity Ad Hoc Subcommittee.

Following Committee questions and comments, no action was taken.

8. Update on CAC Fiscal Year 2022-2023 Work Plan

Community Engagement Manager Crespo provided an update on the various goals and initiatives of the CAC Work Plan for Fiscal Year 2022-2023.

Following Committee questions and comments, no action was taken.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

There were no potential agenda items for Board of Directors meetings.

COMMITTEE MEMBER ANNOUNCEMENTS

Committee Members made announcements and reported on various events taking place in the member jurisdictions. No action was taken.

ADJOURNMENT

Chair Vasilakis (City of San Diego) adjourned the meeting at 6:58 p.m.

SAN DIEGO COMMUNITY POWER

Staff Report – Item 2

To: San Diego Community Power Community Advisory Committee

From: Jen Lebron, Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Marketing and Public Relations

Date: October 12, 2023

RECOMMENDATION

Receive and file update on marketing and public relations activities for San Diego Community Power.

BACKGROUND

San Diego Community Power (SDCP) has engaged in a variety of public relations, marketing, and community outreach activities to drive awareness, spark community engagement, and maintain high customer enrollment.

ANALYSIS AND DISCUSSION

The Public Affairs team had a very busy September as it ramped up its in-person engagement efforts with the expansion of its Community Engagement division and prepared a variety of SDCP representatives for speaking engagements that reached thousands of people in San Diego and beyond.

Recent and Upcoming Public Engagement Events

Sept. 9, 2023 – Clairemont Family Day
Sept. 9, 2023 - Environmental Health Coalition Semillas “Planting Seeds for the Future” Community Celebration
Sept. 14, 2023 – Cause Conference San Diego
Sept. 14, 2023 – Innovation Day 2023
Sept. 15, 2023 – NEXUS Climate Action Summit
Sept. 16, 2023 – Green Summit
Sept. 16, 2023 – San Diego Wave Fútbol Club game
Sept. 23, 2023 – Coastal Cleanup Day
Sept. 27, 2023 – San Diego Regional Chamber of Commerce Circle of Influence Mixer
Sept. 28, 2023 – Women’s Venture Summit
Oct. 1, 2023 – Paddle for Clean Water
Oct. 3, 2023 – Cleantech San Diego: Holding Power

Oct. 4, 2023 – California Clean Air Day with Power100 Champion Illumina
Oct. 5, 2023 – Encinitas Small Business Resource Fair
Oct. 7, 2023 – Casa Fest 2023: Casa Familiar's 50th Anniversary Celebration
Oct. 11, 2023 – North San Diego County Chamber of Commerce Regional Connect
Oct. 14, 2023 – Environmental Health Coalition's Clean Air Congreso
Oct. 15, 2023 – San Diego Wave Fútbol Club game
Oct. 17, 2023 – San Diego Regional Chamber of Commerce October Meeting
Oct. 21, 2023 – Imperial Beach Sun Coast Farmers Market
Oct. 21, 2023 – Beautify Chula Vista
Oct. 25 and Oct. 26, 2023 – Tribal EPA & U.S. EPA Region 9 Conference
Oct. 27, 2023 – 2023 San Diego Green Building Conference & Expo

Marketing, Communications and Outreach

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts including the launch of “Solar for Our Communities” green tariff programs, a soon-to-be launched electrification education hub, and the rollout for the Net Billing Tariff, pending approval from the SDCP Board of Directors. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

As the weather began to heat up in August, SDCP launched a “Stay Cool & Save This Summer” campaign that ran through mid-September. The digital ads will direct viewers to visit the SDCP website and teach them energy-saving tips such as the best time of day to use appliances and how to find “Cool Zones” that offer free, air-conditioned settings across the county.

Our social media efforts had direct interactions with more than 26,000 accounts in September, largely due to the “Stay Cool and Save” campaign. Contributing to the reach included our top-performing post, which was an Instagram Reel that gave an easy-to-understand overview of SDCP. The post was seen more than 1,200 times with a total watch time of over four hours.

SDCP is in regular communication with regional media in the spirit of transparency and openness with the goal of providing factual, timely information to the public at large. Over the past two months, SDCP has engaged with reporters to provide background on stories about the greater energy landscape in California and update them on our organization's activities.

On Oct. 5, the Public Affairs team welcomed Ashley Rodriguez as the agency's first Local Government Affairs Manager. This new role sits in the Public Affairs Department's Strategic Initiatives Division and is responsible for strengthening SDCP's relationships with member agencies at every level. The goal is to provide member agencies with a point of contact who is focused on their needs. The Local Government Affairs Manager hire concludes the Public Affairs Department's hiring plan for the 2023-2024 fiscal year, barring a mid-year budget adjustment that would require approval from the SDCP Board of Directors.



The Public Affairs team will continue to develop new strategies, processes and capacity over the next several months to conduct more community outreach, expand marketing and brand awareness efforts, and provide timely, factual information across multiple channels.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER

Staff Report – Item 3

To: San Diego Community Power Community Advisory Committee

From: Lucas Utouh, Director of Data Analytics and Account Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on Customer Operations

Date: October 12, 2023

RECOMMENDATION

Receive and file an update on various customer operations.

BACKGROUND

Staff will provide regular updates to the Community Advisory Committee centered around tracking opt actions (i.e., opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to customer operations.

ANALYSIS AND DISCUSSION

A) Mass Enrollment Update

Phase 4:

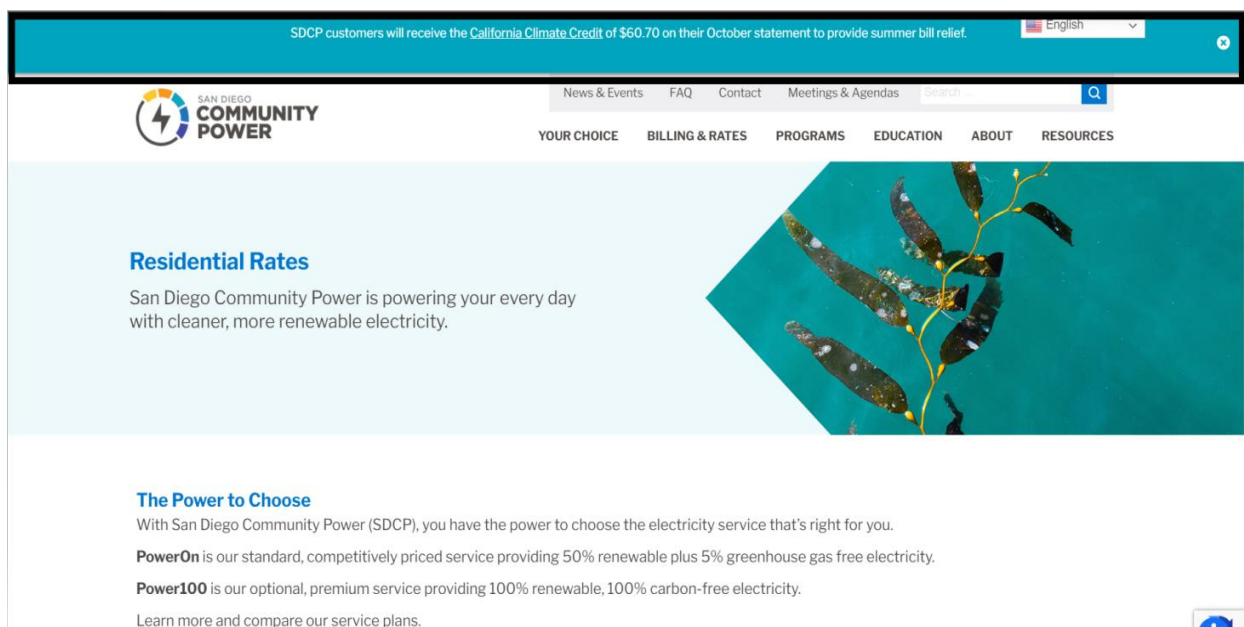
Mass enrollment for our Non-Net Energy Metering (NEM) customers in National City and Unincorporated County of San Diego is officially complete as of May 3, 2023. As of October 5, 2023, SDCP is serving a cumulative total count of **922,306** active accounts correlating to **1,083,478** meters. There are **146,401** active accounts already enrolled in Unincorporated County of San Diego and **18,327** in National City.

Accounts on Net Energy Metering (NEM) within Phase 4 in National City and County of San Diego began enrollment into SDCP service in April 2023 and will continue for the next twelve months, coinciding with their true up month through March 2024. Enrolled customers will receive 2 post enrollment notices through the mail at their mailing address on file within 60 days of their account switching over to SDCP service.

B) 2023 California Climate Credit

San Diego Community Power's Residential and Small Business customers will receive the California Climate Credit this month (i.e., October 2023) in the amount of \$60.70. The California Climate Credit is part of California's efforts to fight climate change and provides ratepayers with their share of the benefits of California's Cap-and-Trade Program. This credit will be automatically applied to these customers' bills and customers do not have to do anything to receive it. However, it should be noted that since customer billing cycles vary, not every customer will see the bill credit at the same time in October.

Our website currently denotes a banner under our Billing & Rates webpage reminding customers of this credit being applied on their October bills per the snippet below:



C) Customer Participation Tracking

Staff and Calpine have worked together to create a reporting summary of customer actions to opt out of SDCP service, opt up to Power100, or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of October 2nd, 2023:

I. Total Opt Outs - Including Active and Inactive

- Active - accounts still active at same premise
- Inactive - accounts that have moved out, or premise is terminated

Opt Outs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
City of San Diego	1,077	19,278	1,042	543	221	354	370	22,883
County of San Diego			6,920	2,667	645	670	804	11,705
City of Chula Vista	266	3,472	244	102	50	86	106	4,326
City of Encinitas	66	1,886	94	31	17	33	20	2,147
City of La Mesa	85	1,272	77	30	18	35	24	1,540
City of Imperial Beach	32	345	27	6	2	4	32	448
National City			137	69	14	17	13	250
Total	1,526	26,253	8,541	3,448	967	1,199	1,369	43,299

Opt Outs by Class Code	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Residential	36	25,717	7,717	3,091	894	1,119	1,259	39,829
Commercial/Industrial	1,490	536	824	357	73	80	110	3,470
Total	1,526	26,253	8,541	3,448	967	1,199	1,369	43,299

Opt Outs by Reason	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Dislike being automatically enrolled	203	7,214	2,754	1,056	259	309	356	12,151
Rate or additional cost concerns	6	7,754	1,693	792	334	478	573	11,628
Decline to provide	227	3,596	1,397	435	96	107	140	5,998
Other	818	2,653	706	393	59	97	88	4,814
Existing relationship with the utility	2	2,394	1,005	393	104	112	89	4,099
Concerns about government-run power agency	24	1,496	503	213	53	36	62	2,387
Service or billing concerns	6	724	262	108	50	50	51	1,251
Have grid reliability concerns	1	292	169	46	10	4	5	527
Rate or Cost Concerns	233							233
Concerns about lack of equivalent CCA programs		132	53	12	2	6	5	210
Have renewable Energy Reliability Concerns	6							6
Total	1,526	26,253	8,541	3,448	967	1,199	1,369	43,299

Opt Outs by Method	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Web	327	14,353	5,202	1,837	462	518	667	23,365
Customer Service Rep (CSR)	1,098	7,002	1,846	876	261	354	351	11,787
Interactive Voice Response (IVR)	101	4,899	1,493	735	244	327	351	8,150
Total	1,526	26,253	8,541	3,448	967	1,199	1,369	43,299

*Historical opt outs including inactive accounts as of 10/02/2023.

II. Opt Ups to Power 100

Opt Ups by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
City of San Diego	3,163	2,868	181	114	50	27	30	6,420
City of Chula Vista	701	168	18	15	5	5	5	917
City of La Mesa	148	118	6	5	1		1	279
County of San Diego			48	91	17	11	10	177
City of Imperial Beach	60	29		1	1	8		99
City of Encinitas	18	1	1					20
National City			1	9				10
Total	4,090	3,184	255	235	74	51	46	7,921

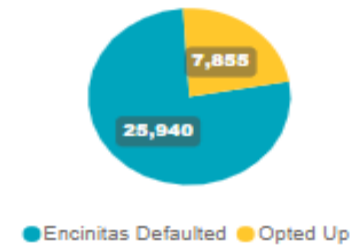
Opt Ups by Class Code	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Commercial/Industrial	4,087	290	74	99	15	16	9	4,578
Residential	3	2,895	181	136	59	35	37	3,344
Total	4,090	3,184	255	235	74	51	46	7,921

Opt Ups by Method	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Customer Service Rep (CSR)	4,059	1,369	97	118	22	20	12	5,685
Web	27	1,738	137	100	44	26	31	2,101
Interactive Voice Response (IVR)	4	81	21	17	8	5	3	139
Total	4,090	3,184	255	235	74	51	46	7,921

Cumulative Power100 Accounts

Opt Ups by Jurisdiction	Active
City of Encinitas	25,940
City of San Diego	6,384
City of Chula Vista	913
City of La Mesa	277
County of San Diego	173
City of Imperial Beach	98
City of National City	10
Total	33,795

Power100 Opt vs Defaulted

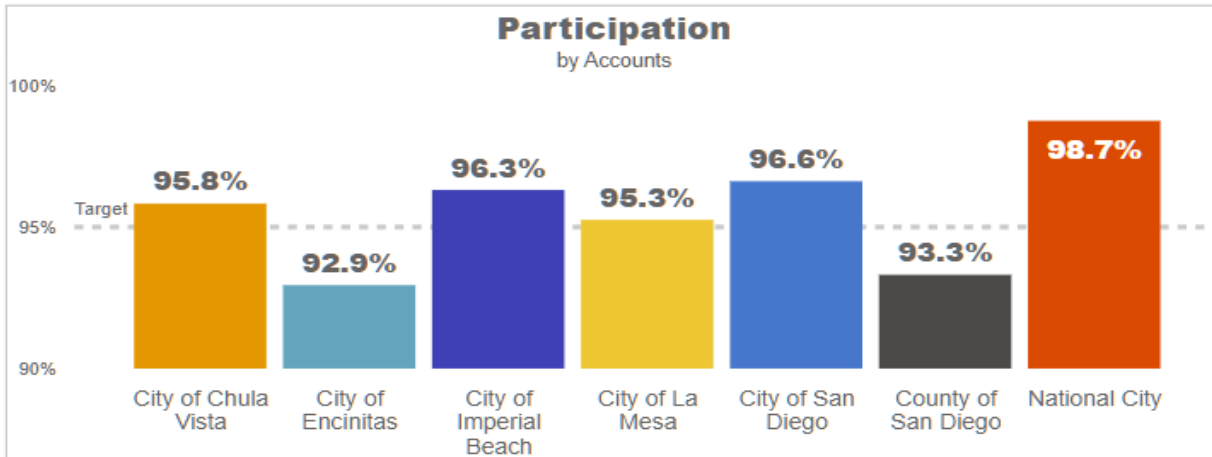


III. Opt Downs from Power100

Opt Downs by Jurisdiction	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
City of Encinitas	35	425	27	17	3	10	7	524
City of San Diego		26	5	5		1		37
City of Chula Vista		1	3					4
County of San Diego			1	1	1		1	4
City of La Mesa		2						2
City of Imperial Beach		1						1
Total	35	455	36	23	4	11	8	572

Opt Downs by Class Code	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Residential		433	36	15	4	10	8	506
Commercial/Industrial	35	22		8		1		66
Total	35	455	36	23	4	11	8	572

Opt Downs by Method	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Customer Service Rep (CSR)	31	305	21	19	2	7	6	391
Web		124	13	4	2	3	2	148
Interactive Voice Response (IVR)	4	26	2			1		33
Total	35	455	36	23	4	11	8	572



Jurisdiction	Active	Eligible	Opt Outs	Participation
City of Chula Vista	93,420	97,488	4,068	95.8%
City of Encinitas	26,449	28,456	2,007	92.9%
City of Imperial Beach	10,543	10,947	404	96.3%
City of La Mesa	28,062	29,460	1,398	95.3%
City of San Diego	599,089	620,065	20,976	96.6%
County of San Diego	145,553	174,425	11,665	93.3%
National City	18,355	19,032	238	98.7%
Total	921,471	979,873	40,756	95.8%

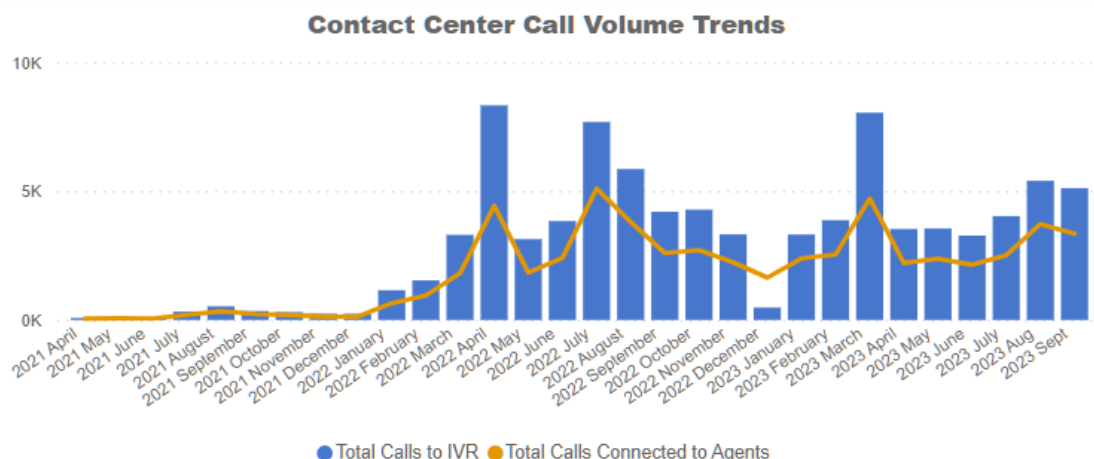
Phase 4 mass enrollment process in National City and Unincorporated County of San Diego for Non-Net Energy Metering (NEM) customers is officially completed as of May 2023. The participation rate for this new phase is fluid and will change as we continue with our enrollment of Net Energy Metering (NEM) customers from April 2023 through March 2024. In the interim, we are reporting on the opt outs and eligible accounts associated with the phase based on those accounts that we have noticed for enrollment on a rolling basis as of the reporting month.

D) Contact Center Metrics

As anticipated, call volumes began to noticeably increase in August, which was expected as customers started noticing bills with summer rates. Consistent with the seasonal transition to summer rates as of June 1 where generation rates are generally higher than those in Winter, more customer inquiries around higher bills have been fielded and a modest uptick in opt outs ensued. With the transition to winter rates effective as of November 1st, call volumes are expected to go down.

The chart below summarizes contact made by customers into our Contact Center broken down by month through October 2nd, 2023:

V. Contact Center Metrics



Interactive Voice Response (IVR) and Service Level Agreement (SLA) Metrics

	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Total Calls to IVR	2,289	47,118	15,229	10,356	4,031	5,399	5,113	89,535
Total Calls Connected to Agents	1,401	30,174	9,641	6,735	2,515	3,723	3,351	57,540
Avg Seconds to Answer	20	12	8	3	4	10	7	12
Avg Call Duration (Minutes)	8.5	9.8	9.4	9.5	10.3	10.1	10.4	9.4
Calls Answered within 60 Seconds (75% SLA)	96.23%	95.50%	96.80%	99.69%	99.01%	95.34%	97.32%	96.44%
Abandon Rate	0.57%	0.36%	0.26%	0.00%	0.08%	0.35%	0.09%	0.36%

Similar to other CCAs' service territories, we are anticipating the trend of our customers calling into our Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt actions using the recorded prompts as well as utilizing our website for processing opt actions to continue accounting for over 65% of all instances. The remaining portion of customer calls are connected to our Customer Service Representatives to answer additional questions, assist with account support, or submit opt actions.

E) Customer Service Email Trends





Customer Service Emails

	2021	2022	2023 Q1	2023 Q2	2023-07	2023-08	2023-09	Total
Emails Received	272	2,894	795	453	127	171	157	4,869
Emails answered or escalated within 24 hours	257	2,821	790	452	127	168	157	4,772
Completion (%)	94%	98%	99%	100%	100%	98%	100%	97%

As of this latest reporting month, we still have a total of 13 Dedicated Customer Service Representatives staffed at our Contact Center and 2 Supervisors. Our robust Quality Assurance (QA) procedures are firmly in place to ensure that our customers are getting a world-class customer experience when they contact us.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A





SAN DIEGO COMMUNITY POWER Staff Report – Item 4

To: San Diego Community Power Community Advisory Committee

From: Laura Fernandez, Director of Regulatory & Legislative Affairs
Aisha Cissna, Senior Policy Manager
Stephen Gunther, Senior Regulatory Analyst

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: October 12, 2023

RECOMMENDATIONS

Receive and file update on regulatory and legislative affairs.

BACKGROUND

Staff will provide regular updates to the Community Advisory Committee regarding SDCP's regulatory and legislative engagement.

ANALYSIS AND DISCUSSION

A) Regulatory Updates

Remote Grid Protest

On September 6, 2023, San Diego Gas and Electric (SDG&E) submitted an [advice letter](#) ("AL") seeking approval by the CPUC of their Remote Grid Standalone Power System Addendum Agreement. Remote grids are standalone energy resources and infrastructure for permanent energy delivery to customers who would no longer be part of the larger distribution grid. Remote grids are intended to serve small loads in remote locations where distribution lines are expensive and/or difficult to maintain. They can be fueled by renewable resources such as solar arrays, non-renewable sources such as propane, or a mixture of both renewable and non-renewable resources.

SDCP and CEA ("Joint CCAs") raised several concerns with the remote grid initiative as proposed in the AL by filing a protest to the AL on September 26, 2023. The concerns and requests expressed in the protest are as follows:

- There is no explicit requirement for SDG&E to inform CCAs when they are pursuing a remote grid, or any mention of how they will address remote grids in CCA service areas. The CCAs requested that SDG&E secure written concurrence from CCAs prior to deploying a remote grid in a CCA service area.

- SDG&E does not explicitly state that this initiative is a pilot but describes the remote grid program as a “proof-of-concept”. The CCAs recommended that the AL be revised to clarify that the initiative is a pilot and, if future program expansion is pursued, that SDG&E be required to file a formal application to allow for more robust stakeholder input and Commission review.
- The number of proposed remote grids and expected size of the customer loads to be served do not clearly align with the proposed remote grid initiative load cap. The AL should be revised to provide clarification, so the capped size of the pilot is unambiguous.
- SDG&E is proposing to use renewable and/or non-renewable fuels for the remote grid initiative at its discretion. To stay on track with meeting state renewable energy and climate goals, the CCAs recommended that the remote grid be composed of 70% renewable energy.
- The CCAs recommended that SDG&E should clarify that participation in the remote grid initiative is based on customer agreement and consent.
- The CCAs recommended that SDG&E clarify that they will remit generation revenues from CCA customers served by remote grids to the CCAs.
- The CCAs recommended that SDG&E should submit a public report within two years of the first remote grid coming online that captures renewables utilized, costs, rate impacts, performance, customer participation, and other important details.
- The CCAs recommended that SDG&E should adopt a proactive approach to planning for increases in remote grid customer load so that customers do not face barriers to electrification or EV adoption.

SDG&E replied to the Joint CCA protest on October 3, 2023, contesting several points. The next step in the process is for the CPUC to issue a draft resolution which will afford another opportunity for stakeholder comment prior to the CPUC adopting a final resolution on the initiative. A draft resolution is expected to be released sometime in Q1 2024; however, that is subject to change at the CPUC’s discretion.

Net Billing Tariff Update: Meeting with CPUC President Alice Reynolds’ Office to Discuss CCA Customer Billing Presentment Issues

Background

As presented in the Update on Regulatory and Legislative Affairs during the September 14, 2023, meeting of the Community Advisory Committee ([see Item 4 in the agenda packet](#)), on August 2nd, 2023, the CPUC released a proposed decision in the net energy metering (NEM) proceeding. This proposed decision speaks to several remaining issues including consumer protections, prevailing wage requirements for contractors, evaluation principles for the net billing tariff



(NBT), successor tariffs for the Virtual Net Energy Metering and Net Energy Metering Aggregation tariffs, and customer billing presentment issues. The CPUC initially planned to vote on the proposed decision on September 21, 2023, but subsequently delayed its vote to October 12, 2023.

Engagement on Customer Billing Presentment Issues

The proposed decision acknowledges that customers have historically experienced challenges with understanding their net energy metering bills and proposed public workshops to review these difficulties for NBT customers.

SDCP and other CCAs submitted [opening comments](#) in response to the proposed decision, requesting language be added to the decision that would require unbundled customer billing issues be explicitly addressed in CPUC-ordered NBT billing presentment discussions, as unbundled customer issues are distinct from those experienced by IOU customers. To underscore the need for adding this language, the Joint CCAs noted that they have successfully collaborated with IOUs to develop NEM billing presentment solutions in the past, but one such CPUC-approved proposal was never implemented. Additionally, the proposed decision posits closing the proceeding once the final decision is adopted. In response, the Joint CCAs requested that the proceeding remain open to "expediently address billing presentment questions that arise during implementation." The Joint IOUs opposed the Joint CCAs' proposals in reply comments, mischaracterizing several points that were made.

Subsequently, to further advocate for unbundled NBT customer billing presentment needs, SDCP and several other CCAs met with President Alice Reynolds' office on October 3, 2023. In this meeting, the Joint CCAs further described unbundled customer billing issues and reiterated the need for adopting the Joint CCAs' proposed decision language. The President's Office appeared to be receptive and connected the CCAs with Energy Division staff to continue discussing the issues at hand.

A revised proposed decision is anticipated to be released soon, at which point SDCP will know whether the Joint CCAs' proposal was accepted.

Resource Adequacy (RA)

CalCCA Resource Adequacy Stack Analysis

The Resource Adequacy (RA) program in California is critical for ensuring load serving entities (LSE) have sufficient capacity to maintain reliable electric service. However, recent market conditions and programmatic challenges have made it increasingly difficult for LSEs, including SDCP, to meet their RA obligations and as a result face financial penalties that impact ratepayers.

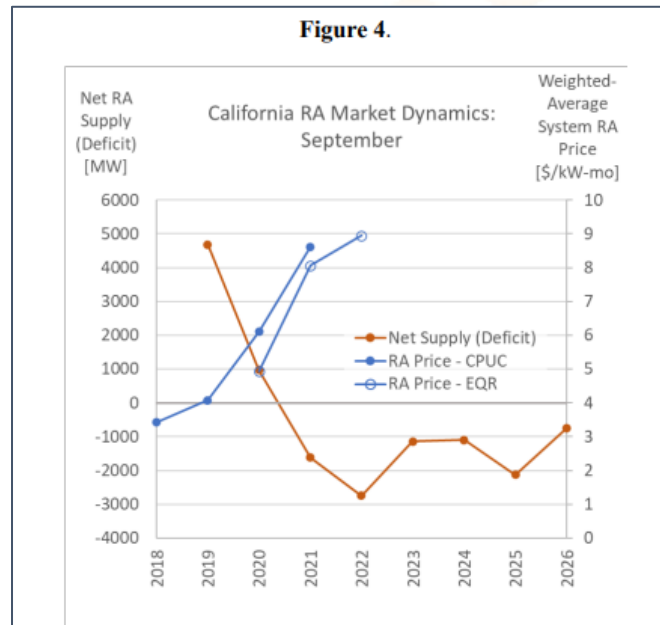


CalCCA recently examined the RA problem and potential solutions in a stack analysis paper entitled, [California's Constrained RA Market: Ratepayers Left Standing in a Game of Musical Chairs](#). The stack analysis is a helpful tool in understanding and communicating the challenges LSEs face under the realities of the current RA framework and market conditions. In short, the analysis finds that, “the demand for RA in California exceeds the available supply, even after accounting for imports and expected additions of resources.” This market scarcity and imbalance in supply and demand has resulted in skyrocketing RA prices.

Figure 1

	Jun	Jul	Aug	Sep
1 CAISO 1-in-2 Load	42,354	45,510	46,074	46,829
2 Reserve Margin (16%)	6,777	7,282	7,372	7,493
3 Total RA Demand	49,131	52,792	53,446	54,322
4 2023 NQC List	47,640	48,308	48,066	48,373
5 Event-Based Demand Response	995	1,045	1,077	1,090
6 Imports	6,000	6,000	6,000	6,000
7 Thermal Plant Derate	(700)	(700)	(700)	(700)
8 Excess IOU Resources In IOU Supply Plans	(1,266)	(507)	(1,269)	(968)
9 Retention for Substitution	(619)	(619)	(619)	(619)
10 Total RA Supply	52,049	53,527	52,554	53,176
11 Surplus Supply (Deficit)	2,919	735	(892)	(1,146)

CalCCA Stack Analysis: System RA demand and supply for peak months in 2023



CalCCA Stack Analysis: RA supply and prices

CalCCA’s stack analysis offers seven interim actions for CPUC consideration to help alleviate the current RA problems. SDCP staff will continue to leverage CalCCA’s analysis to educate policymakers on the challenges and potential solutions within the RA framework.

New Order Instituting Rulemaking (OIR) to Oversee the RA Program

On October 12, 2023, the CPUC will vote to open a new [Order Instituting Rulemaking Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations](#). This proceeding is the successor to Rulemaking 21-10-002, which addressed RA topics and reforms over the past two years, and will also address forward RA procurement obligations beginning with the 2025 compliance year. The following issues are included in the preliminary scope:

- Adoption of Local Capacity Requirements
- Adoption of Flexible Capacity Requirements
- Loss of Load Expectation Study and Planning Reserve Margin
- 24-Hour Slice-of-Day Framework
- Unforced Capacity Methodology (UCAP)
- Qualifying Capacity (QC) Counting Conventions
- Resource Adequacy Compliance and Penalties
- Coordination with the Integrated Resource Planning (IRP) Proceeding
- Refinements to the Resource Adequacy Program

A prehearing conference is scheduled for November 17, 2023, and a Scoping Memo outlining the issues and proceeding schedule is expected in December 2023. SDCP staff will work closely with CalCCA to track and engage in this new proceeding.

ERRA Forecast Proceeding Update

On October 4, SDCP and CEA jointly filed an [opening brief](#) in the ERRA forecast to make the following three points:

1. The CPUC should require SDG&E to adopt a forecasted 2024 RA sales volume equal to the average of actual RA sales recorded between January and June 2023 (567 MW).
2. For future ERRA Forecast proceedings, the CPUC should direct SDG&E to evaluate RA market conditions and historical RA sales to develop a forecast of Sold RA.
3. The CPUC should order SDG&E to revert back to past confidentiality designation processes that allow for the publication of current and proposed class average bundled rates.

SDG&E's refusal to forecast RA sales artificially raises the total PCIA portfolio cost forecast, meaning that all customers, CCA and SDG&E bundled customers alike, will pay more upfront in PCIA costs that will ultimately be refunded later. SDCP



and CEA argue that SDG&E should more accurately forecast PCIA portfolio costs to save customers money in the short term and also reduce rate volatility.

The following is the remaining ERRA Forecast proceeding schedule:

Oct. 11: Reply Brief
Oct. 13: October Update
Oct. 27: Comments on October Update
Nov. 28: Proposed Decision
Dec. 14: Final Decision

B) Legislative Update

During the 2023 Legislative Session, SDCP took positions on seven bills. SDCP supported each of these bills, other than AB 1373, which SDCP initially opposed and ultimately moved to neutral on. The following is a list of these bills, a brief description of the bill, and its current status:

1. AB 50 (Enrolled and awaiting Governor signature): Requires timely interconnection of customer load. Requires IOUs that energized less than 35% of customers with completed applications exceeding 12 months in duration by January 31, 2023, to submit a report to the CPUC on or before December 1, 2024, demonstrating that the IOU has energized 80% of customers with applications deemed complete as of January 31, 2023. The bill would also require each IOU to evaluate and update its existing distribution planning processes. To inform the CPUC's determination of criteria for timely service, the bill would require the CPUC to annually collect certain information from each IOU until new reporting requirements are established.
2. AB 643 (Not Active): Would have required the CPUC to submit a report to the Legislature on timelines for the interconnection of customer-sited energy generation and storage resources.
3. AB 1373 (Enrolled and awaiting Governor signature): Establishes a central procurement entity for long lead time resources, among other provisions, which have been detailed in past SDCP staff reports.
4. SB 233 (Not Active): This bill would have required the CEC to convene a stakeholder workgroup to examine challenges and opportunities associated with using an EV as a mobile battery to power a home or building or provide electricity to the electrical grid, and required the CEC to submit a report to the Governor and Legislature that includes specified information related to the bidirectional capability of EVs and electric vehicle service equipment. This bill would have required that, beginning in model year 2030, all new electric vehicles sold in California be bidirectional capable, including light-duty motor vehicles and school busses, except as exempted by the state board.
5. SB 411 (Enrolled and awaiting Governor signature): This bill would permit use of alternate teleconferencing provisions similar to the emergency provisions used during



the coronavirus state of emergency indefinitely and without regard to a state of emergency. This bill originally would have applied to SDCP, however, it was subsequently amended to be inapplicable to SDCP and would only apply in a narrow set of circumstances.

6. SB 547 (Not Active): This bill would have permitted use of alternate teleconferencing provisions similar to the emergency provisions used during the coronavirus state of emergency indefinitely and without regard to a state of emergency.
7. SB 619 (Enrolled and awaiting Governor signature): This bill would give utilities the option to get CEQA reviews for transmission projects from the CEC instead of the CPUC and limit the reviews to 270 days.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A





SAN DIEGO COMMUNITY POWER Staff Report – Item 5

To: San Diego Community Power Board of Directors
From: Kenny Key, Senior Contract Manager, Power Services
Via: Karin Burns, Chief Executive Officer
Subject: Energy Proposal Evaluation Criteria Revision
Date: October 5, 2023

RECOMMENDATION

Receive and file an update on the proposed revised Energy Proposal Evaluation Criteria for future evaluation of long-term, wholesale contracts for purchase of renewable energy and capacity.

BACKGROUND

As SDCP strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) and Energy Storage Service Agreements (ESSAs) are integral components of its energy supply portfolio. Long-term PPAs and ESSAs provide developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA or ESSA that SDCP signs with a developing facility will underpin a new, incremental project.

Long-term PPAs lock in renewable energy supply around which SDCP can build its power supply portfolio while also providing power supply cost certainty around which SDCP can develop its pro forma financial model. Long-term ESSAs allow SDCP to shift more energy supply into peak demand hours as well as provide reliability and resource adequacy benefits.

In addition, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that SDCP provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. The California Public Utilities Commission (CPUC) also required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental facilities in D.21-06-025 and subsequent mid-term reliability decisions.

SDCP will pursue long-term contracts for renewable energy and resource adequacy supply predominantly via competitive solicitations processes. These will be similar to

solicitations run in 2022 (Long-Term California RPS-Eligible Renewable Energy RFP) and 2023 (Long-Term California RPS-Eligible Renewable Energy RFP Request for Offers for Standalone Storage) as well the Local Renewable Energy and Energy Storage RFI.

In each of these solicitations, SDCP Staff and the Energy Contract Working Group (ECWG) have used the Energy Proposal Evaluation Criteria (EPEC) that was reviewed by the board of directors in March 2022 for the purposes of evaluating and scoring each potential project or transaction.

Upon receipt of submissions or proposals from the participating project developers and energy suppliers, SDCP staff evaluates each project based on the EPEC and prepares a summary of offers for initial review with SDCP's ECWG. Part of this initial review typically involves development of a "short-list" of contracts with which the ECWG authorizes Staff to enter into negotiations for a PPA or ESSA contract. Assuming that Staff and shortlisted developer(s) are able to agree to mutually agreeable contracts consistent with terms authorized by the ECWG, Staff then takes the contracts to the SDCP board for approval and authorization to execute.

Staff now proposes to revise the EPEC, for purposes of future evaluation of long-term, wholesale contracts for purchase of renewable energy and capacity.

ANALYSIS AND DISCUSSION

The purpose of a defined evaluation criteria is not only to provide SDCP Staff, Committees, and the Board a consistent and transparent method via which to evaluate all proposed transactions within a given solicitation but also to communicate to potential participants, prior to the solicitation, SDCP's preferences with respect to energy and capacity resource acquisition and to encourage developers and suppliers to pursue development opportunities that best align with SDCP's stated priorities.

Based on learnings from solicitations SDCP has administered since inception, Staff proposes the following changes:

1. For each of the six evaluation criteria, set consistent rating options of high (A), medium+ (B), medium- (C), neutral (D) or low (F).
2. For the Project Location criterion, include in the high (A) rating projects in San Diego or Imperial County without requiring import rights (or located in CAISO)



and in the medium+ (B) rating project in Imperial County but that require import rights.

3. For the Quantitative Value criterion, add the timeline and expectations of ability to achieve Full Capacity Deliverability Status to the factors reviewed in rating.
4. For the Project Development Review criterion, add deliverability to the project development related factors reviewed in rating.
5. For the Community Benefits criterion:
 - a. Adjust the high (A) rating to only include projects that have set up, or committed to, a community benefit fund that benefits SDCP customers.
 - b. Create the medium+ (B) rating for projects located within a DAC, COC, or REDZ, that have committed to, but have not yet completed, Community Outreach to demonstrate Community Benefits. This will allow for differentiation of high (A) and medium+ (B) based on a community benefit fund and status of community outreach.
 - c. Adjust the low (F) rating to factor in wholesale energy projects above 20 MW that are located within 1,500 feet of residential property.
6. For the Workforce Development criterion:
 - a. Adjust the high (A) rating to only include projects that have executed, or have committed to executing, a Project Labor Agreement (PLA).
 - b. Adjust the medium+ (B) rating to include projects without a PLA, but that have local hire commitments and commits to 50% or more union labor.
 - c. Adjust the medium- (C) rating to include projects that can demonstrate they meet the requirements of the Inflation Reduction Act ("IRA")
 - d. Adjust the low (F) rating to include projects that do not meet one or all of prevailing wage, skilled and trained workforce, and local hire commitments instead of demonstrating they will not meet all three.
7. For the Environmental Stewardship criterion:
 - a. Adjust the high (A), medium+ (B) and medium- (C) ratings to clarify that previously developed land includes agricultural land no longer suitable for farming.
 - b. Adjust the high (A) rating to include projects that beneficially impact and reduce air pollution within communities that have been disproportionately impacted by the existing generating fleet.
 - c. Adjust the medium+ (B) rating to allow for projects not on current or previously developed land, but that beneficially impact and reduces air pollution within communities that have been disproportionately impacted by the existing generating fleet.
 - d. Adjust the medium- (C) rating to include projects not on current or previously developed land, but that demonstrate additional societal, economic, water-saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy.
 - e. Adjust the Low (F) rating to include projects that have not conducted feasibility study of the project's environmental impacts.



For reference, an illustrative example of how SDCP will summarize and present the evaluation of potential transactions under this revised EPEC is included below. Note the summary has been revised to include project's capacity and the capacity price, if applicable.

Example Evaluation Summary:

Project	Location	Generation Price	Capacity Price	Generation Capacity (MW)	Storage Capacity (MW)	COD	Project Location	Price / Value	Dev Score	Community Benefits	Workforce Dev	Enviro
SDCP A	SD County	\$2.00	\$1.00	100	100	1/1/24	High (A)	High (A)	High (A)	Med+ (B)	High (A)	Med+ (B)
SDCP B	Orange County	\$1.50	\$1.50	200	100	1/1/24	Med+ (B)	High (A)	High (A)	High (A)	Med+ (B)	Med- (C)
SDCP C	SD County	\$2.25	\$2.05	50	50	1/1/25	High (A)	High (A)	Med+ (B)	Med- (C)	High (A)	Med- (C)
SDCP D	Imperial County	\$2.00	\$2.10	20	20	1/1/24	High (A)	High (A)	High (A)	Med- (C)	High (A)	Neutral (D)
SDCP E	SD County	\$3.00	\$3.50	75	75	1/1/25	High (A)	Med- (C)	Med- (C)	Neutral (D)	Med- (C)	Neutral (D)
SDCP F	Riverside County	\$3.50	\$3.45	20	0	1/1/25	Med+ (B)	Med+ (B)	High (A)	Med- (C)	Med+ (B)	Neutral (D)
SDCP G	Imperial County	\$4.00	\$4.10	50	50	1/1/24	Med+ (B)	Low (F)	Med- (C)	Low (F)	Neutral (D)	Neutral (D)
SDCP H	SD County	\$3.75	\$2.15	100	0	1/1/24	High (A)	Low (F)	High (A)	Neutral (D)	Med- (C)	Low (F)

SDCP intends that the EPEC will continue to be updated as SDCP grows and evolves, and it may be modified on a solicitation-by-solicitation basis to reflect specific goals of targeted procurement efforts.

COMMITTEE REVIEW

The EPEC revisions were reviewed with SDCP's Energy Contract Working Group (ECWG) and the Community & Equity Ad-Hoc committee of SDCP's Community Advisory Committee.

FISCAL IMPACT

There is no direct fiscal impact of adoption of this EPEC. Consistent and quantitative evaluation of potential energy resource value and risk per this EPEC will allow SDCP to reduce energy supply related costs to the benefit of SDCP customers.

ATTACHMENTS

None.



SAN DIEGO COMMUNITY POWER Staff Report – Item 6

To: San Diego Community Power Community Advisory Committee

From: Jack Clark, Chief Operating Officer
Colin Santulli, Director of Programs
Nelson Lomeli, Program Manager

Via: Karin Burns, Chief Executive Offer

Subject: Update on San Diego Community Power's Net Billing Tariff

Date: October 12, 2023

RECOMMENDATION

Receive and file an update on San Diego Community Power's (SDCP) Net Billing Tariff (NBT) for all new customers who install onsite generation on or after April 15, 2023, and existing customers transitioning out of the Net Energy Metering (NEM) Tariff following the conclusion and/or termination of their 20-year NEM legacy period.

BACKGROUND

In December 2022, the California Public Utilities Commission (CPUC) approved Decision 22-12-056, which adopted a successor tariff to NEM 2.0 called "Net Billing Tariff." The CPUC determined through its [NEM 2.0 Lookback Study](#) that the current NEM program was not meeting the objectives of Assembly Bill 327 to:

1. Ensure sustainable growth in the market for customer-sited renewable distributed generation; and
2. Ensure that the total benefits of the successor program to all customers (including nonparticipating customers) are approximately equal to the total costs.

The study showed that NEM 2.0 was creating a cost-shift of hundreds of millions of dollars per year to non-NEM customers. The CPUC started the development of the NEM successor tariff that would eventually become known as "NBT" to alleviate the cost-shift, promote affordability across all customers, incentivize the installation of battery storage systems, and support grid reliability.

The development of NBT began in November 2020. The CPUC received 18 proposals from multiple parties for the design and structure of the successor tariff. Opening and rebuttal testimonies, evidentiary hearings, and opening and reply briefs were submitted

throughout the summer of 2021. SDCP filed a Joint Reply Brief¹ alongside San Jose Clean Energy, recommending that the CPUC: 1) reject the Joint Investor-Owned Utilities proposal to use the Avoided Cost Calculator (ACC) for determining customer compensation, 2) reject the proposed high fixed charges, 3) adopt a reasonable glidepath for the industry, and 4) reject proposals to move NEM 1.0 and 2.0 customers to the successor tariff. In December 2021, the CPUC issued its Proposed Decision (PD) on the successor tariff. SDCP filed joint comments² alongside East Bay Community Energy in December 2021 arguing that “cumulative changes to the standard tariff from currently approved tariffs goes too far, too quickly” and “request that the Commission reject the grid participation charge, modify the export credit rate to provide long-term stability consistent with Sierra Club’s proposal, and make other modest changes to the PD prior to its approval.”

Due to the high number of comments and sharp disagreement among parties about the PD, the CPUC held the PD and issued a “Ruling Setting Aside Submission of the Record to Take Comment on a Limited Basis” in May 2022. The CPUC ultimately withdrew the December 2021 PD in November 2022. SDCP, in coalition with Redwood Coast Energy Authority, East Bay Community Energy, San Jose Clean Energy, and Peninsula Clean Energy Authority filed joint comments³ applauding the withdrawal of the original PD and requested that the CPUC revise the new PD to ensure a smooth transition, clarify use of Public Purpose Program Charges to fund the ACC Plus Adder, consider additional incentives for low-income customers, and allow commercial customers to receive adders. The CPUC issued a new PD in November 2022 which was revised in December 2022 and ultimately adopted by the CPUC to become NBT.

NBT cannot accurately be called “NEM 3.0” because it shifts away from the “net metering” structure entirely. Instead, it nets billing credits and charges instead of netting energy itself. Under NBT, all consumption of energy from the grid (i.e., “electricity imports”) is metered on a separate channel in real time and charged retail rates. All energy generated and exported to the grid (i.e., “electricity exports”) is metered on a separate channel in real time and billing credits are generated using the utilities’ ACC rates at each hour of the year.

The ACC provides an hourly estimate of the total grid benefits resulting from a customer’s load reduction. This includes the avoided costs of both capacity and energy, as well as the value of ancillary services, greenhouse gas emissions reductions, and avoided transmission and distribution infrastructure costs. The CPUC simplified the prices in the 8760 hours of the ACC into a single average monthly value for each hour of the day, differentiated between weekdays and weekends/holidays. The ACC values are intended to incentivize adoption of solar paired with battery storage by providing price signals to customers to export energy to the grid when energy is most valuable and needed to relieve grid stress.

¹ https://sdcommunitypower.org/wp-content/uploads/2022/09/Joint-Reply-Brief-of-SJCE-and-SDCP_9.14.21.pdf

² https://sdcommunitypower.org/wp-content/uploads/2022/09/R2008020-Joint-CCA-Comments-on-PD_Filed_1.7.22.pdf

³ <https://sdcommunitypower.org/wp-content/uploads/2022/12/R.20-08-020-Opening-Comments-of-Joint-CCAs-on-the-NEM-Revised-PD.pdf>

All NBT customers must take service under a highly differentiated Time-of-Use (TOU) rate schedule. For the San Diego Gas & Electric (SDG&E) territory, the CPUC directed that rate schedule to be TOU-EV-5 since it has significantly different rates for on-peak and off-peak periods. Additionally, all customers must switch to monthly billing, instead of annually, and must pay the amount owed each month. The CPUC allowed the utilities to establish a successor rate schedule through a Tier 2 advice letter, a general rate case Phase 2, or a rate design window. SDCP will monitor the establishment of a successor rate schedule and may consider bringing back its own version for approval by the Board.

Recognizing the shift to decarbonization and electrification of buildings, the CPUC allowed for customers to oversize their generation systems by up to 50% more than historical loads. Customers, however, need to attest that their energy consumption will increase within 12 months.

Per the CPUC decision, SDG&E started placing new solar customers on its NBT rate schedule on April 15, 2023. SDG&E is required to implement a NBT billing system by mid-December 2023. Until the NBT billing system is operational, SDG&E will bill NBT customers under the NEM 2.0 Tariff.

DISCUSSION

Over the last several months, SDCP staff conducted significant analysis to broadly evaluate how SDCP compensates customers for the onsite generation of energy. The analysis included 1) considerations to adopt a payment structure for new onsite generation customers that aligns compensation with the needs of the grid (i.e., NBT), 2) potential programs designed to incentivize the pairing of storage with new onsite installations to support grid resilience, and 3) enhancements to the current SDCP NEM policy to improve compensation mechanisms and remove Net Surplus Compensation (NSC) caps. Comprehensively, this package of recommended actions would result in the most customer-centric, progressive onsite generation compensation strategy in California. The strategy carefully balances multiple priorities including supporting the local San Diego solar and storage industry, increasing access to distributed energy resources to Communities of Concern and low-income customers, an increasing statewide focus on grid resilience, customer fairness, and financial prudence for the agency.

This agenda item is focused on the consideration to adopt NBT recommendations for compensation for new onsite generation customers.

ANALYSIS

Current and Potential Future Onsite Generation Customer Overview

SDCP currently has over 152,000 accounts enrolled in its NEM tariff, with 98% of those accounts being residential customers, and approximately 12% being customers enrolled in the California Alternative Rates for Energy (CARE) program and Family Electric Rate Assistance (FERA).

The following tables show the breakdown of accounts currently enrolled in the SDCP NEM Tariff by customer type (i.e., Commercial, Residential CARE/FERA, and Residential

Non-CARE/FERA) and the percentage of accounts by customer type per SDCP member agency.

Table 1: Number of Accounts Currently Enrolled in SDCP NEM Tariff

Residential CARE/FERA	Residential Non-CARE/FERA	Commercial	Total
18,616	130,761	2,796	152,173
12%	86%	2%	100%

Totals may not add up to 100% due to rounding.

Table 2: Percent of Accounts Enrolled in SDCP's NEM Tariff by Customer Type by Member Agency

Member Agency	Commercial	Residential CARE/FERA	Residential Non-CARE/FERA
City of Chula Vista	1%	16%	83%
City of Encinitas	1%	2%	96%
City of Imperial Beach	3%	19%	78%
City of La Mesa	2%	8%	90%
City of National City	5%	46%	49%
City of San Diego	2%	12%	86%
County of San Diego	2%	12%	86%

Totals may not add up to 100% due to rounding.

Importantly, if NBT is adopted, these NEM customers **would not** be affected by NBT until they complete or terminate their 20-year NEM legacy period, at which point they would transition to the new tariff. Existing customers with onsite generation would remain on the SDCP NEM tariff for their generation charges and credits and on their SDG&E NEM tariff for delivery charges and credits during that period. Their NEM legacy period starts on the date they interconnected and received permission to operate.

SDCP expects 252 of these existing onsite generation NEM accounts to complete their NEM 1.0 legacy period in 2024 and switch to NBT, representing 0.2% of customers. The annual number of customers completing their NEM 1.0 legacy period is approximately fewer than 500 customers per year until 2029.

Staff needed to estimate the potential number of customers who would be served by future rates to calculate potential financial impacts of various NEM and NBT scenarios. A key input to that analysis is expected future rooftop solar adoption, the primary source of onsite generation by SDCP customers. SDCP forecasted the following scenarios of solar growth over the next three years:

1. **Low Growth:** Assumes an adoption rate that is based on the average number of new NBT-specific setups seen in SDCP's service territory during the months of May-July 2023. May 2023 was the first full month that any new SDG&E solar

interconnections were placed on NBT. This scenario assumes a dramatic decrease in the number of installations from the historical trajectory.

2. **Mid Growth:** Assumes a contraction in the number of historical installations by 40% in the residential market based on estimates from the Solar Energy Industries Association.⁴
3. **High Growth:** Assumes business as usual with no change in the number of installations and is based on the average number of installations per month in SDCP service territory seen in 2021, before the rush in 2022.

Based on these assumptions, the forecast shows that SDCP could see 2,000 new NBT customers in the Low Growth scenario, 30,000 in the Mid Growth scenario, or over 50,000 new NBT customers in the High Growth scenario. This includes customers who are ending their 20-year legacy NEM period and transitioning to NBT. Staff determined that the Mid Growth scenario is more likely to occur due to historic investments under the Inflation Reduction Act, a decline in rooftop solar prices, and an increasing number of incentives available for energy storage to be paired with solar systems.

Program Options

Using the Mid Growth scenario for future expected onsite generation customers, staff conducted an in-depth impact analysis of two potential policy options:

1. Extend the current NEM 2.0 Tariff to all new customers; or
2. Implement an NBT.

Option 1: Extending NEM 2.0 for All New Customers

The first option examined the possibility of keeping the current NEM 2.0 tariff for all new self-generation customers. Several factors led staff to not recommend this option.

Since SDCP represents only a portion of the total bill, new customers would still be subject to SDG&E's NBT (now called "Solar Billing Plan") for transmission and distribution costs. Since generation rates represent 35%-45% of the total bill, extending NEM 2.0 would have a minimal impact on the billing changes imposed by NBT.

Moreover, having two different structures could cause significant customer confusion, cause potential billing issues, and further complicate estimates on the value of rooftop solar for customers including system payback periods. As required by the CPUC's NBT decision, all new NBT customers would still be required to take service under TOU-EV-5, regardless of SDCP's NEM tariff.

Staff also analyzed the financial impact of extending the current NEM 2.0 Tariff. The analysis revealed that under the Mid Growth scenario, extending the current NEM Tariff to all new customers would result in costs to SDCP amounting to approximately

⁴ [Solar Industry Research Data | SEIA https://www.seia.org/solar-industry-research-data](https://www.seia.org/solar-industry-research-data)

\$32 million over three years. All SDCP customers would have to bear these costs through rates while the benefits would be targeted to a limited number of customers. Additionally, staff believes that this investment fails to send the proper pricing signals to promote energy storage adoption and does not contribute to grid reliability.

Option 2: Adopt a Net Billing Tariff for All New Customers

The second option analyzed was the adoption of an NBT for all new customers. This is the staff recommendation based on the results of the analysis outlined below.

An initial step to analyze the adoption of NBT was to consider the appropriateness of using the SDG&E ACC rates for a potential SDCP NBT. To determine if the load curve and ACC rates for SDG&E could be used as a proxy for SDCP, SDCP and its consultant, Pacific Energy Advisors (PEA), analyzed the CPUC's 2022 Distributed Energy Resources ACC Documentation conducted by Energy and Environmental Economics, Inc. (E3). The SDCP and PEA teams determined that the work done by E3 for the CPUC was thorough and adequate, and that SDG&E's ACC rates for generation sufficiently reflect SDCP's load curve. Accordingly, the analysis of adopting NBT was done assuming the usage of SDG&E's ACC rates for SDCP's NBT.

By design, the ACC provides customer compensation for exported energy from onsite energy systems that is more aligned with wholesale energy prices and thus incentivizes energy storage. These price signals align with grid conditions and needs, especially during the peak periods in the summer months of August and September. As such, adopting NBT (including the ACC) is aligned with SDCP's commitment of supporting grid reliability and encouraging energy storage adoption. Additionally, adopting NBT would align with the direction that the majority of Load Serving Entities (LSEs) are moving in, including fellow CCAs. Clean Power Alliance, the largest CCA in the state, adopted NBT for all new customers in July 2023, and the majority of CCAs in Pacific Gas & Electric (PG&E) territory are bringing NBT to their Board of Directors for consideration in the next couple of months. Additionally, aligning the generation and distribution components under a NBT structure would significantly reduce customer confusion and billing issues, and provide further clarity to the solar industry and thus allowing them to model estimates more effectively.

Staff analyzed the financial impacts of adopting NBT for all new customers. The analysis showed that under the Mid Growth scenario, adopting NBT would result in costs to SDCP amounting to approximately \$8.5 million over three years. This represents a savings of approximately \$23 million for all SDCP rate payers compared to extending the current NEM 2.0 tariff. This is due to the lower ACC rates paid for generation. These savings could be returned to all customers via rate savings and/or reinvested back into the community via programs, such as developing an incentive program to encourage pairing battery energy storage systems with new solar installations.

Recommendations

With the conclusion of this analysis, staff is bringing three recommendations to the Board of Directors ("Board") that relate to future onsite generation customers:

Adopt NBT for All New Customers

Based on the analysis described above and the associated savings for all ratepayers, staff will recommend to the Board adoption of a SDCP NBT that mirrors the CPUC NBT decision and is in line with portions of SDG&E's proposed NBT. NBT would give SDCP the opportunity to meet the needs of all customers more equitably, while helping to reduce costs for all customers. This enables SDCP to leverage the savings and provide programs that encourage clean energy use and energy storage adoption with a particular focus on low-income customers that are currently underrepresented in NEM participation.

Adopting NBT would mean that new NBT customers would:

1. Have all electricity exports separately metered on a different channel than all electricity imports;
2. Be compensated based on the ACC rates;
3. All electricity imports would be charged retail rates; and
4. Be billed monthly for net charges.

The adoption of NBT will not affect existing NEM customers until the completion and/or termination of their 20-year NEM legacy period.

Provide Generation Adders for New NBT Customers

To accompany the adoption of NBT, staff will recommend to the Board including additional generation incentives or “adders” in the tariff in the form of compensation per generated kilowatt hour to be added to the ACC. Similar adders were established by the CPUC for some investor-owned utilities (IOUs) as part of NBT. The adder amounts (i.e., \$/kWh) were selected to achieve a simple payback period of nine years for solar systems. The CPUC determined the nine-year payback period was reasonable and would allow the market to grow sustainably.

The CPUC adopted a generation adder for residential customers to achieve the nine-year payback period for two IOUs: PG&E and Southern California Edison (SCE). This adder is higher for customers participating in the CARE/FERA programs due to their lower monthly bills. In its decision, the CPUC determined that in SDG&E territory, the simple payback period for solar systems was already below the nine-year target, in large part due to the relatively higher rates in SDG&E territory. Accordingly, no adder was included for SDG&E customers in the CPUC decision. The table below shows the adders and associated simple payback periods by IOU as determined by the decision:

Table 3: CPUC Adopted Initial ACC Plus Adders by Utility (\$/kWh)

Customer Segment	SDG&E	PG&E	SCE
Residential Non-CARE	\$0.000	\$0.022	\$0.040

Residential CARE	\$0.000	\$0.090	\$0.093
Commercial (not eligible)	\$0.000	\$0.000	\$0.000

Table 4: CPUC Simple Payback Periods for SDG&E Net Billing Customers Stand-alone Solar Payback Period (years)

Customer Segment	SDG&E	PG&E	SCE
Residential Non-CARE	5.95	9.00	9.00
Residential CARE	8.43	9.00	9.00
Commercial (not eligible)	7.50	8.17	9.38

To further support the growth of regional solar adoption, staff analyzed the possibility of providing generation adders that achieve the following goals:

- Enhance the competitiveness of SDCP's onsite generation compensation policy and clarify the value of SDCP to customers;
- Close the generation bill credit gap and reduce the payback period to make adoption more financially attractive for customers;
- Ensure simplicity and ease of understanding of the adder;
- Address and promote equity for CARE and/or FERA customers; and
- Support grid reliability.

In the [Community Power Plan](#), SDCP committed to support populations historically underrepresented in energy program participation by centering communities of concern in program design to enable participation by all customers, in addition to directing more investments to communities of concern. Low-income customers are underrepresented in NEM participation; CARE/FERA customers make up 24% of all customers but account for only 12% of all NEM customers. This disparity was a key motivator for identifying an adder that would provide additional financial support to income-qualified customers to lessen the financial burden of adopting onsite generation, such as rooftop solar.

With these goals in mind, staff used the CPUC’s customer bill model⁵ employed during the adoption of NBT and analyzed the impact to the payback period the adder has on non-CARE/FERA customers and used it to determine the adder amount needed for CARE/FERA customers to achieve an equal simple payback period for stand-alone solar.

Staff will recommend to the Board that SDCP provide the generation adders outlined in Table 5 below to all customers, including residential non-CARE/FERA, residential CARE/FERA, and non-residential (commercial) customers. Staff will propose to the Board that all new non-CARE/FERA customers, both residential and non-residential, receive a generation adder of \$0.0075/kWh for six years. This adder aligns with the premium for SDCP’s Power100 service because customers are exporting 100% renewable energy. Additionally, staff proposes an adder for residential CARE/FERA customers of \$0.11/kWh for six years.

Table 5: Proposed Generation Adders

Customer Class	Residential (Non-CARE/FERA)	Residential CARE/FERA	Commercial
Adder Amount	\$0.0075/kWh	\$0.11/kWh	\$0.0075/kWh

Staff determined that the proposed adder amounts would result in a payback period for stand-alone solar of approximately six years, including CARE/FERA customers, which is similar to the average simple payback period for NEM 2.0 customers.⁶ This aligned with the recommendations from GRID Alternatives to ensure that the tariff benefits income-qualified households with higher adders and shorter payback periods.

Table 6: Simple Payback Periods for SDCP Net Billing Customers with Generation Adders (years)

Customer Class	Residential (Non-CARE/FERA)	Residential CARE/FERA	Commercial
Stand-alone Solar Payback Period (years)	5.83	5.91	7.33

Staff will recommend to the Board that these adders be offered to all new NBT customers that started service on or after April 15, 2023, and be offered for three years, ending on December 31, 2026. After three years, but prior to the sunset of the adder, staff would assess the general market conditions for solar and storage and evaluate the effectiveness of the adders in helping:

⁵ Net Billing Tariff (ca.gov) <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/customer-generation/nem-revisit/net-billing-tariff>

⁶ NEM 3.0 – Making the Financial Case by Combining Home Electrification with Energy Storage - Schneider Electric Solar America <https://solar.se.com/us/en/2023/08/22/nem-3-0-making-the-financial-case-by-combining-home-electrification-with-energy-storage/#:~:text=Now%2C%20let's%20look%20at%20some,to%20recover%20the%20initial%20investment.>

- Reduce the simple payback period for CARE/FERA customers;
- Drive adoption of solar among CARE/FERA customers; and
- Sustain the region's rooftop solar market.

Staff would come back to the CAC and Board in 2026 with recommended adjustments or updates.

Additionally, staff is evaluating the feasibility of providing an energy storage grid interactive adder that will allow SDCP to utilize the batteries for grid reliability support. Staff will bring back an update on this adder to the Board in early 2024.

NBT Annual Net Surplus Compensation Approach

To accompany the adoption of NBT, staff will recommend to the Board a standard approach to the Net Surplus Compensation (NSC), similar to the NSC approach for NEM customers. Under the standard NSC payment procedure, the total amount of electricity export and electricity import volumes are netted to determine a net annual electricity export amount in kWh wherever applicable. This amount is then compensated based on the NSC rate for the month the customer has their true-up. Customers are eligible to receive a check if their NSC amount is \$100 or more; otherwise, the amount is carried over to the next billing cycle to offset future charges.

In the CPUC decision, utilities contend that customers may receive a double payment for the same the exports — one payment at ACC rates and another at NSC rates, which is effectively the ACC rate for the entire month. The CPUC acknowledges this potential and directed the utilities to implement the following adjustment:

1. Calculate if a customer is a net exporter of electricity over the past 12 months;
2. Calculate the average of the ACC rate of all NBT customers in the service territory for the past 12 billing cycles;
3. Calculate a NSC adjustment amount by multiplying the average ACC by the annual net electricity exported; and
4. Debit the NSC adjustment from the total NSC payment amount.

Staff holds a different, more customer-centric perspective than the CPUC and considers the true-up process as a demarcation between the billing credits using the ACC and the compensation of net electricity exported. For this reason, staff will recommend to the Board that SDCP should not adopt a NSC adjustment process and instead should maintain the standard process for NSC. This would further differentiate our tariff from the utility and provide a better customer experience in alignment with keeping our customers as the cornerstone of everything that we do and in concert with our strategic goal to strongly source and promote local renewable power.

Recommendation Summary

In summary, staff will recommend to the Board that they adopt the Net Billing Tariff in Attachment A, with the following key features:

- All electricity exports, as metered on a separate channel in real time, will be valued using the same methodology as SDG&E bundled customers.
- All electricity exports, as metered on a separate channel in real time, will be compensated using the same hourly ACC rates as SDG&E bundled customers.
- All electricity imports, as metered on a separate channel in real time, will be charged using SDCP's generation rates as stipulated in the EV-TOU-5 rate schedule or a successor rate schedule for residential customers.
- All electricity exports, as metered on a separate channel in real time, for all customers will receive a flat generation adder of \$0.0075/kWh for six years. The flat generation adder will be \$0.11/kWh for six years for customers enrolled in the CARE or FERA programs.
- The generation adders will be offered for all new customers that interconnect and receive permission to operate on or after April 15, 2023, through December 31, 2026.
 - Staff will evaluate the effectiveness of the adders in 2026 and return to the Board with any updates or adjustments.
- NBT customers will continue to receive NSC for total net energy exports over the course of an applicable relevant period with no NSC adjustment and be subject to SDCP's standard terms and conditions of NSC payment.
- Customers currently served under SDCP's NEM Tariff will not be affected by the NBT Tariff for the duration of their 20-year NEM legacy period.
 - Once their legacy period concludes or is terminated, they will be placed into NBT and will not be eligible for the generation adders.
- The NBT will be applicable to customers who begin service on SDG&E's NBT schedule on or after April 15, 2023.
- Until SDG&E and SDCP NBT billing systems are fully operational, customers who began service on SDG&E's NBT schedule after April 15, 2023 are currently being billed under the SDCP NEM Tariff but are not eligible for the 20-year legacy period. These NBT transitional customers will be switched to billing under the SDCP and SDG&E NBT in December 2023 or the date that SDG&E specifies the transition will occur.

Stakeholder Engagement

Staff presented the recommended proposal, or earlier iterations of the proposal, to various local and statewide stakeholders. When possible, and deemed in the best interest of SDCP customers, adjustments were made to the proposal based on stakeholder feedback. Several of the stakeholders were involved in the 2021 and 2022 NEM CPUC proceeding and Staff reviewed and incorporated, when feasible, stakeholder recommendations included in comments to the CPUC.

Stakeholder engagement was conducted with a variety of stakeholders including:

- SDCP Board of Directors
- SDCP Community Advisory Committee Members
- Local elected officials
- California Solar & Storage Association
- Climate Action Campaign
- GRID Alternatives
- International Brotherhood of Electrical Workers 569
- Local chambers of commerce and economic development corporations
- Other Community Choice Aggregators
- Sierra Club San Diego chapter
- Staff of local public agencies
- Utility Consumers' Action Network
- Vote Solar

NEXT STEPS

SDG&E is anticipated to implement their updated billing systems and switch customers by December 15, 2023. If the Board adopts the staff recommendations, staff will work with Calpine Energy Solutions to implement the tariff for new onsite generation customers and NBT customers currently being served on NEM 2.0 on an interim basis. Staff will work with Calpine and SDG&E to ensure proper testing and validation of data communications and billing mechanics following adoption. Additionally, Staff will work to create a new webpage on the SDCP website with information on NBT.

Additionally, SDCP recently added a new staff member to focus solely on the development of a future battery storage incentive program. Over the coming months, staff will conduct an extensive review of battery storage incentive program best practices from throughout the country. Concurrently, staff will engage with the industry through informal interviews and workshops to incorporate industry feedback into program design. Staff will come back to the CAC and the Board in the first quarter of calendar year 2024 with an update on program development.

FISCAL IMPACT

SDCP estimates that adopting NBT would result in bill credit costs amounting to approximately \$8.5 million over three years. This represents a significant savings of approximately \$23.5 million over three years compared to extending the SDCP NEM tariff.

SDCP estimates that providing generation adders to all customers would result in a cost of \$2.8 million over three years. This cost would be covered by the savings resulting from the adoption of NBT, reducing the savings to approximately \$20.7 million over three years.

SDCP estimates that NSC payments would result in a cost of approximately \$3.2 million over three years. This cost remains consistent regardless of whether NBT is adopted and is factored into SDCP's annual operating budget.

Staff does not yet have an estimate of a potential battery energy storage pilot program. Staff will bring back an item to the Board in early 2024 to discuss a potential program offering and include budget estimates. Staff may be able to use the savings from adopting NBT for the battery program.

ATTACHMENTS

Attachment A: San Diego Community Power Net Billing Tariff





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San Diego Community Power Net Billing Tariff

APPLICABILITY: San Diego Community Power (“SDCP”) Net Billing Tariff (“NBT” or “NBT Tariff”) shall be effective beginning on April 15, 2023, the day following the NEM-Successor Tariff (“NEM-ST”) eligibility sunset required by the California Public Utilities Commission (“CPUC”) and shall apply to (i) SDCP customers served under San Diego Gas & Electric Company (“SDG&E”) Solar Billing Plan (“SBP”) and/or Schedule NBT for Customer-Sited Renewable Distributed Generation¹ (“SDG&E Schedule NBT”) receiving electric generation services from SDCP, including customers with battery storage, fuel cells, or as approved by the CPUC under future aggregated or virtual designs, (ii) SDCP customers who are eligible for SDG&E’s NEM Tariff and elect to switch to the SDCP NBT Tariff, and (iii) SDCP customers who are automatically transitioned to the SDCP NBT following the conclusion and/or termination of their 20-year SDG&E Net Energy Metering (NEM) legacy period.² SDG&E tariffs are available on SDG&E’s website³ and may be amended or replaced by SDG&E from time to time. This tariff shall remain in effect until modified, amended, or replaced by SDCP’s Board of Directors (“Board”) at a duly noticed public meeting of the Board.⁴

ELIGIBILITY: SDCP’s NBT Tariff is available to customers operating a solar, wind, biomass, geothermal, or other renewable resource as defined in the California Energy Commission’s (“CEC”) Renewables Portfolio Standard (“RPS”) Eligibility Guidebook.⁵ Renewable Energy Generation Facilities (“REGF”) are limited to 1MW under the SDCP and SDG&E NBT tariffs. Additionally, the customer must participate in SDG&E’s SBP (or successor) for non-generation services, such as transmission and distribution. SDCP customers served under SDCP’s NBT Tariff must provide SDG&E with a completed SDG&E NBT or SDG&E NEM Application and comply with all other SDG&E requirements for enrollment in the SDG&E ⁶ before becoming eligible for the SDCP NBT Program. No direct agreement with SDCP is necessary.

Eligible SDCP customers who begin service under the SDG&E NBT Schedule on or after April 15, 2023, are automatically enrolled in the SDCP NBT Tariff either at the time of initially enrolling with SDCP or at the time SDG&E begins serving them on the SDG&E NBT Schedule. Eligible SDCP customers who begin service under the SDG&E NEM tariff prior to April 15, 2023, will be

¹ SDG&E’s proposed Schedule NBT was submitted to the California Public Utilities Commission in Advice Letter 4155-E and 4155-E-A, available at <https://www.sdge.com/rates-and-regulations/tariff-information/advice-letters>

² See SDG&E’s Schedule NEM and Schedule NEM-ST at <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs> for details on SDG&E’s NEM legacy periods.

³ [Current and Effective Tariffs | San Diego Gas & Electric \(sdge.com\)](https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs) <https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs>

⁴ Board agendas are available at: <https://sdcommunitypower.org/resources/meeting-notes>.

⁵ The latest RPF Eligibility Guidebook can be found at the CEC’s website: <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

⁶ See <https://www.sdge.com/solar/solar-billing-plan> for more information.



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eligible for service under the SDCP NEM Tariff⁷ for 20 years following their SDG&E Original Permission to Operate Notice (“PTO”)⁸ Date.

Customers served under the SDCP NEM Tariff may elect to switch to the SDCP NBT Tariff. Customers who voluntarily switch to the SDCP NBT Tariff or who are automatically transitioned to the SDCP NBT Tariff following the conclusion and/or termination of their NEM legacy period are **not** eligible to return to service under the SDCP NEM Tariff.

This tariff does not apply to customer-generators with multiple meters who wish to aggregate the electrical load of the meters located on the customer’s owned, leased, or rented property where the Renewable Electrical Generation Facility is located, including existing Net Energy Metering Aggregation or Virtual Net Energy Metering tariffs.

NBT TRANSITION CUSTOMERS: Customers who submit complete applications to SDG&E on or after April 15, 2023 will interconnect under SDG&E’s Schedule NBT but will be temporarily billed on NEM-ST until SDG&E Schedule NBT is fully operationalized in SDG&E’s and SDCP’s billing systems, respectively. Once SDG&E Schedule NBT is operationalized, any customers who interconnected under SDG&E Schedule NBT but were billed temporarily on NEM-ST will complete their true up under their temporary NEM service and transition to billing on the SDG&E Schedule NBT at the beginning of their next available billing cycle, currently expected as of December 2023. The NEM-ST 20-year legacy period is not applicable to SDG&E Schedule NBT customers taking interim service on NEM-ST.

RATES: All rates for the SDCP NBT Tariff are in accordance with the applicable customer’s otherwise applicable SDCP rate schedule (“SDCP OAS”).⁹ SDCP NBT residential customers are required to enroll on highly differentiated time-of-use rates currently defined as EV-TOU-5 in SDCP and SDG&E territory, or other qualified rates that SDG&E and SDCP may develop in the future, and may choose to enroll in critical peak pricing or peak day pricing rates wherever applicable. The SDCP NBT Tariff provides the mechanism for billing and crediting customers with generating facilities only. Customers served under this tariff are still responsible for all billed usage charges according to their applicable SDCP rate schedule, including volumetric usage, demand charges (if applicable), Power100 surcharges (if applicable), taxes, and all other charges owed to SDCP. Nothing in this tariff will supersede any SDG&E or SDCP authorized charges.

CHARGES, CREDITS AND BILLING: SDCP’s generation charges and credits for electricity (measured in kilowatt-hours, or “kWh”) are calculated as described below.

⁷ SDCP’s NEM Schedule is available at: <https://sdcommunitypower.org/key-documents/>.

⁸ Permission to Operate Notice (PTO) is SDG&E’s written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer’s proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E Schedule NBT for additional information.

⁹ SDCP’s residential rates can be found at <https://sdcommunitypower.org/billing-rates/residential-rates> and non-residential rates at <https://sdcommunitypower.org/billing-rates/commercial-rates>.



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A) Definitions:

- i. "Imported Electricity" is defined as when a customer uses any metered electricity supplied by SDCP, reflected as "positive" kWh usage, as recorded on the import channel of the customer's SDG&E meter.
- ii. "Imported Charges" is defined as the charges associated with the amount of Imported Electricity during a billing cycle within the Relevant Period based on the customer's OAS.
- iii. "Energy True Up" is defined as the process performed by SDG&E for the transmission and delivery service and by SDCP for the generation service, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for schedule NBT, or the date of SDG&E's written approval to begin parallel operation of the REGF for purposes of participating in Schedule NBT, whichever is later, and at each anniversary date thereafter.
- iv. "Exported Electricity" is defined as when a customer supplies any metered electricity to the electric grid, reflected as "negative" kWh usage, as recorded on the export channel of the customer's SDG&E meter.
- v. "Export Compensation Rate," at times referred to as the Generation Electricity Export Credits ("EEC")¹⁰, is defined as the rate or amount at which Exported Electricity will be compensated per kWh. The Export Compensation Rate is based on the CPUC's most recent Avoided Cost Calculator ("ACC"), adopted as of January 1 of the calendar year of the customer's interconnection date. The Generation EEC is based on hourly ACC values, averaged across days in a month for each hour, differentiated by weekdays and weekends/holidays. SDCP utilizes SDG&E's Generation EEC calculated based on a weighted average of ACC values across its four different climate zones. EEC does not vary between customer classes or technology. The Generation EEC Price is posted on SDG&E's & SDCP's websites.
- vi. "Export Credits" are defined as the appropriate credit for any Exported Electricity, based on the Export Compensation Rate multiplied by the amount of Exported Electricity, and any applicable credit surcharges.
- vii. "Export Credit Balance" is defined as when a customer has excess export credits carried

¹⁰The EEC Price is a \$/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission (CPUC) Avoided Cost Calculator (ACC) approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm>.



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into the subsequent billing period, or into the SDCP true up process at the end of the relevant period.

- viii. “Net Surplus Electricity” is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.
- ix. “Relevant Period” is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E’s written approval to begin parallel operation of the REGF Permission To Operate (“PTO”) for purposes of participating in NBT, and on every subsequent anniversary thereof.

B) Generation Electricity Charges:

As determined in each billing period, Generation Electricity Charges are calculated by multiplying the customer’s Imported Electricity (i.e., electricity consumption from the grid) in kWh by the applicable electricity (commodity) rate components (\$/kWh) in the customer’s applicable SDCP OAS.

C) Export Credits:

As determined in each billing period, Export Credits are calculated by multiplying the hourly-differentiated customer’s Exported Electricity (i.e., electricity generated and sent to the grid) in kWh by the Export Compensation Rate.¹¹ The calculated value of such net electricity exports shall be credited to the customer and applied as described in Sections (c) and (d), below.

Export Credits are calculated monthly and can be used to offset volumetric (kWh) Generation Electricity Charges (as calculated above) incurred during the billing period but at no point can they offset demand charges, taxes, or other charges or fees within the Customer’s SDCP OAS, nor will they offset any SDG&E transmission and delivery charges. Any unused Generation Electricity Export Credits accrued in a given month can be used to offset volumetric (kWh) Generation Electricity Charges within the customer’s Relevant Period as described in Section (d). Customers on SDCP NBT will be billed based on no netting of kWh imports (consumption) and kWh exports (excess generation placed on the grid). Generation charges owed to SDCP net of any eligible credits will be paid each month and all charges and credits will be trued up at the end of the Relevant Period.

For the first five years of this NBT Tariff (“lock-in period”), the Export Compensation Rate will be set annually using a 9-year schedule from the ACC. All customers who interconnect during this five year “lock-in period” will receive a nine-year schedule of Generation ECC set in the year of interconnection as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer (or an “eligible customer-

¹¹ See <https://sdcommunitypower.org/programs/net-billing-tariff>.



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generator” as defined in SDG&E’s Schedule NBT). During the “lock-in period”, these customers will have the Export Compensation Rate derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer’s Original PTO Date. A new customer moving into a dwelling with an existing generating facility served under SDG&E’s Schedule NBT will not be eligible to retain the Export Compensation Rate associated with the Original PTO Date of the generating facility, with two exceptions as described in SDG&E’s Schedule NBT.

Customers may opt out of their nine-year schedule of Generation EEC and receive an Export Compensation Rate that is updated annually based on the most recently adopted ACC. Customers that interconnect during the five-year lock-in period may exit their respective nine-year schedule of Generation EEC, but will not be able to opt back in. Following the five-year lock-in period, Generation EEC for new NBT customers will be updated annually on January 1 based on the ACC adopted as of January 1 of that year. Generation EEC will be accrued separately for Delivery under SDG&E and Generation under SDCP.

D) SDCP Generation Adders:

All new NBT customers are eligible to receive an SDCP Generation Adder. Customers that subsequently transfer into this NBT Tariff after the conclusion and/or termination of their 20-year NEM legacy period are not eligible for the SDCP Generation Adder.

The credit is calculated monthly by multiplying the Exported Electricity by the applicable \$/kWh Generation Adder Rate shown in Table 1.

Table 1: Generation Adder Rates

Residential Non-CARE	Residential CARE	Non-Residential
\$0.0075/kWh	\$0.11/kWh	\$0.0075/kWh

i. Eligibility:

- To be eligible for the SDCP “Residential Non-CARE” and “Non-Residential” Generation Adder, customers need to (a) be served on this tariff, and (b) have an NBT effective date between April 15, 2023 and December 31, 2026.
- To be eligible for the SDCP “Residential CARE” Generation Adder, customers need to (a) be served on this tariff, (b) have an NBT effective date between April 15, 2023 and December 31, 2026, and (c) be enrolled in either the CARE or FERA programs as of the effective date.
- A new customer moving into a dwelling with an existing Generating



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Facility served under this tariff on or after January 1, 2027 will not be eligible for the SDCP Generation Adder.

ii. Adder Period:

- a. The SDCP Generation Adder Rates, as defined above, will be fixed during the first six (6) years (the “Adder Period”) beginning on the NBT effective date communicated by SDG&E to SDCP. Residential customers will receive the SDCP Generation Adder during their Adder Period, as long as the SDG&E Interconnection Agreement remains valid and under the name of the original customer.
- b. Customers receiving the Residential CARE adder will need to maintain enrollment in either the CARE or FERA programs for the duration of the Adder Period.
 - i. If a customer account ceases to be enrolled in either the CARE or FERA programs (as communicated to SDCP by SDG&E), the customer will be moved to the Residential Non-CARE adder rate.
 - ii. If a customer account enrolls in either the CARE or FERA programs (as communicated to SDCP by SDG&E), the customer will be moved to the Residential CARE adder rate.

E) Monthly Settlement of SDCP Charges/Credits:

All NBT customers will pay monthly for all applicable charges including the fixed charges within the OAS and any additional net charges due to SDCP and SDG&E. Customers will have net charges due in a given month if the sum of their Import Charges and Export Credits is greater than zero. Each customer will receive a statement as part of their monthly SDG&E bill indicating accrued SDCP Electricity Charges for Imported Electricity and/or SDCP Export Credits for Exported Electricity during the current monthly billing cycle. When a customer's SDCP credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable SDCP Electricity Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s).

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable SDCP Generation Electricity Charges, reducing otherwise applicable Generation Electricity Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Generation Electricity Charges, (ii) the customer no longer receives service from SDCP, or (iii) an annual account true up is performed.



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F) SDCP Annual True Up & Cash Out Processes:

i) SDCP Annual True Up: At the end of the most recent twelve (12) monthly billing cycles (“Relevant Period”) of each NBT customer, SDCP will perform a true up of all active customers. SDCP will determine whether or not each customer has produced net surplus electricity, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer’s commencement of participation in SDCP’s NBT Tariff through the end of their Relevant Period, whichever is shorter (“True Up Period”) and at each anniversary date thereafter.

a. NBT Generation Payment Credit Refund: If the customer has an Export Credit Balance but incurred SDCP usage charges earlier within the same SDCP Annual True Up period, the credits will be applied against any of these charges still due.

If these charges were already paid during the Relevant Period being trued up, the amount will instead be carried over as a bill credit for use in the subsequent Relevant Period(s) for the benefit of the customer.

b. Electricity Export Credit Refund: At the time of the Annual True Up, if the customer has accumulated Electricity Export Credits in excess of any currently outstanding Electricity Charges, those credits will be carried over as a bill credit for use in the subsequent Relevant Period(s) for the benefit of the customer up to the total SDCP Electricity Charges paid by the customer on the same NBT account during the applicable Relevant Period (“Refundable EEC”), consistent with SDCP’s Annual Cash Out practice in Section (d)(ii). Any unused Electricity Export Credits over what is carried over as a bill credit for use in the subsequent Relevant Period (s) for the benefit of the customer up to the total SDCP Electricity Charges paid by the customer shall not be carried forward to the start of a new Relevant Period; rather, the unused Electricity Export Credits shall be zeroed out and a new Relevant Period will commence.

c. Net Surplus Compensation (“NSC”): SDCP will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then SDCP shall credit such customer an amount that is equal to the monthly Net Surplus Compensation rate per kWh, as defined in Section e.i.c.1, multiplied by the quantity of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with SDCP’s Annual Cash Out practice in Section F.ii below. The SDCP NSC Rate is posted to SDCP’s website and updated monthly.¹²

1. SDCP’s NSC Rate is equal to the applicable monthly SDG&E’s NSC, which is defined by the CPUC as “a simple rolling average of each utility’s Default Load Aggregation Point (“DLAP”) price from 7 a.m. to 5 p.m.”, and “calculated monthly based on the hourly day-ahead

¹² [SDCP Net Energy Metering \(NEM\) - https://sdcommunitypower.org/programs/net-energy-metering/](https://sdcommunitypower.org/programs/net-energy-metering/)



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electricity market price at each utility's DLAP price published on the California Independent System Operator ("CAISO") Open Access Same-Time Information System ("OASIS"), and ending the twentieth day of each month¹³, of the customer true up month plus \$0.0075/kWh.

- ii) **SDCP Annual Cash Out:** At the end of each customer's relevant period, any current customer who has a combined Refundable EEC and Net Surplus Compensation value of \$100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file at the time of mailing for the credit balance on their account, as determined through SDCP's Annual True Up process as specified in this section c(i), above. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of check issuance. In the event that customers have a combined Refundable EEC and Net Surplus Compensation value that does not exceed \$100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future SDCP Electricity Charges as a Rollover. All NBT accounts will be reset to zero kWh annually as of the customer's next monthly billing cycle and the only NBT credits carried forward on the customer's account will be the combined Refundable EEC and Net Surplus Compensation credit balances less than \$100.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request.

- iii) **SDCP Cash Out for Terminations:** Customers who close their electric account through SDG&E, opt out of SDCP and return to bundled service, or move outside of the SDCP service area prior to the end of their relevant period, shall be trued up according to SDCP's Annual True Up Process. If applicable, the customer shall receive a refund payment by check via United States Postal Service mail to the customer's U.S. mailing address on file within 60-90 days after final billing to allow for any usage revisions and/or any adjustments from SDG&E for any Export Electricity Credits on their account that exceed outstanding Electricity Charges at the time of true up, up to the total amount of Electricity Charges paid by the customer during the Relevant Period along with Net Surplus Compensation if they are determined to have produced Net Surplus Electricity.

Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDCP, customers may request the one-time reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request. If the customer did not produce Net Surplus Electricity, as measured in kWh, they will not receive a direct payment. After one year, the funds will be

¹³ [CPUC Decision 11-06-016 https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf](https://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/137431.pdf)



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considered unclaimed property and turned over to the California State Controller's Office.

SDCP reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits.

SDG&E NBT PROGRAM: Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NBT (with the exception of SDCP OAS charges, which are described in SDCP's rate schedules). SDCP may amend this NBT Tariff to align with SDG&E Schedule NBT following CPUC approval of the SDG&E Schedule NBT and any future amendments to the SDG&E Schedule NBT. SDCP calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's NBT Rate Schedule, and SDCP credits cannot be applied to any SDG&E charges.

Please review the SDG&E Schedule NBT¹⁴ for more information.

RETURN TO SDG&E BUNDLED SERVICE: SDCP customers participating in the SDCP NBT Program may opt out and enroll in SDG&E's bundled service, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of SDCP service are subject to SDG&E Schedule NBT.

SDCP will perform a true up of the customer's account in accordance with Section (d)(iii) at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service at the time of enrollment in SDG&E bundled service.

For details concerning opting out of SDCP service, please contact SDCP Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS: The Chief Executive Officer ("CEO") of SDCP or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer NEM and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

¹⁴ See <https://www.sdge.com/solar/solar-billing-plan>



SAN DIEGO COMMUNITY POWER Staff Report – Item 7

To: San Diego Community Power Community Advisory Committee

From: Nelson Lomeli, Program Manager
Lucas Utouh, Director of Data Analytics & Account Services

Via: Karin Burns, Chief Executive Officer

Subject: Update on the existing Net Energy Metering (NEM) Policy

Date: October 12, 2023

RECOMMENDATION

Receive and file the update on existing Net Energy Metering (NEM) policy.

BACKGROUND

What is Net Energy Metering and How Does it Work?

Net Energy Metering ("NEM") is a statewide program available to customers that install an onsite renewable energy generation system, like rooftop solar. This program allows customers to reduce their electricity consumption and bills.

NEM allows customers who generate their own energy ("customer-generators") to serve their energy needs directly onsite and to receive a financial credit on their electric bills for any surplus energy fed back to their utility. In technical terms, the excess energy is paid at the customer's otherwise applicable rate schedule and time-of-use period. This credit is reflected as a negative number on the bill.

For example: if a commercial customer is on the time metered small general service rate schedule, A-TOU, and they are generating and exporting electricity in the summer during the 12:00 PM – 4:00 PM timeframe, every kWh of electricity exported would be paid at \$0.2205 (the A-TOU rate for that time of use period).

Every billing period, the utility determines how much electricity was exported and how much electricity was consumed at each time-of-use period. If the generation credits exceed the usage consumption charges, a customer receives a credit on their bill which will be applied to future usage costs within the relevant period. If a customer's consumption charges exceed the generation credits, a consumption charge is applied on the bill.

True Up and Billing

Over the course of 12 months, a period commonly referred to as the Relevant Period, the utility tracks how many generation credits or consumption charges a customer

accrues each month and banks them. At the end of the 12 months, the utility engages in a reconciliation process called true up where all credits, charges, minimum bill payments, and any adjustments are summed. If the customer has more consumption charges than generation credits, the customer is sent a bill for the outstanding charges. However, if the customer has more generation credits than consumption charges, the customer does not owe anything, the credits are zeroed out, and their net usage is re-set or trued up.

During the Net Usage true up process, the utility also determines how much net kWh electricity was either exported or consumed during the 12 months. They sum up all the monthly net generation kWh and monthly net consumption kWh to determine a final net kWh amount for the year. If the customer was a net consumer (*i.e., they consumed more electricity from the utility than they exported and thus ended up with net positive (+) kWh*) the customer does not receive any compensation. However, if the customer was a net generator (*i.e., they exported more electricity than they consumed in the year and thus ended up with net negative (-) kWh*) they will then get compensated using the utility's applicable monthly Net Surplus Compensation (NSC) rate.

Net Surplus Compensation:

When a customer exports more electricity to the grid than they consumed during the relevant period, the customer is eligible to receive compensation. The amount of compensation is determined based on the utility's applicable monthly Net Surplus Compensation (NSC) Rate, which varies every month and is based on the wholesale prices of electricity. The California Public Utilities Commission defines it as a rolling average based on the utility's Default Load Aggregation Point (DLAP) price from 7 a.m. to 5 p.m. multiplied by the annual net usage exported by the customer. For the month of October 2023, SDG&E's NSC rate is \$0.04591/kWh.

Example:

Annual net generation = -450 kWh

October 2023 Net Surplus Compensation Rate = \$0.04591 per kWh

Total Compensation = \$20.70

ANALYSIS AND DISCUSSION

Over the last several months, Staff undertook a significant analysis to broadly evaluate how SDCP compensates customers for the on-site generation of energy. The analysis included 1) consideration for enhancements to the current SDCP NEM policy by removing the Net Surplus Compensation (NSC) cap, 2) consideration to incentivize customers to install new on-site generation that aligns compensation with the needs of the grid (*i.e.* NBT), and 3) potential programs designed to incentivize the pairing of storage with new on-site installations to support grid resilience. Comprehensively, Staff believes this package of recommended actions would result in the most customer-centric, progressive on-site generation compensation strategy in the State. The strategy carefully balances multiple priorities including supporting the local San Diego solar and

storage industry, increasing access to distributed energy resources to Communities of Concern and low-income customers, an increasing statewide focus on grid resilience, customer fairness, and financial prudence for the agency.

This agenda item is focused on the consideration to enhance the current SDCP NEM policy. Details on Net Billing Tariff are included in Agenda Item 6 of the October Community Advisory Committee meeting. Progress updates on a potential future solar-plus-storage incentive program will be brought to future Community Advisory Committee meetings.

Status of current NEM customers

Based on data from SDG&E as of 9/25/2023, SDCP is currently serving 152,173 NEM accounts. The table below captures the breakdown of NEM accounts currently being served across SDCP's service territory.

Jurisdiction	Number of Accounts	Percent
City of Imperial Beach	836	0.5%
City of La Mesa	4,392	2.9%
City of Encinitas	5,894	3.9%
City of Chula Vista	18,792	12.3%
City of San Diego	90,559	59.5%
County of San Diego	30,846	20.3%
City of National City	854	0.6%
Total	152,173	

**Please note that SDCP is currently still enrolling approximately 5,000 NEM accounts a month until March 2024 as part of Phase 4 customer enrollment in National City and Unincorporated County of San Diego.*

The vast majority of NEM accounts (~98%) are residential with commercial, agricultural and industrial customers making up the remaining ~2%.

Customer Type	Number of Accounts	Percent
Non-residential	2,796	2.0%
Residential	149,377	98.0%
Total	152,173	

Customers enrolled in the California Alternative Rates for Energy (CARE) program or the Family Electric Rate Assistance (FERA) program, which provides discounted rates, make up 12% of NEM accounts.

A look-back analysis conducted for usage on our NEM customers in 2022 determined that 35% of our NEM accounts are net generators with an average excess generation production of 2,122 kWh per a 12-month relevant period.

Background on the existing NEM Tariff Policy

The Board of Directors approved SDCP's original Net Energy Metering Program in December of 2020. As part of the original Net Energy Metering Program, staff provided great details around the mechanics of how SDCP's NEM program was going to be set up and with the goal of offering a very progressive but financially prudent NEM program, updates were brought to the Board in May 2021 before the commencement of Phase 2 mass enrollment for Commercial customers in June 2021. With the May 2021 update that the Board approved, staff recommended adoption of a Net Surplus Compensation (NSC) rate that is set to match SDG&E's monthly NSC Rate with a \$0.0075/kWh adder along with establishing an SDCP Net Surplus Compensation limit of \$2,500 per account per relevant period to protect SDCP and limit the financial risk. This meant that individual NEM customers would not receive more than \$2,500 in compensation for excess net generation per NEM account. As part of the due diligence then, staff evaluated the compensation limits of other CCAs and found most had a \$5,000 per account per year limit. Staff recommended a \$2,500 per account per relevant period compensation limit due to the significantly larger number of NEM accounts served by SDCP and the growing number of rooftop solar installations in our area. This compensation limit offered protection to SDCP from volatile wholesale market prices and therefore volatile NSC rates especially at a time when we were launching service to customers for the first time and did not have any reserves.

As part of the May 2021 NEM program update, staff also recommended that the Board standardize NEM settlement and billing for all customer classes to a monthly process but offer yearly settlement and billing as an option for customers that wish to enroll into that option.

The monthly settlement and billing method allows customers that are net consumers (65% of our NEM accounts) to pay smaller monthly statements instead of one large bill for an entire year's worth of usage charges. This avoids the bill shock that net consumers can experience when they get their true up bill and will reduce the potential risk of NEM customers opting out due to the misconception of SDCP increasing their bills.

Overview of the latest staff recommended changes to the NEM Program/Tariff policy as of October 2023

With the growth of SDCP service in our region and experience gained in serving NEM customers over the past 2 years, staff has received a great deal of meaningful feedback from stakeholders in the region with regards to how best to improve the customer experience of both net consumers and net generators at the time of their annual true up.

Staff has heard from NEM customers that the transition of their electric generation service to SDCP at the conclusion of their relevant period with SDG&E has been appreciated, as this process ensures minimal inadvertent impacts to any accrued generation credits under SDG&E's bundled service and reduces customer confusion.

Customers have also provided overwhelming feedback to staff that the default monthly billing and settlement option (which was intended to assist the majority of NEM customers who end up as net consumers at the end of the relevant period to avoid large true up bills) may at times not be beneficial in terms of a customer's ability to accrue credits and offset their charges accordingly had they been in an annual billing and settlement option.

NEM customers have also voiced their concerns on the \$2,500 Net Surplus Compensation (NSC) limit for net generators per account per relevant period especially as it relates to SDCP's commitment and strategic goal to source and promote local renewable power. It should be noted that SDG&E's bundled NEM program/tariff does not have any Net Surplus Compensation (NSC) limit for net generators.

With our customers being the cornerstone of everything we do here at SDCP along with our commitment and strategic goal to strongly source and promote local renewable power, staff will be recommending that the Board should review and approve two critical updates to our existing NEM program/tariff:

1. Removal of the \$2,500 Net Surplus Compensation (NSC) limit per account per relevant period. At the end of each customer's relevant period, any current NEM customer who is a net generator with an accrued Net Surplus Compensation equal to or greater than \$100, as determined during the applicable true up process, will be sent a direct payment by check to the customer's mailing address on file.
2. Adoption of a NEM Generation Credit Refund whereby at the time of the annual true up, if a customer on SDCP's default monthly settlement and billing option has accumulated any NEM generation credits in excess of any charges accrued over the relevant period, those NEM generation credits will be carried over as a bill credit for use in the subsequent relevant period(s) for the benefit of the customer up to the total SDCP charges assessed and/or paid on the NEM account during the Relevant Period being trued up.

Attachment A shows the proposed changes to the NEM Tariff Policy in redline for ease of tracking should the Board adopt Staff's recommendation. Attachment B reflects the updated, clean version of the NEM Tariff Policy with all redlines accepted.

AD-HOC COMMITTEE AND/OR SUBCOMITTEE REVIEW

N/A

FISCAL IMPACT

Using February 2023 SDG&E's NSC of \$0.14538/kWh (the highest NSC observed in the last decade) plus the \$0.0075/kWh adder and the look-back usage from 2022, staff estimates approximately \$1.1 million in incremental Net Surplus Compensation; whereas looking at the 5-year average of SDG&E's NSC of \$0.04138/kWh plus our adder, staff estimates approximately \$228,104 in incremental Net Surplus Compensation.

Actual compensation amount will vary depending on several factors including, number of NEM accounts, number of NEM accounts that are net generators, amount of electricity net generated, wholesale prices of electricity, month of true up, customer system size, customer behavior, and weather.

ATTACHMENTS

Attachment A: NEM Program Policy Upd. 10-26-2023

Attachment B: NEM Program Policy Upd. 10-26-2023 (Clean)



Policy Title Net Energy Metering ~~Program-Tariff~~ Policy

Effective Date

Original: 12/17/2020

Revision 1: 5/27/2021

Revision 2: 10/26/2023

Net Energy Metering ~~Program-Tariff~~ Policy

A. PURPOSE

The ~~p~~Purpose of this Net Energy Metering (~~NEM~~) ~~Program-Tariff~~ Policy (Policy) is to ~~provide~~ ~~ad~~describe the process ~~for how by which~~ Net Energy Metering (~~"NEM"~~) (~~commonly referred to as~~ ~~rooftop solar~~) customers are enrolled ~~into with and served by~~ San Diego Community Power (SDCP).

B. APPLICABILITY

Customers enrolled in San Diego Gas & Electric Company's (SDG&E) Net Energy Metering NEM Program (SDG&E NEM) or those who submitted a complete NEM interconnection agreement to SDG&E prior to April 15, 2023 that has been approved and who have not opted out of SDCP service, will ~~be~~ automatically enrolled in SDCP's NEM take service from SDCP pursuant to the terms of this Policy ~~Program-Tariff~~. Phase-in will occur as stated in Section D below. The ~~Program-Tariff Policy~~ is applicable ~~for to~~ all NEM customers who install and use a Renewable Electrical Generation Facility (~~e.g., rooftop solar~~) as defined by and eligible under SDG&E's Schedule NEM – Net Energy Metering tariff (i.e., NEM 1.0) or ~~successor SDG&E's~~ Successor NEM tariff (i.e., NEM 2.0), which may be amended or replaced by SDG&E from time to time. A customer's eligible Renewable Electrical Generation Facility must fall within the capacity limits described in SDG&E's Schedule NEM or Successor NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SDG&E's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.

This ~~rate-schedule tariff Policy will shall be available govern the terms of service of on a first-come, first-served basis to to~~ customers that provide SDG&E with a completed SDG&E NEM application and comply with all SDG&E NEM requirements as described in SDG&E's Schedule NEM or Successor NEM tariff. This includes, but is not limited to, customers served by NEM-V (Virtual Net Energy Metering), VNM-A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM-SOMAH (Virtual Net Energy Metering - Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SDG&E's Schedule NEM.

This tariff Policy is not applicable to customers taking service under SDG&E's Net Billing Tariff/Solar Billing Plan.

C. TERRITORY

SDCP service area.

D. ~~INITIAL~~ PHASE-IN

SDCP phased its NEM customers into service on a monthly basis primarily starting in-in Phase 3 of customer enrollment, which commenced in 2022. The transition into SDCP's service occurs at the conclusion of a NEM customer's R-relevant P-period with SDG&E, as that term is defined in SDG&E's applicable NEM tariff. ~~This approach~~ The purpose of this approach is to minimize any-potential impacts from when the SDG&E NEM customers' true ups occur and when SDCP's service begins.

E. RATES

All rates charged under this schedule-Policy will be in accordance with the customer's otherwise applicable SDCP rate schedule (OAS). A customer served under this schedule-Policy is responsible for all charges from its OAS, including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SDCP or SDG&E. Charges for energy (kWh) supplied by SDCP will be based on the net metered usage in accordance with this Policy.

F. BILLING

1. Net Consumer and Net Generator: "Net Consumer" is defined as a customer having overall positive usage during a specific billing cycle ~~cycle~~ as measured in kilowatt-hours (kWh). "Net Generator" is defined as a customer having overall negative usage during a specific billing cycle as measured in kWh.
2. For a customer with Non-Time of Use (TOU) Rates: If the customer is a "Net Consumer," the customer will be billed in accordance with the customer's OAS. If the customer is a "Net Generator," any net energy production shall be valued in accordance ~~efwith~~ the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.
3. For a customer with TOU Rates: If the customer is a Net Consumer during any discrete TOU period reflected within a specific billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates / charges, as described in the customer's OAS. If the customer is a Net Generator during any discrete TOU period reflected within a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of such net energy production shall be credited to the customer according to the OAS.

4. Monthly Settlement and Billing:

- a. ~~-~~All NEM customers will receive a statement in their monthly SDG&E bill indicating any accrued charges for electric energy usage during the current billing cycle. These charges are due and payable on a monthly basis, in accordance with the OAS. A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining balance reflected on each customer's billing statement shall be carried forward to subsequent billing cycle(s) until either excess credit is sufficient to satisfy the charges or an account true-up is performed. When a customer's net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the billing

cycle (in excess of currently applicable charges) shall be valued at the OAS and noted on the customer's bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a subsequent billing cycle(s).

- a. ~~NEM Generation Credit Refund: At the time of the a~~Annual t~~True u-Up, if the a~~customer on SDCP's default monthly settlement and billing option has accumulated any NEM generation credits in excess of any currently outstanding charges, those NEM generation credits will be refundedcarried over as a bill credit for use in the subsequent Relevant Period(s) to the for the benefit of the customer up to the total SDCP charges assessed and/or paid by the customer on the NEM account during the Relevant Period being trued up.

- 4.5. ~~Optional Yearly Settlement and Billing: Residential and Non-residential customers, as determined by their OAS, NEM customers~~ may elect to receive yearly settlement and billing by notifying SDCP. Customers electing a yearly settlement and billing option will receive a statement in their monthly SDG&E bill indicating any accrued SDCP charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable; rather, the charges or credits are calculated in accordance with the OAS and tracked over the course of the R~~relevant~~ P~~period~~. At the end of the R~~relevant~~ P~~period~~, any accrued charges in excess of generation credits are due and payable on the next bill. If at the end of the relevant period a customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh~~excess generation credits~~, the customer will be paid out in accordance with the SDCP True-up & Cash-Out Process set forth at Section 6~~5~~.

5.6. SDCP True-Up & Cash-Out Processes.

- a. "True-Up": At the end of each NEM customer's R~~relevant~~ P~~period~~, SDCP will determine whether or not each customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in SDCP's NEM program through the end of their 12-month R~~relevant~~ P~~period~~, whichever is shorter (the "True-Up Period"). If the customer has not produced net surplus energy at the end of the applicable Rrelevant Pperiod during the True-Up Period, all NEM credits, if any, generated through participation in SDCP's NEM program in excess of currently applicable SDCP charges shall be set to zero and any remaining balance will be due and payable.

However, if a customer has produced net surplus energy during their True-Up Period, then SDCP shall compensate such customer at a Net Surplus Compensation (NSC) amount equal to the SDCP NSC Rate per kWh, as defined in section 6.b, multiplied by the quantity of net surplus energy produced by the customer during the True-Up Period, consistent with SDCP's cash-out practice.

- b. “SDCP’s NSC Rate.” is defined as and equal to the monthly SDG&E’s NSC, which is defined by the California Public Utilities Commission as “a simple rolling average of each utility’s Default Load Aggregation Point (DLAP) price from 7 a.m. to 5 p.m.”, and “calculated monthly based on the hourly day-ahead electricity market price at each utility’s DLAP price published on the California Independent System Operator (CAISO) Open Access Same-Time Information System (OASIS,) and ending the twentieth day of each month”, of the customer true-up month plus \$0.0075/kWh.
- c. “Cash -Out and Payment”: At the end of each customer’s relevant period, any current NEM customer who is a net generator with an accrued Net Surplus Compensation equal to or greater than \$100, as determined during the applicable true-up process, will be sent a direct payment by check, ~~up to \$2,500~~ per account per relevant period. Net Surplus Compensation less than \$100 will be rolled over into the next relevant period and used to offset future charges. In either scenario, customers will have an equivalent credit removed from their NEM account balance at the time of check issuance or roll-over. All NEM accounts will be reset to zero kWh upon true-up.

Payments will be released up to 30-60 days after true-up billing. Checks will expire 90 days after issuance. If checks expire or are returned to SDCP, customers may request the one-time reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer’s request.
- d. “Aggregated NEM”: Pursuant to California Public Utilities Code section 2827(h)(4)(B), aggregated NEM customers are “permanently ineligible to receive net surplus electricity compensation.” Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for SDCP’s Cash-Out as described in Section 5. All other NEM rules apply to aggregated NEM accounts.

G. ACCOUNT CLOSURES

Customers who close their electric account through SDG&E, opt out of SDCP and return to bundled service, or move outside of the SDCP service area prior to the end of their Relevant Period will be trued up according to SDCP’s NEM policy. Customers that have produced net surplus energy, will be paid out in accordance with the SDCP true-up & cash-out processes. Payments will be released within 60-90 days~~30 days~~ after final billing to allow for any usage revisions and/or adjustments from SDG&E. Checks will expire 90 days after issuance. If checks expire or are returned to SDCP, customers may request the one-time reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer’s request. If customer did not produce net surplus energy, as measured in kWh, they will not receive a direct payment.

SDCP reserves the right to work with customers on a case-by-case basis to transfer NEM credits, ~~and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.s.~~

H. SDG&E NEM SERVICES

Customers are subject to the conditions and billing procedures of SDG&E for services

outside of electric generation~~their non-generation services~~, as described in SDG&E's applicable NEM tariffs and options addressing NEM service. Customers should be advised that while SDCP may settle out balances for generation on a monthly basis, SDG&E will continue to assess charges for delivery, transmission, and other services they provide. Customers are encouraged to review SDG&E's most up-to-date NEM tariffs, which are available at www.sdge.com.

I. RETURN TO SDG&E BUNDLED SERVICE

Customers with NEM service may opt -out and return to SDG&E bundled service at any time. SDCP will perform a true -up of the customer's account in accordance with Section 65, at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service. For details, please visit www.sdge.com.

J. MISCELLANEOUS

The Chief Executive Officer (CEO) of SDCP or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer NEM and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Policy Title Net Energy Metering Tariff Policy

Effective Date

Original: 12/17/2020
Revision 1: 5/27/2021
Revision 2: 10/26/2023

Net Energy Metering Tariff Policy

A. PURPOSE

The purpose of this Net Energy Metering Tariff Policy (Policy) is to describe the process by which Net Energy Metering (NEM)) customers are enrolled intoand served by San Diego Community Power (SDCP).

B. APPLICABILITY

Customers enrolled in San Diego Gas & Electric Company's (SDG&E) NEM Program (SDG&E NEM) or those who submitted a complete NEM interconnection agreement to SDG&E prior to April 15, 2023 that has been approved and who have not opted out of SDCP service, will automatically take service from SDCP pursuant to the terms of this Policy . Phase-in will occur as stated in Section D below. The Policy is applicable to all NEM customers who install and use a Renewable Electrical Generation Facility as defined by and eligible under SDG&E's Schedule NEM – Net Energy Metering tariff (i.e., NEM 1.0) or SDG&E's Successor NEM tariff (i.e., NEM 2.0), which may be amended or replaced by SDG&E from time to time. A customer's eligible Renewable Electrical Generation Facility must fall within the capacity limits described in SDG&E's Schedule NEM or Successor NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SDG&E's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.

This Policy shall govern the terms of service of customers that provide SDG&E with a completed SDG&E NEM application and comply with all SDG&E NEM requirements as described in SDG&E's Schedule NEM or Successor NEM tariff. This includes, but is not limited to, customers served by NEM-V (Virtual Net Energy Metering), VNM-A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM-SOMAH (Virtual Net Energy Metering - Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SDG&E's Schedule NEM.

This Policy is not applicable to customers taking service under SDG&E's Net Billing Tariff/Solar Billing Plan.

C. TERRITORY

SDCP service area.

D. PHASE-IN

SDCP phased its NEM customers into service on a monthly basis primarily starting in Phase 3 of customer enrollment, which commenced in 2022. The transition into SDCP's service occurs at the conclusion of a NEM customer's Relevant Period with SDG&E, as that term is defined in SDG&E's applicable NEM tariff. The purpose of this approach is to minimize potential impacts from when the SDG&E NEM customers' true ups occur and when SDCP's service begins.

E. RATES

All rates charged under this Policy will be in accordance with the customer's otherwise applicable SDCP rate schedule (OAS). A customer served under this Policy is responsible for all charges from its OAS, including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SDCP or SDG&E. Charges for energy (kWh) supplied by SDCP will be based on the net metered usage in accordance with this Policy.

F. BILLING

1. Net Consumer and Net Generator: "Net Consumer" is defined as a customer having overall positive usage during a specific billing cycle as measured in kilowatt-hours (kWh). "Net Generator" is defined as a customer having overall negative usage during a specific billing cycle as measured in kWh.
2. For a customer with Non-Time of Use (TOU) Rates: If the customer is a "Net Consumer," the customer will be billed in accordance with the customer's OAS. If the customer is a "Net Generator," any net energy production shall be valued in accordance with the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.
3. For a customer with TOU Rates: If the customer is a Net Consumer during any discrete TOU period reflected within a specific billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates / charges, as described in the customer's OAS. If the customer is a Net Generator during any discrete TOU period reflected within a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of such net energy production shall be credited to the customer according to the OAS.
4. Monthly Settlement and Billing:
 - a. All NEM customers will receive a statement in their monthly SDG&E bill indicating any accrued charges for electric energy usage during the current billing cycle. These charges are due and payable on a monthly basis, in accordance with the OAS. A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining balance reflected on each customer's billing statement shall be carried forward to subsequent billing cycle(s) until either excess credit is sufficient to satisfy the charges or an account true up is performed. When a customer's net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the billing cycle (in excess of currently applicable charges) shall be valued at the OAS and noted on the customer's bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a

subsequent billing cycle(s).

5. **NEM Generation Credit Refund:** At the time of the annual true up, if a customer on SDCP's default monthly settlement and billing option has accumulated any NEM generation credits in excess of any currently outstanding charges, those NEM generation credits will be carried over as a bill credit for use in the subsequent Relevant Period(s) for the benefit of the customer up to the total SDCP charges assessed and/or paid on the NEM account during the Relevant Period being trued up. Optional Yearly Settlement and Billing: NEM customers may elect to receive yearly settlement and billing by notifying SDCP. Customers electing a yearly settlement and billing option will receive a statement in their monthly SDG&E bill indicating any accrued SDCP charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable; rather, the charges or credits are calculated in accordance with the OAS and tracked over the course of the Relevant Period. At the end of the Relevant Period, any accrued charges in excess of generation credits are due and payable on the next bill. If at the end of the relevant period a customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, the customer will be paid out in accordance with the SDCP True up & Cash Out Process set forth at Section 6.

6. SDCP True Up & Cash Out Processes.

- a. "True Up": At the end of each NEM customer's Relevant Period, SDCP will determine whether or not each customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in SDCP's NEM program through the end of their 12-month Relevant Period, whichever is shorter (the "True Up Period"). If the customer has not produced net surplus energy at the end of the applicable Relevant Period during the True Up Period, all NEM credits, if any, generated through participation in SDCP's NEM program in excess of currently applicable SDCP charges shall be set to zero and any remaining balance will be due and payable.

However, if a customer has produced net surplus energy during their True Up Period, then SDCP shall compensate such customer at a Net Surplus Compensation (NSC) amount equal to the SDCP NSC Rate per kWh, as defined in section 6.b, multiplied by the quantity of net surplus energy produced by the customer during the True Up Period, consistent with SDCP's cash out practice.

- b. SDCP's NSC Rate: is defined as and equal to the monthly SDG&E's NSC, which is defined by the California Public Utilities Commission as "a simple rolling average of each utility's Default Load Aggregation Point (DLAP) price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator (CAISO) Open Access Same-Time Information System (OASIS,) and ending the twentieth day of each month", of the customer true up month plus \$0.0075/kWh.
- c. "Cash Out and Payment": At the end of each customer's relevant period, any current NEM customer who is a net generator with an accrued Net Surplus Compensation equal to or greater than \$100, as determined during the applicable true up process, will be sent a direct payment by check per account per relevant period. Net Surplus

Compensation less than \$100 will be rolled over into the next relevant period and used to offset future charges. In either scenario, customers will have an equivalent credit removed from their NEM account balance at the time of check issuance or rollover. All NEM accounts will be reset to zero kWh upon true up.

Payments will be released up to 60 days after true up billing. Checks will expire 90 days after issuance. If checks expire or are returned to SDCP, customers may request the one-time reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request.

- d. *"Aggregated NEM"*: Pursuant to California Public Utilities Code section 2827(h)(4)(B), aggregated NEM customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for SDCP's Cash Out as described in Section 5. All other NEM rules apply to aggregated NEM accounts.

G. ACCOUNT CLOSURES

Customers who close their electric account through SDG&E, opt out of SDCP and return to bundled service, or move outside of the SDCP service area prior to the end of their Relevant Period will be trued up according to SDCP's NEM policy. Customers that have produced net surplus energy, will be paid out in accordance with the SDCP true up & cash out processes. Payments will be released within 60-90 days after final billing to allow for any usage revisions and/or adjustments from SDG&E. Checks will expire 90 days after issuance. If checks expire or are returned to SDCP, customers may request the one-time reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request. If customer did not produce net surplus energy, as measured in kWh, they will not receive a direct payment.

SDCP reserves the right to work with customers on a case-by-case basis to transfer NEM credits.

H. SDG&E NEM SERVICES

Customers are subject to the conditions and billing procedures of SDG&E for services outside of electric generation, as described in SDG&E's applicable NEM tariffs and options addressing NEM service. Customers should be advised that while SDCP may settle out balances for generation on a monthly basis, SDG&E will continue to assess charges for delivery, transmission, and other services they provide. Customers are encouraged to review SDG&E's most up-to-date NEM tariffs, which are available at www.sdge.com.

I. RETURN TO SDG&E BUNDLED SERVICE

Customers with NEM service may opt out and return to SDG&E bundled service at any time. SDCP will perform a true up of the customer's account in accordance with Section 6, at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service. For details, please visit www.sdge.com.

J. MISCELLANEOUS

The Chief Executive Officer (CEO) of SDCP or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer NEM and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

GLOSSARY OF TERMS

AB – Assembly Bill - An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly, rather than the Senate, is the house of origin in the legislature for the legislation. In California, it is common for legislation to be referred to by its house of origin number (such as, AB 32) even once it becomes law.

AL – Advice Letter - An Advice Letter is a request by a CPUC jurisdictional entity for Commission approval, authorization, or other relief.

ALJ – Administrative Law Judge - ALJs preside over CPUC cases to develop the evidentiary record and draft proposed decisions for Commission action.

ARB – Air Resources Board - The California Air Resources Board (CARB or ARB) is the "clean air agency" in the government of California. CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

AReM – Alliance for Retail Energy Markets - a not for profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in selected public policy forums on the state level. AREM represented direct access providers such as Constellation NewEnergy and Direct Energy.

BayREN - Bay Area Regional Energy Network - BayREN offers region-wide energy programs, services and resources to members of the public by promoting energy efficient buildings, reducing carbon emissions and building government capacity.

CAISO – California Independent System Operator - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development." CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

CALCCA – California Community Choice Association - Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

CALSEIA – California Solar Energy Industries - CALSEIA represents more than 200 companies doing solar-related business in California, including manufacturers, distributors, installation contractors, consultants, and educators. Members' annual dues support professional staff and a lobbyist who represent the common interests of California's solar industry at the Legislature, Governor's Office, and state and local agencies.

CALSLA – California City County Street Light Association - statewide association representing cities, counties and towns before the CPUC that is committed to maintaining fair and equitable street light electric rates and facilities charges, and disseminating street light related information.

CAM – Cost Allocation Mechanism - the cost recovery mechanism to cover procurement costs incurred in serving the central procurement function.

CARB – California Air Resources Board – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternative Rates for Energy - A State program for low-income households that provides a 30% discount on monthly energy bills and a 20% discount on natural gas bills. CARE is funded through a rate surcharge paid by all other utility customers.

CBE – Communities for a Better Environment - environmental justice organization that was founded in 1978. The mission of CBE is to build people's power in California's communities of color and low-income communities to achieve environmental health and justice by preventing and reducing pollution and building green, healthy and sustainable communities and environments.

CCA – Community Choice Aggregator - A community choice aggregator, sometimes referred to as community choice aggregation, allows local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility, and/or lower electricity prices. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

CCSF – City and County of San Francisco - The City and County of San Francisco often engage in joint advocacy before the CPUC. San Francisco operates CleanPowerSF, a CCA.

CEC – California Energy Commission - the primary energy policy and planning agency for California, whose core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure and preparing for energy emergencies.

CEE – Coalition for Energy Efficiency - non-profit comprised of US and Canadian energy efficiency administrators working together to accelerate the development and availability of energy efficient products and services.

CLECA – California Large Energy Consumers Association - an organization of large, high load factor industrial customers located throughout the state; the members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, food packaging, and mining industries, and share the fact that electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation.

CPUC – California Public Utility Commission - state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies, in addition to authorizing video franchises.



C&I – Commercial and Industrial – Business customers. C&I customers generally consume much higher volumes of electricity and gas. Many utilities segment their C&I customers by energy consumption (small, medium and large).

CP – Compliance Period – Time period to become RPS compliant, set by the CPUC (California Public Utilities Commission)

DA – Direct Access – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

DA Cap – the maximum amount of electric usage that may be allocated to Direct Access customers in California, or more specifically, within an Investor-Owned Utility service territory.

DACC – Direct Access Customer Coalition a regulatory advocacy group comprised of educational, governmental, commercial and industrial customers that utilize direct access for all or a portion of their electrical energy requirements

DA Lottery – a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently-applicable Direct Access Cap.

DA Waitlist – customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community - Disadvantaged communities refers to the areas throughout California which most suffer from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease. One way that the state identifies these areas is by collecting and analyzing information from communities all over the state. CalEnviroScreen, an analytical tool created by the California Environmental Protection Agency (CalEPA), combines different types of census tract-specific information into a score to determine which communities are the most burdened or "disadvantaged."

DASR – Direct Access Service Request – Request submitted by C&I customers to become direct access eligible.

Demand - The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource – A small-scale physical or virtual asset (e.g. EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution - The delivery of electricity to the retail customer's home or business through low voltage distribution lines.

DLAP – Default Load Aggregation Point – In the CAISO's electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled.



DR – Demand Response - An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DRP – Distributed Resource Plans - plans that are required by statute that are intended to identify optimal locations for the deployment of distributed resources.

DWR – Department of Water Resources – DWR manages California’s water resources, systems, and infrastructure in a responsible, sustainable way.

ECR – Enhanced Community Renewable - An IOU program that reflects the "Community Solar" model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a Developer at a level that meets at least 25% of their monthly electricity demand, but up to 100%. The customer will pay the Developer for the subscribed output, and receive a credit on their utility bill that reflects their enrollment level.

ED – Energy Division - The CPUC's Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission, and ensure compliance with the Commission decisions and statutory mandates.

EE – Energy Efficiency- the use of less energy to perform the same task or produce the same result. Energy-efficient homes and buildings use less energy to heat, cool, and run appliances and electronics, and energy-efficient manufacturing facilities use less energy.

ELCC – Effective Load Carrying Capacity – The additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources the ELCC is the amount of capacity which can be counted for Resource Adequacy purposes.

EPIC – Electric Program Investment Charge – The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)

ERRA – Energy Resource Recovery Account – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ES – Energy Storage - the capture of energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production.

ESA – Energy Storage Agreement - means a battery services contract, a capacity contract, demand response contract or similar agreement.

ESP – Energy Service Provider - An energy entity that provides service to a retail or end-use customer.

EV – Electric Vehicle - a vehicle that uses one or more electric motors for propulsion.

FCR – Flexible Capacity Requirements - “Flexible capacity need” is defined as the quantity of resources needed by the CAISO to manage grid reliability during the greatest three-hour continuous ramp in each month. Resources will be considered as “flexible capacity” if they can sustain or increase output, or reduce ramping needs, during the hours of “flexible need.” “FCR”



means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions.

GHG – Greenhouse gas - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

GRC – General Rate Case – Proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California's three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

GTSR – Green Tariff Shared Renewables - The GTSR program enables customers to receive 50 to 100 percent of their electricity demand from renewable sources. The GTSR program has two components: the Green Tariff (GT) component and the Enhanced Community Renewables (ECR) component. Through GT, a customer may pay the difference between their current generation charge and the cost of procuring 50 to 100 percent renewables. With ECR, a customer agrees to purchase a share of a community renewable (typically solar) project directly from a developer, and in exchange will receive a credit from their utility for the customer's avoided generation procurement.

GWh – Gigawatt-hour - The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

ICA – Integration Capacity Analysis - The enhanced integrated capacity and locational net benefit analysis quantifies the capability of the system to integrate Distributed Energy Resources (DERs) within the distribution system. Results are dependent on the most limiting element of the various power system criteria such as thermal ratings, power quality, system protection limits and safety standards of existing equipment.

IDER – Integrated Distributed Energy Resources – A CPUC proceeding that aims to more effectively coordinate the integration of demand-side resources in order to better meet customer and grid needs, while enabling California to attain its greenhouse gas reduction goals.

IDSMD – Integrated Demand-Side Management - an approach that joins together all the resources utilities have at their disposal to plan, generate and supply electricity in the most efficient manner possible.

IEP – Independent Energy Producers – California's oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

IMD – Independent Marketing Division - Under state law, IOUs are prohibited from lobbying or marketing on community choice unless the IOU forms an independent marketing division funded by shareholders rather than ratepayers. SDG&E' and its parent company Sempra were permitted by the CPUC to create such an independent marketing division, which allowed SDG&E to lobby against plans to create a CCA program.

IOU – Investor-Owned Utility – A private electricity and natural gas provider, such as SDG&E, PG&E or SCE, which are the three largest IOUs in California.



IRP – Integrated Resource Plan – A plan which outlines an electric utility’s resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

kWh – Kilowatt-hour – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCE – Lancaster Choice Energy - the CCA that serves the City of Lancaster, California.

LCFS – Low Carbon Fuel Standard – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

LCR – Local (RA) Capacity Requirements – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LMP – Locational Marginal Price – Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real time market as it balances the system using the least cost. The LMP is comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

LNBA – Locational Net Benefits Analysis - a cost-benefit analysis of distributed resources that incorporates location-specific net benefits to the electric grid.

Load - An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

LTPP – Long-Term Procurement Rulemaking - This is an “umbrella” proceeding to consider, in an integrated fashion, all of the Commission’s electric procurement policies and programs.

MCE – Marin Clean Energy - the first CCA in California that began serving customers in 2010. They serve customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

MEO – Marketing Education and Outreach - a term generally used to describe various strategies to inform customers, such as to motivate consumers to take action on energy efficiency or conservation measures and change their behavior.

MW – Megawatt – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

MWH – Megawatt-hour – measure of energy

NAESCO – National Association of Energy Service Companies - – an advocacy and accreditation organization for energy service companies (ESCOs). Energy Service Companies



contract with private and public sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

NBC – Non-Bypassable Charge - fees that are paid on every kilowatt-hour of electricity that is consumed from the grid. These charges can be used to fund things like energy assistance programs for low-income households and energy efficiency programs. These charges apply even if customers buy grid-supplied power from an outside power company such as a CCA.

NDA – Non-Disclosure Agreement - a contract by which one or more parties agree not to disclose confidential information that they have shared with each other.

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council - non-profit international environmental advocacy group.

NP-15 – North Path 15 – NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in northern California in PG&E's service territory.

OIR – Order Instituting Rulemaking - A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.

OSC – Order to Show Cause - order requiring an individual or entity to explain, justify, or prove something.

ORA – Office of Ratepayer Advocates - the independent consumer advocate within the CPUC, now called Public Advocates office.

PA – Program Administrator (for EE Business Plans) IOUs and local government agencies authorized to implement CPUC-directed Energy Efficiency programs.

PCE – Peninsula Clean Energy Authority - CCA serving San Mateo County and all 20 of its cities and towns as well as the City of Los Banos.

PCC1 – RPS Portfolio Content Category 1 – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as "in-state" renewables.

PCC2 – RPS Portfolio Content Category 2 – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3 – Unbundled REC

PCIA or "exit fee" - Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

PCL – Power Content Label – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).



PD – Proposed Decision – A procedural document in a CPUC Rulemaking that is formally commented on by parties to the proceeding. A PD is a precursor to a final Decision voted on by the five Commissioners of the CPUC.

PG&E – Pacific Gas & Electric - the IOU that serves 16 million people over a 70,000 square mile service area in Northern California.

PHC – Prehearing Conference - CPUC hearing to discuss the scope of a proceeding among other matters. Interested stakeholders can request party status during these.

Pnode – Pricing Node – In the CAISO optimization model, it is a point where a physical injection or withdrawal of energy is modeled and for which a LMP is calculated.

PPA – Power Purchase Agreement – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

PRP – Priority Review Project - transportation electrification pilot projects approved by the CPUC pursuant to SB 350.

PRRR – Progress on Residential Rate Reform – Pursuant to a CPUC decision, the IOUs must submit to the CPUC and parties periodic updates on the progress of their efforts to assist customers with residential rate design changes related to rate reform, including tier collapse and transition to a default time of use rate.

PUC – Public Utilities Code - California statute that contains 33 Divisions, and the range of topics within this Code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities. Primary statute for governance of utilities as well as CCAs in California.

PURPA – Public Utilities Regulatory Policy Act - federal statute passed by Congress to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was meant to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply). The law was created in response to the 1973 energy crisis.

RA – Resource Adequacy - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RAM – Renewables Auction Mechanism - a procurement program the Investor-owned Utilities (IOUs) may use to procure RPS eligible generation. The IOUs may use RAM to satisfy authorized procurement needs, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, Local Capacity Requirements, Green Tariff Shared Renewables needs, and any need arising from Commission or legislative mandates.

RE – Renewable Energy - Energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate - A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar



electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RES-BCT – Renewables Energy Self-Generation Bill Credit Transfer - This program enables local governments and universities to share generation credits from a system located on one government-owned property with billing accounts at other government-owned properties. The system size limit under RES-BCT is 5 MW, and bill credits are applied at the generation-only portion of a customer's retail rate.

RFO – Request for Offers a competitive procurement process used by organizations to solicit the submission of proposals from interested parties in response to a scope of services.

RPS - Renewable Portfolio Standard - Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB – Senate Bill - a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the legislature for the legislation.

SCE – Southern California Edison - the large IOU that serves the Los Angeles and Orange County area.

SCP – Sonoma Clean Power Authority - CCA serving Sonoma County and surrounding areas in Northern California.

SDG&E – San Diego Gas & Electric - the IOU that serves San Diego county, they own the infrastructure that delivers SDCP energy to customers.

SGIP – Self-Generation Incentive Program – A program which provides incentives to support existing, new, and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.)

SUE – Super User Electric - electric surcharge that's intended to penalize consumers for excessive energy use.

SVCE – Silicon Valley Clean Energy - CCA serving Silicon Valley Area.

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol – Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.

TE – Transportation Electrification - For the transportation sector, electrification means replacing fossil fuels with electricity as the means of powering light-duty vehicles, medium- and heavy-duty trucks, and buses. The primary goal is to reduce greenhouse gas (GHG) emissions and, ultimately, contribute to mitigating the effects of climate change on the planet.

Time-of-Use (TOU) Rates — The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, mid-peak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.



TM – Tree Mortality - refers to the death of forest trees and provides a measure of forest health. In the context of energy, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

TURN – The Utility Reform Network - A ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs - Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

VPP – Virtual Power Plant – A cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.

VAMO – Voluntary Allocation, Market Offer - the process for SDG&E to allocate a proportional share of their renewable portfolio to SDCP and other LSEs within the service territory.

