BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program	Rulemaking 18-07-003 (Filed July 12, 2018)

2020 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF SAN DIEGO COMMUNITY POWER

Cody Hooven
Interim Executive Officer
San Diego Community Power
1200 Third Street, 18th Floor
San Diego, CA 92101
(858) 492-6005
CHooven@sandiego.gov

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In accordance with the California Public Utilities Commission's ("Commission") May 6, 2020 *Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2020 Renewables Portfolio Standard Procurement Plans* ("ACR"), and the May 13, 2020 *E-Mail Ruling Modifying Schedule of Review for 2020 RPS Procurement Plans Issued in the May 6, 2020 RPS Plan Ruling*, San Diego Community Power ("SDCP") hereby submits its 2020 Renewables Portfolio Standard Procurement Plan ("RPS Procurement Plan"). As directed by the ACR, this RPS Procurement Plan includes responses to the issues listed in sections 5.1-5.15 of the ACR and other requested information related to SDCP's planned compliance with California's RPS Program.

SDCP notes that certain issues and requests in these ACR sections apply to other retail sellers (electrical corporations and electric service providers) and do not extend to Community Choice Aggregators ("CCAs"). SDCP is nevertheless voluntarily responding to these ACR sections in the interest of transparency and to collaborate with the Commission. The submission of this RPS Procurement Plan pursuant to the ACR, however, should not be construed as a waiver of the right to assert that components of Senate Bill ("SB") 350, or Commission decisions and rulings on RPS Procurement Plan submittals, do not extend to CCAs, and SDCP reserves the

right to challenge any such assertion of jurisdiction over these matters.

In reviewing this RPS Procurement Plan, SDCP encourages the Commission to consider the considerable differences between California's investor-owned utilities ("IOUs") and other retail sellers, including CCAs – differing levels of detail, procedure, complexity, and coordination are appropriate within the planning documents submitted by small, medium, and large organizations; and where the Commission may be inclined to identify informational deficiencies in certain areas (based on inevitable differences between content provided in the RPS Procurement Plans of California's IOUs and CCA programs), SDCP encourages the Commission to consider the inappropriateness of a "one size fits most/all" approach in managing widely varying RPS planning and procurement obligations. While there may be some commonalities amongst planning and procurement practices reflected in the various RPS Procurement Plans submitted through this process, it is reasonable to assume that noteworthy differences may be prevalent, particularly when considering plans submitted by the IOUs and other retail sellers.

With regard to understanding the consequences of compliance shortfalls, SDCP is appreciative of both direct (*e.g.*, financial penalties and findings of non-compliance) and indirect impacts (*e.g.*, reputational damage that might accrue to participating communities or CCA organizations, generally) associated with such deficiencies and have chosen to pursue risk mitigation measures that are considerate of SDCP's aversion to such risks as well as the related administrative complexity, cost and rigor that were deemed appropriate to achieve the desired level of mitigation, particularly during pre-launch and early-stage program operation. Since undertaking CCA implementation activities and early-stage planning efforts focused on renewable energy procurement, the completion of elaborate risk analyses and/or costly studies

have not been considered necessary or desirable by SDCP, but if SDCP makes a different determination in the future, it will act in accordance with direction supported by its executive leadership and governing board. For now, SDCP has elected to pursue risk mitigation measures that are focused on: 1) the identification of highly qualified renewable energy suppliers; 2) an initial renewable energy procurement target that commences at 50 percent and increases over time; and 3) the eventual pursuit of contract structures that minimize the risk of delivery shortfalls by providing SDCP with financial protections which generally offset the impacts of financial penalties (prescribed under the RPS Program) in the event of non- or under-delivery.

1. Major Changes to RPS Plan

This Section describes the most significant changes between SDCP's Initial RPS Procurement Plan filed earlier this year and its 2020 RPS Procurement Plan as filed on July 5, 2020. A redline of this 2020 RPS Procurement Plan against SDCP's 2020 Initial RPS Procurement Plan is included as Appendix A. The table below provides a list of key differences between SDCP's Initial RPS Procurement Plan and 2020 RPS Procurement Plan:

Plan Reference	Plan Section	Summary/Justification of Change
2020 RPS Procurement Plan: Introduction	Introduction	Updated to note important distinctions between the planning processes undertaken by SDCP and other retail sellers, particularly California's IOUs. Encourages the Commission to consider the appropriateness of a "one-size-fits-all" approach to RPS planning and procurement requirements, given the differences between large IOUs and CCAs.
2020 RPS Procurement Plan: Section 2	Executive Summary	Addition of Member Agency cities' GHG reduction goals through their respective Climate Action Plans.

2020 RPS Procurement Plan: Section 3	Summary of Legislative Compliance	Updated to incorporate details on how SDCP's planned procurement meets the requirements of SB 350 and SB 100, as described further in Sections 7, 8 and 9. Adds it has not contracted with any biomass facilities per SB 901.
2020 RPS Procurement Plan: Section 4	Assessment of RPS Portfolio Supplies and Demand	Updated to include discussion regarding SDCP's long-term renewable energy solicitation (issued on June 29, 2020), and SDCP's participation in SDG&E's recent renewable energy RFP. Added SDCP's early-stage RPS procurement target of minimum 50 percent at launch. Added consideration of purchase from retail sellers, sales solicitations, should there be surplus, and optimizing existing procurement.
2020 RPS Procurement Plan: Section 5	Project Development Status Update	Added narrative describing how SDCP's procurement planning is on track to meet the RPS requirements as well as system reliability through portfolio diversity ad alignment with SDCP's load curve.
2020 RPS Procurement Plan: Section 8	Renewable Net Short Calculation	Explains there have been no risk-related adjustments to the expected renewable quantities in Appendix C, but will make the appropriate adjustments if needed in the future.
2020 RPS Procurement Plan: Section 10	Bid Solicitation Protocol	Updated to include discussion of potential (future) joint solicitations with CEA (or other CCA organizations). Enumerates the variety of considerations SDCP will include in its evaluative process including prioritization of local preferences and interests.
2020 RPS Procurement Plan: Section 11	Safety Considerations	Addresses specific categories of safety considerations.

2020 RPS Procurement Plan: Section 13	Curtailment Frequency, Forecasting, Costs	Expanded on existing discussion to include SDCP's intent to evaluate "index plus" pricing and negative pricing history when planning its upcoming portfolio procurement.
2020 RPS Procurement Plan: Section 15	Coordination with the IRP Proceeding	Completed table identifying how RPS and IRP alignment details are not yet developed, as SDCP is a new CCA program.

Since SDCP's submittal of its Initial RPS Procurement Plan, which occurred on March 27, 2020, planning and implementation activities remain in process, targeting CCA service commencement in March 2021. As indicated in its Community Choice Aggregation Plan and Statement of Intent ("CCA Implementation Plan"), which was electronically served on all parties of record in proceedings R. 17-09-020, R. 16-02-007, and R. 03-10-003 on December 9, 2019 and subsequently certified by the Commission on March 9, 2020, SDCP plans to provide electric generation service to approximately 696,000 service accounts located within the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego (the "Member Agencies"), which are expected to consume approximately 7,100 GWh per year. With this timeline in mind, SDCP has ramped up planning and procurement efforts related to its upcoming renewable energy needs. In particular, SDCP timely submitted offers under San Diego Gas & Electric's ("SDG&E") 2020 Request for Proposal ("RFP") for the Sale of Renewable Energy Products, which was issued on May 29, 2020. If such offers are accepted, anticipated deliveries would address portions of SDCP's near-term and ongoing renewable energy requirements. According to SDG&E's RFP schedule, short-list notifications are expected on July 20, 2020.

SDCP has also engaged in coordinative planning discussions with the Clean Energy Alliance ("CEA"), a neighboring CCA program located in the San Diego region, to pursue the

administration of a joint solicitation for long-term RPS-eligible renewable energy supply. After further coordinative discussions with CEA, however, each CCA decided to proceed with independent solicitation administration at this point in time. SDCP's solicitation was issued on June 29, 2020 and is expected to address significant portions of SDCP's long-term renewable energy requirements; related proposals are due on July 24, 2020 with proposal evaluation, short-list selection, contract negotiation and contract execution expected in late 2020 or early 2021. Following completion of this upcoming solicitation process, SDCP will reevaluate anticipated renewable energy open positions and expects to release other solicitations in the future to address such positions.

It is worth noting that interagency discussions regarding joint issuance of future solicitations are expected to remain ongoing, and in the event that SDCP and CEA are able to identify suitable opportunities for joint renewable solicitation administration (in the future), the CCAs will accordingly update the Commission in a subsequent RPS Procurement Plan. SDCP also continues to evaluate key elements of the RPS Program and related planning implications, including the need to establish an appropriate margin of over procurement for necessary renewable energy supply, specifications to be included in solicitations for requisite long-term renewable energy supply, the manner in which project development and performance risk will be assessed during SDCP's renewable energy procurement efforts, and various other considerations related to the RPS Program. As reflected in its CCA Implementation Plan, SDCP intends to meaningfully exceed statewide RPS procurement mandates, supplying a minimum 50 percent renewable energy to all participating customers (with a 100 percent renewable service offering available on a voluntary basis), which should provide an ample margin of over procurement (relative to statewide procurement mandates) during the initial years of program operations.

Thereafter, SDCP intends to gradually increase overall RPS procurement in consideration of California's 60 percent mandate in 2030 and expects to exceed 60 percent renewable energy by 2030. During its renewable energy procurement efforts, SDCP intends to focus exclusively on Portfolio Content Category ("PCC") 1 and 2 product types (with a strong preference for PCC1 products). This considerable commitment to renewable energy procurement during early-stage CCA operations will result in meaningful planning reserves in the event that contracted renewable energy purchases are not fulfilled as expected.

Since submitting its CCA Implementation Plan, SDCP has also engaged SDG&E, the incumbent investor-owned utility that currently provides electric service to customers located within the Member Agencies' jurisdictions, in planning discussions to confirm the timing of anticipated CCA service commencement, discuss potential bilateral procurement opportunities focused on renewable energy and resource adequacy capacity, and engage in other coordinative activities that must be completed prior to launch. In the months leading up to its CCA program launch, SDCP plans to observe the following schedule of activities related to its upcoming RFP for long-term, RPS-eligible renewable energy supply: 1) Early Q2 2020 – finalization of anticipated long-term renewable energy requirements; 2) June 2020 – finalization of solicitation requirements and schedule, inclusive of any resource-related specifications, supplier qualifications and evaluation criteria; 3) Late June/Early July 2020 – release of long-term renewable energy solicitation; 4) Late July 2020 – receipt of RFP responses; 5) Late July through mid-August 2020 – evaluation of RFP responses; 6) Mid-August 2020 – finalization of response evaluation and short-list selection; 7) Mid-August 2020 – identification of preferred supplier(s) and commencement of contract negotiations; 8) Q4 2020/Q1 2021 – finalization of contract negotiations and contract execution; and 9) Late Q1/Q2 2021 – commencement of initial

deliveries under executed long-term renewable supply contract(s).

In the meantime, SDCP will continue evaluating pertinent renewable energy planning activities, including the need to establish an appropriate margin of over procurement (which may not be deemed necessary during early-stage operations, as SDCP intends to offer a minimum 50 percent renewable energy mix within its default service option), the manner in which project development and performance risk will be assessed during SDCP's renewable energy procurement efforts and potential opportunities for coordinated procurement with neighboring CCA organizations.

As noted, SDCP engaged SDG&E in coordinative discussions focused on prospective renewable energy procurement opportunities. During such conversations, SDCP expressed that bilateral contract discussions were necessary and appropriate in light of the fact that SDG&E's likely renewable energy surplus would be caused by departure of the very customers for which such renewable energy was initially procured. Because many of these customers are expected to receive CCA service from SDCP, it is reasonable to pursue discussions with SDG&E focused on bilateral contracting opportunities that could result in the procurement (by SDCP) of certain renewable energy quantities that would no longer be needed by SDG&E for RPS compliance following enrollment of SDCP customers. Such discussions were short lived, as SDG&E indicated its intent to administer a broadly cast solicitation process rather than pursue bilateral procurement arrangements with SDCP.

SDCP is also aware of the current, worldwide COVID-19 pandemic, and its impact to "business as usual", including potential impacts to requisite renewable energy procurement activities. As the Commission is aware, successful renewable energy markets depend upon international supply chains, substantial labor commitments, robust financial markets, timely

interactions with governmental planning authorities and various other considerations. With the numerous disruptions caused by the current pandemic, it is difficult to determine if, and to what extent, renewable energy procurement opportunities may be compromised, particularly new-build renewable energy projects which typically rely on long-term contracts as the basis for project financing. SDCP intends to closely monitor this situation as well as potential fallout related to supplier/developer effectiveness in fulfilling mandated renewable energy needs, project completion and overall supplier viability. It is reasonable to anticipate consequences, and SDCP encourages the Commission to closely monitor and potentially reconsider certain elements of the RPS Program as this situation evolves, particularly if there are widespread, well-documented challenges as California retail sellers attempt to fulfill pertinent procurement requirements. SDCP also encourages the Commission to coordinate closely with the legislature to evaluate potential adaptations to the RPS Program, which may become necessary if renewable energy markets are materially impacted by the pandemic. In the meantime, SDCP will remain hopeful that impacts to renewable energy markets will not compromise California's ability to reach its renewable energy procurement goals or SDCP's internally established renewable procurement goals, which exceed RPS mandates. Following administration of its upcoming long-term renewable energy solicitation, SDCP should have an improved understanding of the impacts to its planned renewable energy procurement efforts.

2. Executive Summary

San Diego Community Power is a newly formed CCA program that will serve customers in the cities of San Diego, Encinitas, La Mesa, Chula Vista and Imperial Beach next year. SDCP was formed when these five Member Agencies created a Joint Powers Authority, effective

October 1, 2019.[1] SDCP subsequently submitted its CCA Implementation Plan , which was certified by the Commission on March 9, 2020.[2] SDCP intends to begin serving customer load in March 2021. [3]

Reducing electric utility sector greenhouse gas ("GHG") emissions generated by residents and businesses was a driving factor in the formation of SDCP. The City of San Diego adopted its Climate Action Plan ("CAP") in December 2015, which sets a goal for 100 percent renewable energy city-wide by 2035.[4] The City of Encinitas' CAP was adopted in 2018 with a goal to reduce emissions to 41 percent below 2012 levels by 2030. The City's establishment of a Community Choice Energy Program will have a significant impact on its emissions goals with a reduction of 43,644 MTCO2e, the most of all of its CAP's 19 GHG reduction strategies.[5] Similarly, the City of La Mesa adopted its CAP in March 2018, which set a goal to reduce emissions by 68,450 MTCO2e by 2035.[6] The City of Chula Vista adopted its CAP in September 2017, and it established a goal for up to 100 percent clean energy through the formation of a CCA program.[7] The City of Imperial Beach adopted a CAP in July 2019 which set a goal for 75 percent renewable energy by 2030.[8] The Member Agencies intend to achieve these goals

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[1] See *Joint Powers Agreement*, San Diego Regional Community Choice Energy Authority, October 1, 2019, available at https://www.sandiego.gov/sites/default/files/sdrccea_jpa_agreement_signed_0.pdf.

[2] See *Letter Certifying San Diego Community Power's Implementation Plan and Statement of Intent*, California Public Utilities Commission, March 9, 2020.

[3] See San Diego Community Power Community Choice Aggregation Implementation Plan and Statement of Intent, December 9, 2019, at 1.

[4] See *Climate Action Plan*, City of San Diego, December 2015, at 35, available at https://www.sandiego.gov/sites/default/files/final_july_2016_cap.pdf.

[5] See *Climate Action Plan,* City of Encinitas, January 2018, at 3-2, available at https://encinitasca.gov/ClimateAction/Encinitas_ClimateActionPlan_Final_01-17-18

[6] See *Climate Action Plan,* City of La Mesa, March 13, 2018, at 45, available at https://www.cityoflamesa.us/DocumentCenter/View/11008/LMCAP_CC03132018.

[7] See *Climate Action Plan*, City of Chula Vista, September 2017, at 20, available at https://www.chulavistaca.gov/home/showdocument?id=15586.

[8] See *Local Coastal Program Resilient Imperial Beach Climate Action Plan*, City of Imperial Beach, July 17, 2019, at 31, available at https://www.imperialbeachca.gov/ApprovedClimateActionPlan2019.

collaboratively by launching and operating SDCP to provide electric energy to residential, commercial and governmental electric accounts located within their communities.

As previously noted, SDCP has engaged in early-stage discussions focused on key considerations that are expected to impact its ability to successfully achieve compliance with California's RPS procurement mandate. At launch, SDCP's governing board is intent on offering a minimum 50 percent renewable energy supply portfolio to all participating customers with a 100 percent renewable retail service option available on a voluntary basis. Initial discussions and analyses suggest that SDCP's anticipated level of overall renewable energy procurement during early-stage operations, which is expected to exceed 50 percent of total retail sales (based on assumed participation in SDCP's minimum 50 percent renewable default service option as well as its optional 100 percent renewable service option – the latter service option is expected to somewhat increase overall renewable energy procurement by the CCA program), would provide adequate "cushion" in meeting applicable compliance mandates, should expected renewable energy deliveries fall short of projections. For example, if SDCP expects total retail sales to approximate 6,906 GWh in 2023, SDCP would plan to procure the required 2,849 GWh of RPS-eligible renewable energy (or 41.3 percent of retail sales), plus an additional 742 GWh of RPS-eligible renewable energy (11 percent of retail sales) to meet its independently adopted renewable energy target of 52 percent in that year. The noted 11 percent "surplus" serves as an effective planning reserve (against compliance deficiencies), protecting against renewable energy delivery shortfalls in that year. SDCP believes that the noted margin of over-procurement is likely larger than a recommended margin of over-procurement that might be derived from use a quantitative risk model. This approach would provide SDCP with a significant surplus (11 percent in 2023, as noted above), relative to statewide mandates, virtually eliminating the

possibility of compliance shortfalls during the first several years of program operations. SDCP also acknowledges that its renewable energy targets and, if necessary, related planning reserves could be periodically evaluated and adjusted by its governing board – such a determination could be based on the manner in which actual renewable energy purchases/deliveries relate to applicable mandates and internally adopted targets, renewable product availability, budgetary impacts and/or various other considerations.

SDCP is also aware that renewable energy procurement activities must be timely completed to ensure the achievement of noted renewable energy targets and intends to begin coordinating such activities well in advance of service commencement, as noted above. These procurement activities will be focused on securing necessary short-term and long-term renewable energy supply, the latter of which will be intended to facilitate compliance with California's 65 percent long-term contracting requirement, which takes effect in 2021 (the year of SDCP's planned launch). SDCP acknowledges that certain long-term renewable contracting opportunities may require substantial lead time, particularly opportunities related to new-build renewable generating facilities (which have yet to achieve commercial operation). As such, SDCP expects that one or more of its initial long-term renewable energy contracts may need to utilize existing or soon-to-be-operational renewable generating facilities to ensure timely compliance with applicable long-term procurement requirements. SDCP also intends to closely monitor prospective impacts of the current COVID-19 pandemic on renewable energy markets, particularly impacts to new-build renewables which may be heavily reliant on international supply chains to ensure timely completion. It is too early to determine the extent to which such effects will be experienced by SDCP and other buyers, but SDCP hopes to learn more during administration of its upcoming long-term renewable energy solicitation. With time, SDCP

remains optimistic that it will be able to facilitate a certain level of new renewable infrastructure buildout through its ongoing renewable energy contracting efforts and expects to confirm such expectations based on upcoming responses to its solicitation for long-term, RPS-eligible renewable energy supply.

During administration of its renewable energy solicitation activities, SDCP will gauge prospective supplier interest and potential concerns associated with new CCA programs and long-term supply commitments – the long-term contracting requirement and its lack of an "on ramp" for new retail sellers is expected to necessitate the execution of one or more long-term renewable energy supply commitments prior to CCA service commencement, and SDCP is prepared to take the necessary steps to secure such supply commitments as part of its resource planning and RPS compliance activities.

As part of its ongoing planning process, SDCP is also considering the manner in which renewable energy compliance risks will be assessed and recently adopted a formal Energy Risk Management Policy ("ERM Policy")[9] at the regularly scheduled meeting of its governing board on June 25, 2020. The ERM Policy addresses various types of risk and establishes related oversight in managing SDCP's various portfolio positions, control procedures and delegations of authority (related to the procurement of various energy and capacity products). SDCP's ERM Policy also necessitates formation of a Risk Oversight Committee ("ROC"), which is expected to meet on a regular basis to monitor SDCP's procurement efforts, open positions, counterparty credit exposure and other concerns. Staff will provide SDCP's ROC with various deal tracking and position reports to keep program management apprised of ongoing progress in meeting statewide compliance mandates and SDCP's internally adopted renewable planning targets,

[9] See *San Diego Community Power Energy Risk Management Policy*, June 25, 2020.

which exceed statewide mandates.

Initial discussion amongst SDCP's chief executive officer, Finance and Risk Management Committee (another SDCP committee intended to monitor program finances and risk) and technical advisors suggests that managing early-stage compliance risk is dependent upon the identification and selection of highly experienced and financially viable sellers during the administration of renewable energy solicitation processes. At this point, a quantitative risk assessment, using a specific model or formal study, does not appear to be necessary as part of SDCP's risk management process but may become necessary in the future, depending upon the renewable energy procurement opportunities that are identified through SDCP's upcoming renewable energy solicitation and other future solicitations. As SDCP commences CCA program operations, it will carefully monitor the performance of selected renewable energy suppliers relative to projected RPS requirements and will augment procurement efforts should actual renewable deliveries fall below projections. Based on SDCP's minimum 50 percent renewable procurement target, the organization could suffer significant delivery shortfalls while still satisfying statewide compliance mandates.

At this point in time, SDCP is keenly aware of applicable RPS procurement mandates, including the long-term renewable contracting requirement, and is working to ensure that such mandates can be timely and cost effectively satisfied by its CCA Program.

3. Summary of Legislative Compliance

This RPS Procurement Plan addresses the requirements of all relevant legislation and the Commission's regulatory framework. This Section describes the relevant statutory and regulatory requirements and how this RPS Procurement Plan demonstrates that SDCP will meet such requirements.

Senate Bill ("SB") 350 (stats. 2015) was signed by the Governor on October 7, 2015. SB 350 set a new RPS procurement target of 50 percent by December 31, 2030. On December 20, 2016, the Commission issued D. 16-12-040, which partially implemented the increased targets of SB 350 by establishing new compliance periods and procurement quantity requirements. On July 5, 2017, the Commission issued D. 17-06-026, which implemented some of the key remaining elements of SB 350, including adopting new minimum procurement requirements for long-term contracts and owned resources, as well as revising the excess procurement rules.

SB 100 was signed by the Governor on September 10, 2018 and became effective on January 1, 2019. SB 100 increased the RPS procurement requirements to 44 percent by December 31, 2024, 52 percent by December 31, 2027, and 60 percent by December 31, 2030. On June 6, 2018, the Commission issued D. 18-05-026, which implemented changes made by SB 350 to the RPS waiver process and reaffirmed the existing RPS penalty scheme. In July of 2018, the Commission instituted Rulemaking 18-07-003 to continue the implementation of the RPS program. On May 28, 2019, the Commission issued a proposed decision that would continue to use a straight-line method to calculate compliance period procurement quantity requirements.

The current RPS procurement targets are incorporated into SDCP's Renewable Net Short Calculation Table as described in Section 8 below and attached as Appendix C. SDCP's planned procurement, as reflected in SDCP's Renewable Net Short Calculation Table and described in Sections 4 and 5, is expected to exceed pertinent RPS procurement mandates, including a minimum margin of over-procurement based on SDCP's risk assessment, as further described in Sections 7 and 9. SDCP also expects to meet California's SB 350 long-term procurement requirement, as described in Sections 5 and 7, through the administration of upcoming

solicitation processes.

SB 901, signed by Governor Brown on September 21, 2018, added Public Utilities Code section 8388, which requires any IOU, publicly owned electric utility, or CCA with a biomass contract meeting certain requirements to seek to amend the contract to extend the expiration date to be five years later than the expiration date that was operative as of 2018. SDCP has yet to execute its first renewable energy supply agreement and, as such, SDCP does not have a contract with a biomass facility that is covered by Public Utilities Code section 8388.

4. Assessment of RPS Portfolio Supplies and Demand

4.A. Portfolio Supply and Demand

As previously noted, SDCP expects to initiate customer service in March 2021. SDCP intends to serve approximately 696,000 service accounts, which are expected to consume about 7,100 GWh per year following the completion of all customer enrollment activities. Having quantified its early-stage RPS procurement targets (minimum 50 percent at launch, as previously noted), SDCP initiated the process of developing its initial long-term renewable energy solicitation in May 2020. This prospective solicitation was recently introduced to SDCP's governing board at its regularly scheduled public meeting on June 25, 2020, including staff's recommendation to pursue a jointly administered solicitation with SDCP's neighboring CCA program, the Clean Energy Alliance ("CEA"). Following introduction of the joint renewable solicitation opportunity to SDCP's governing board, SDCP decided to proceed in an independent manner, issuing its own solicitation on June 29, 2020. CEA staff subsequently issued an independent solicitation for long-term RPS-eligible renewable energy supply on July 1, 2020, as directed during a special meeting of CEA's governing board on June 26, 2020. Following administration of its solicitation, SDCP expects to gain considerable insight regarding

prospective long-term renewable energy contracting opportunities that may be available to facilitate achievement of its renewable energy planning goals. SDCP also expects to secure one or more long-term renewable supply commitments through this process with contract execution anticipated in late 2020 or early 2021.

SDCP also participated in SDG&E's recent (May 29, 2020) RFP for renewable energy and expects to receive feedback regarding the offers it submitted in mid-July 2020 (per SDG&E's solicitation schedule, short-list notification is to occur on July 20, 2020). Depending upon SDCP's success in this process, it may engage in additional solicitation efforts for short- and long-term renewable energy supply before it commences service in March 2021.

Over time, SDCP expects to continue meeting pertinent RPS compliance obligations by entering into a variety of renewable energy supply agreements of varying term lengths and structures. The exact portfolio characteristics selected may vary depending on direction received from SDCP's governing board, renewable resource availability, procurement costs, legislative and policy changes, technological improvements, principles of resource diversity, preferences of the Member Agencies and/or other developments. To manage this future uncertainty, SDCP will regularly evaluate anticipated supply requirements in consideration of expected customer electricity usage and anticipated renewable energy deliveries; such information is expected to influence future procurement efforts, which will attempt to balance customer usage with requisite resource commitments. SDCP is also aware of the need to promote the use of a diverse renewable resource portfolio, avoiding overcommitting to certain generating technologies, suppliers, geographic regions, etc. Until SDCP completes its initial renewable solicitation, however, the organization must remain open minded and considerate of all possible supply options.

This ongoing examination of customer electricity usage and other market developments should help reduce costs and assist in meeting planned procurement for the period reflected in this RPS Procurement Plan. SDCP notes that understanding customer electricity usage may be particularly challenging due to impacts stemming from the COVID-19 pandemic. Based on communications with other CCA programs, it appears there have been significant load reductions caused by the pandemic (in excess of 5 percent in many cases; such reductions relate to pre-pandemic electric energy usage and tend to vary by community in consideration of customer composition and other factors), but the extent to which such load reductions persist over time remains uncertain. For renewable energy planning purposes, SDCP has yet to adapt its retail sales forecast to reflect such changes, which may endure well into the future. Changes in electricity usage will be monitored over time with forecasting adjustments incorporated, if necessary, closer to the SDCP's expected launch. To the extent that retail sales fall below SDCP's expectations, it is likely that renewable energy content in the portfolio may be higher than necessary to achieve programmatic goals. In such cases, SDCP expects that it could: 1) sell excess renewable energy supply to interested buyers, thereby rebalancing its portfolio to align with desired renewable energy targets; or 2) retain excess renewable energy supply, providing customers with higher-than-promised renewable energy supply. Such decisions will be made following consultation with SDCP's governing board and technical advisors.

SDCP is also attempting to gain an improved understanding of the prospective impacts to its customer base associated with the upcoming reopening of California's direct access market in 2021, but this understanding has been complicated by load variations caused by the pandemic. SDCP anticipates continuing this analysis in the months preceding CCA program launch and may incorporate adjustments to its load forecast and related renewable energy

procurement plans based on the results of its analysis. To the extent that load migrates to direct access providers, SDCP retail sales would likely fall – in theory, such a change would push SDCP's renewable energy content higher than planned unless surplus supply was sold to other market participants. To the extent that such adjustments are made, SDCP will reflect them in a subsequent RPS Procurement Plan. Through the ongoing evaluation of customer demand and other market developments, SDCP hopes to influence reduced overall costs while meeting planned procurement objectives for the period addressed in this RPS Procurement Plan.

4.A.1. Portfolio Optimization

SDCP's goal is to meet organizational policies and statewide mandates in a manner that is both cost effective and supportive of a well-balanced resource portfolio. Portfolio optimization strategies can help reduce costs and should facilitate alignment of SDCP's portfolio of resources with its forecasted load needs. To support this goal, SDCP considers the following strategies:

Joint Solicitations: Joint solicitations can expand the procurement opportunities available to a CCA, as well as potentially provide better contract terms and general administrative efficiencies. SDCP has engaged in coordinative discussions with the Clean Energy Alliance regarding joint solicitation opportunities and may pursue such opportunities in the future (with CEA and/or other CCA programs).

Purchases from Retail Sellers: Purchases of resales from other retail sellers can provide a cost-effective way of meeting short term resource needs or filling in gaps in procurement while long-term projects are under development. After commencing operations next year, SDCP will evaluate solicitations offered by other retail sellers, as necessary.

Sales Solicitations: As SDCP's portfolio of resources continues to develop, it will also consider offering solicitations of sales to other retail sellers, if the disposition of surplus is deemed desirable.

Optimizing Existing Procurement: As SDCP considers its long-term resource needs, it may evaluate options in its future power purchase agreements to increase output through either facility upgrades or adding new capacity to the generating facility. Expanding existing facilities may provide additional generation at reduced costs with a lower risks of project failure because the need for distribution system upgrades and permitting may be reduced – such opportunities may be developed, as deemed appropriate by SDCP.

The *Final Report of Working Group 3 Co-Chairs: Southern California Edison Company (U-338E) California Community Choice Association, and Commercial Energy* ("Final Report") was filed on February 21, 2020 in Rulemaking 17-06-026. SDCP understands that, as proposed, PCIA-eligible load serving entities may have an option to receive an allocation from the IOUs' PCIA-eligible RPS energy portfolios, including long-term contracting benefits from allocations under certain conditions. SDCP is awaiting a Commission decision regarding these proposals in order to determine the final form of any allocation that may be available and how to integrate such an allocation into its resource portfolio to best serve its customers. Currently, SDCP is evaluating how the Final Report's proposed allocations may change SDCP's RPS procurement strategies, if these proposals are adopted by the Commission.

4.B. Responsiveness to Policies, Regulations, and Statutes

SDCP is a joint powers authority that is subject to the control of its governing board and is directly accountable to its Member Agencies. SDCP supports and is committed to meeting the state's GHG reduction and renewable procurement goals, as well as supporting its Member

Agency cities in meeting their respective CAP goals. SDCP is aware of California's applicable renewable energy procurement mandates, including pertinent elements of SB 100, and has incorporated the procurement requirements of the state's RPS program into its preliminary procurement strategy. Within the multi-year compliance period structure of the RPS program, SDCP expects to be well-positioned to meet the procurement quantity requirements, portfolio balance requirements, and long-term procurement requirements of the RPS with an additional margin of over-procurement (as further described above). As overseen by its governing board, SDCP has commenced the process of developing its initial solicitation for long-term, RPS-eligible supply and expects to secure one or more contracts as a result of this process.

4.B.1. Long-term Procurement

SDCP's long-term renewable procurement efforts are now underway with the recent issuance of its initial solicitation for long-term, RPS-eligible supply . Subsequent solicitation processes will continue thereafter in consideration of remaining open positions and SDCP's adopted renewable portfolio goals. SDCP expects to regularly engage in independently and jointly administered long-term renewable solicitations and anticipates the execution of multiple supply agreements during the first few years of program operations. This approach should facilitate SDCP's achievement of pertinent long-term contracting requirements reflected in the RPS Program. Further progress will be described in subsequent RPS Procurement Plans.

4.C. Portfolio Diversity and Reliability

Power purchased from power marketers, public agencies, generators, CCAs, or utilities will be a significant source of supply during the first several years of SDCP's operation. Subject to responses to upcoming RFPs, SDCP will initially contract to obtain all of its electricity from one or more third party electric providers, power marketers and/or project developers under one

or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including SDCP's desired quantities of renewable and carbon-free energy, to provide a stable and cost-effective resource portfolio. [10]

In carrying out its planning functions, SDCP will also consider the deliverability characteristics of its future generating resources placed under contract (such as the resource's dispatchability, available capacity, and typical production patterns) and will review the respective risks associated with short- and long-term purchases as part of its forecasting and procurement processes. These efforts should lead to a more diverse resource mix, address grid integration issues, and provide value to the Member Agencies. A quantitative description of this forecast is attached to the RPS Procurement Plan in Appendix C.

SDCP intends to utilize a portfolio risk management approach as part of its power purchasing program, seeking low cost supply (based on then-current market conditions) as well as diversity amongst technologies, production profiles, project sizes and locations, counterparties, lengths of contract, and timing of market purchases. While SDCP has yet to enter into any contracts, it is reasonable to assume that its initial supply portfolio may include a relatively small number of contracts which will grow in number over time, increasingly emphasizing the principles of resource and counterparty diversity as operational experience is gained and renewable energy requirements increase.

While SDCP is not opposed to considering emerging renewable generating technologies, it is unlikely that its initial supply agreement(s) will focus on such resources. As a new CCA organization, SDCP's initial renewable supply commitments must result in reliable, cost-effective supply to promote compliance with applicable RPS mandates without bearing the risks

[10] San Diego Community Power Implementation Plan. p.1 at 6.6.

typically associated with newer technologies. For the foreseeable future, SDCP will likely exhibit preferences for proven generating technologies and supply structures that will minimize delivery risk during early-stage operation. If, however, a compelling offer is presented for a cost-effective emerging technology, SDCP will evaluate such proposal on its merits relative to other available offers.

SDCP will procure renewable and other requisite energy products, as necessary, to ensure that the future energy needs of its customers are met in a reliable and cost-effective manner, consistent with applicable compliance mandates. SDCP, through its CCA Implementation Plan and subsequent planning discussions, has established initial procurement targets for requisite renewable energy supply, including subcategories for various renewable energy products, and has also established targets for related planning reserves as described elsewhere in this document. To the extent that SDCP's energy needs are not fulfilled through the use of renewable generating resources, it should be assumed that such supply will be sourced from carbon-free and/or conventional energy resources, such as hydroelectric or natural gas generating technologies, as well as system power purchases.

A key component of the SDCP's early-stage planning process relates to the analysis and consideration of expected load obligations with the objective of closely balancing supply/demand, cost/rate stability and overall budgetary impacts. During pre-launch activities, this process primarily focuses on the compilation and analysis of historical customer data, as provided by SDG&E. Similar to most CCAs, SDCP expects that such historical data will not be a perfect predictor of future customer energy requirements, so it intends to actively monitor actual customer usage, relative to projections, over time, refining such forecasts as well as its ability to minimize variances between procured energy quantities and actual usage. SDCP also

plans to maintain portfolio coverage targets of up to 100 percent (of expected customer energy requirements) in the near-term (0 to 5 years) but will leave larger open positions in the mid- to long-term, consistent with generally accepted industry practices.

At this point in time, SDCP has no explicit preference for specific renewable generating technologies and will consider all responses to its solicitations with the goal of assembling a diversified renewable energy supply portfolio over time that will deliver energy in a profile that is generally consistent with the SDCP's anticipated load shape. SDCP is also aware that use of intermittent renewable generating technologies has the potential to create occasional misalignments between customer energy consumption and related power production as well as the general quantity of renewable energy received from such projects – SDCP expects that its voluntary commitment to a minimum 50 percent renewable supply portfolio will protect against this uncertainty.

4.D. Lessons Learned

As a new CCA, SDCP is gaining familiarity and experience with the information and processes that will be necessary to demonstrate compliance with the requirements of California's RPS Program but does not have any substantive lessons learned to share at this point in time. This noted, SDCP is aware that prudent planning and successful management of early-stage CCA program finances is critical in managing ongoing market risk and other uncertainties. As such, SDCP will exercise care in pursuing renewable energy supply options that align with budgetary parameters, particularly during early-stage operations. SDCP is also interested in pursuing interagency solicitation/procurement opportunities, as it is aware that such coordinated efforts can increase procedural efficiency, reduce administrative redundancy, and decrease certain expenses typically associated with such processes.

5. Project Development Status Update

As described in Section 4.B above, SDCP's current and planned procurement is expected to be sufficient to meet both the applicable RPS procurement requirements as well as support the state's GHG reduction targets. Further, SDCP's current and planned procurement is expected to support system reliability by considering both portfolio diversity and alignment with SDCP's customers' load curve.

SDCP has yet to complete its initial renewable energy contracting process(es) and does not have any updates to report regarding project development status. As such, SDCP has no information to include in the Project Development Status Update Report, Appendix D. As new information related to SDCP's renewable energy contracting process(es) becomes available, it will update its Project Development Status Update Report accordingly.

6. Potential Compliance Delays

As SDCP will not commence CCA service until 2021, no compliance delays will occur in the current compliance period (Compliance Period 3, which includes calendar years 2017-2020). Looking ahead, SDCP does not anticipate any compliance delays for the next compliance period (Compliance Period 4, which includes calendar years 2021-2024). If a future compliance issue is identified or SDCP encounters challenges in securing requisite renewable energy supply in the future, then SDCP will address such issue within a subsequent RPS Procurement Plan.

6.1. Impacts of COVID-19 Pandemic

SDCP is keenly aware of the current, worldwide COVID-19 pandemic, and its impact on "business as usual", including impacts to requisite resource planning activities and, in particular, renewable energy procurement. As the Commission is aware, successful renewable energy markets depend upon international supply chains, substantial labor commitments, robust

financial markets, timely interactions with governmental planning authorities and various other considerations. With numerous disruptions caused by the current pandemic, it is incredibly challenging to determine if, and to what extent, renewable energy procurement opportunities may be compromised, particularly new-build renewable energy projects which typically rely on long-term contracts as the basis for project financing. SDCP also understands that many CCAs are observing moderate to significant net retail sales reductions resulting from the pandemic. Generalized impacts appear to entail substantial reductions in commercial loads, which result from business closures and/or substantially modified operations, and increased loads within the residential sector, which result from extensive "stay at home" and "shelter in place" orders. Looking forward, it is difficult to predict the eventual retail sales impacts related to COVID-19. Some businesses are expected to permanently close, while other business operations may transition to increased use of work-from-home arrangements, and/or adopt or continue "transitional" operational standards (*e.g.*, reduced seating in restaurants or reduced appointment frequency to accommodate sanitization/sterilization requirements) whose duration is unclear. The timing and extent of recovery is generally unknown and the subject of considerable speculation.

SDCP intends to closely monitor this situation as well as potential fallout related to supplier/developer effectiveness in fulfilling mandated renewable energy needs, project completion and overall supplier viability. It is reasonable to anticipate consequences, and SDCP encourages the Commission to closely monitor and potentially reconsider certain elements of the RPS Program as this situation evolves, particularly if there are widespread, well-documented challenges as California retail sellers attempt to fulfill pertinent procurement requirements. Related, SDCP is becoming aware of numerous instances in which contract documents are being

drafted with more expansive force majeure language to alleviate the concerns of sellers/developers in meeting project completion schedules due to potential pandemic-related delays – "day for day" commercial operation date extensions have been pursued, creating flexibility in achieving commercial operation date targets based on the duration of shelter-in-place directives. From SDCP's perspective, buyers must be diligent in contracting efforts to strike an appropriate balance between flexibility and certainty. Not all project development delays are expected to be directly attributable to the pandemic, so effectively parsing contractual accommodations for development delays in consideration of this reality should serve to manage uncertainties related to project completion and renewable delivery timelines.

SDCP also encourages the Commission to coordinate closely with the legislature to evaluate potential adaptations to the RPS Program, which may become necessary if renewable energy markets are materially impacted by the pandemic. With rapidly changing circumstances and related information, SDCP anticipates the need for considerable flexibility/agility in working to meet requisite renewable energy procurement mandates. In the meantime, SDCP will remain hopeful that impacts to renewable energy markets will not compromise California's ability to reach its renewable energy procurement goals or its own, internally established renewable procurement targets.

7. Risk Assessment

When evaluating prospective renewable energy supply opportunities, SDCP will seek to minimize the risk of delivery failure (or shortfalls) by pursuing supply arrangements with experienced and financially stable suppliers with successful track records (related to the fulfillment of contracted renewable energy deliveries and/or project development). This noted, there is always a possibility that future renewable energy supply will not be delivered as required,

which is why SDCP intends to periodically evaluate the sufficiency of currently anticipated renewable energy procurement targets in meeting both statutory mandates and prudent planning reserve levels. Given SDCP's initial commitment to providing a minimum 50 percent renewable default service to participating customers, it seems highly unlikely that cumulative renewable energy delivery shortfalls could result in compliance deficiencies. While other CCA programs may choose to pursue differing planning reserve targets, SDCP observes that there does not seem to be a clear standard or related guidelines for setting such metrics and believes that its anticipated, internally defined renewable energy targets provide sufficient planning reserves.

SDCP is also aware that Public Utilities Code section 399.13(a)(5)(A), and the ACR, note that generation variability and resource availability may impact the amount of future electricity delivered. As previously discussed, SDCP will consider this potential risk during its resource planning process and related procurement/contracting efforts. SDCP may also pursue contract structures that promote volumetric stability through the application of firm delivery quantities and/or performance guarantees that provide financial remedies/penalties in the event of delivery shortfalls. If necessary, the application of such penalties could be used: 1) as a first priority, to procure additional renewable energy supply to address delivery shortfalls; or 2) in the event of a determination of non-compliance, to offset the cost of related penalties. SDCP's intent is to achieve and maintain compliance with applicable RPS mandates, and the latter option is a last resort that is not expected to apply.

Furthermore, SDCP is aware of the need to perform a risk assessment and present the results of such assessment in this RPS Procurement Plan. As previously noted, SDCP adopted an ERM Policy at the meeting of its governing board on June 25, 2020. Following adoption of the ERM Policy and related creation of SDCP's ROC, any subsequent risk analyses/assessments

will be developed and administered under the oversight of this committee. Before the ROC begins its regular meetings, SDCP intends to observe a practically minded risk management/assessment process that relies on the significant reserve margin created by its internally adopted renewable procurement target (minimum 50 percent, increasing over time) as well as a concerted effort (through its solicitation processes) to identify and select highly experienced, financially viable renewable energy sellers, a process which is believed to materially reduce the risk of delivery shortfalls (and potential compliance deficits). If SDCP's internally adopted planning targets and related procurement efforts prove to be insufficient in meeting near-term RPS compliance targets, SDCP will bring such findings to the attention of its ROC and pursue suitable resolutions and mitigation measures under the oversight of the committee. It is reasonable to assume that the ROC will consider the use of quantitative tools to further understand renewable planning and compliance risks, but since this committee has yet to convene, SDCP will wait for future discussion/direction before attempting to identify or pursue development of a risk management tool/model/software that would meaningfully reduce risk beyond the previously described approach. If such a tool becomes necessary in the future, as determined in concert with SDCP's ROC, it may employ a stochastic approach in determining prospective variability in anticipated future renewable energy deliveries, and the results of related analyses may alter SDCP's future planning reserves, if necessary, or prompt supplemental procurement activities to protect against the volumetric variability reflected in such analyses.

Without having specific renewable contracting opportunities to consider (because SDCP is currently in the process of administering its initial renewable energy solicitation), it is premature to perform a quantitative risk assessment, the results of which would not be

meaningful. When SDCP receives responses to its initial renewable energy solicitation (which is expected to occur in early Q3 2020), it will begin the process of assessing anticipated risks associated with its prospective supply arrangements. At this point in time, the largest risk related to renewable energy procurement and delivery facing SDCP is that responses to its initial solicitation will be insufficient to meet statutory renewable energy procurement obligations, but SDCP has determined that the probability of such an outcome is very low (based on the success of other, similar solicitations administered by CCA organizations throughout the state) and until such solicitation is complete, SDCP remains optimistic that it will be able to fulfill all pertinent requirements under California's RPS Program.

To the extent that understanding the supplier responses to such solicitation necessitates the use of a quantitative tool, SDCP will act accordingly. However, if SDCP believes that its supplier selection process (related to its upcoming renewable energy solicitation) results in the identification of: 1) low-risk supply sources that are already operational; or 2) highly experienced, financially viable project developers that have consistently demonstrated a successful development track record over time, then it may choose to forgo a related quantitative assessment as part of its risk management process.

Similar issues do not seem relevant with regard to short-term renewable energy purchases, as the market continues to remain robust for CCA buyers. This noted, it is entirely unreasonable for SDCP to engage in significant levels of over-procurement via long-term contract, as such an approach would materially limit planning flexibility, may impose excessive costs and rate-related impacts on its CCA customers, and would seemingly expose SDCP to unnecessary market risks (by virtue of the fact that the timing of its planned service commencement will necessitate the execution of all long-term supply commitments required to

support early-stage operations at a single point in time – such an approach is generally not advisable). As previously noted, SDCP believes that a keen focus on identifying highly experienced, financially viable long-term renewable energy suppliers is the best risk mitigation strategy for this important element of the RPS Program, and SDCP intends to observe this practice during its upcoming solicitation process(es).

8. Renewable Net Short Calculation

SDCP has provided a quantitative assessment to support the qualitative descriptions provided in this RPS Procurement Plan, which is attached as Appendix C. At this point in time and based on SDCP's anticipated renewable energy contracting outcomes (which will not be completed for some time), there have been no risk-related adjustments to the expected renewable energy quantities reflected in Appendix C. If such adjustments are deemed necessary or appropriate in the future, SDCP will reflect such adjustments in a future planning document.

9. Minimum Margin of Procurement (MMoP)

9.A. MMoP Methodology and Inputs

As previously noted, SDCP is a new CCA organization, which has yet to commence service to customers. Presently, the renewable energy procurement targets reflected in SDCP's CCA Implementation Plan and Initial RPS Procurement Plan specify RPS-eligible renewable energy targets that significantly exceed statewide mandates during the first several years of program operations, which is expected to provide the potential for meaningful planning reserves. The targets reflected within this RPS Procurement Plan are generally equivalent to targets reflected in SDCP's CCA Implementation Plan, reflecting a 50 percent default renewable content at launch, which is expected to increase thereafter based on product availability and budgetary impacts.

While eventual renewable energy procurement targets to be offered at the time of CCA service commencement may evolve, SDCP does not anticipate meaningful changes prior to program launch. If such changes are to occur, this topic would be discussed with SDCP's governing board before adopting such changes. Staff assumes that future renewable procurement targets (inclusive of planning reserves necessary to meet RPS mandates) will consider a variety of factors, including but not limited to, the operational status of prospective renewable energy facilities to be placed under contract, the experience and general development track record of each project development team (associated with new resources), resource size (capacity), the location of prospective generating resources (for new facilities) and impacts of over-procurement to the CCA program's procurement budget and customer rates.

9.B. MMoP Scenarios At this point in time, SDCP has yet to complete any sensitivity analyses related to its intended baseline renewable energy offering and related margin of procurement. To the extent that such analyses are completed in the future, SDCP will describe applicable results in a subsequent RPS Procurement Plan.

10. Bid Solicitation Protocol

10.A. Solicitation Protocols for Renewables Sales

SDCP does not have immediate plans to issue a solicitation for sales of renewable energy products/projects, as it has yet to commence operations.

10.B. Bid Selection Protocols

Consistent with Public Utilities Code section 399.13(a)(5)(C), SDCP shall conduct solicitations for requisite energy resources, including specific needs for eligible renewable energy resources (reflecting locational preferences, when applicable, for such resources), generating capacity, and required online dates to assist in determining what resources fit best

within its supply portfolio. Since CCA program governing boards are comprised of local elected officials, these solicitation and procurement decisions are overseen by elected representatives of the community. These solicitation and procurement decisions will seek to comply with targets and preferences that are considerate of local priorities and interests. Any renewable energy supply agreements resulting from future participation in renewable energy procurement processes will be brought to SDCP's governing board for approval prior to execution.

SDCP's current solicitation, "San Diego Community Power 2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy"[11] ("RFP") was issued on June 29, 2020, and is attached to this document as Appendix F. SDCP's RFP includes a variety of considerations in related bid requirements and its evaluative process, including:

1. Price and relative value within SDCP's supply portfolio;
2. Project location and benefits to the local economy and workforce;
3. Potential economic benefits created within communities with high levels of poverty and unemployment;
4. Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements;
5. Qualifications, experience developing projects in California and/or with CCAs, financial stability, and structure of the prospective project team (including its ownership);
6. Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;
7. Potential impacts to grid reliability;
8. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
9. Acceptance of SDCP's standard contract terms; and
10. Development milestone schedule, if applicable.

[11] See *San Diego Community Power 2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy* available at https://www.sdcommunitypower.org/resources.

Based on the success of its initial solicitation(s), SDCP may adapt these considerations to improve success in future renewable energy procurement efforts.

10.C. LCBF Criteria

The Least-Cost Best Fit methodologies approved by the Commission pursuant to D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044 are expressly only directly applicable to the IOUs and the Commission does not have jurisdiction over the solicitation protocols of CCAs. However, consistent with Public Utilities Code section 399.13(a)(8), SDCP will consider best-fit attributes that support a balanced mix of resources to help support reliability of the electrical grid.

In particular, SDCP anticipates considering "least cost best fit" ("LCBF") during the evaluation of responses to its current renewable energy solicitation as well as future solicitations that may be necessary to fill noted open positions. From SDCP's perspective, use of the term "costs" should appropriately include considerations beyond the basic price of renewable energy. More specifically, costs should include a broad range of considerations, such as: 1) reputational damage resulting from failure to meet state-mandated and/or internally established renewable energy procurement targets; 2) compliance penalties resulting from failed project development efforts or delivery shortfalls; 3) administrative complexities related to dealing with inexperienced suppliers (such as prolonged contract negotiation processes and uncertainties related to project milestone timing and achievement); and 4) impacts to planning certainty resulting from higher risk projects. These factors, as well as various others, will be considered by SDCP as components of its cost evaluation process, which may lead to the selection of offers that aren't necessarily the lowest cost option(s), as expressed on a dollar-per-MWh basis. With regard to "fit", this aspect of a prospective supply opportunity has as much to do with compatibility

(between SDCP and its suppliers) and alignment with key local objectives as it does with balancing customer usage and expected project deliveries, particularly when considering long-term contracting opportunities that will necessitate a constructive working relationship over a period of ten years or more. As such, SDCP's LCBF methodology will consider a broad range of components, including those previously noted, balancing a variety of pertinent considerations at the time each renewable purchase opportunity is being evaluated.

Additionally, the requirement of Section 399.13(a)(7) to give preference to renewable projects located in certain communities is expressly only applicable to "electrical corporations" and is not mandatory for CCAs.[12] However, SDCP recognizes the need to help mitigate the impacts of air pollution in regions of the state where communities have been disproportionately impacted by the existing generating fleet as well as the need to bring economic benefits to communities with high levels of poverty and unemployment. Consistent with this recognition, SDCP will consider the manner in which air pollution may be impacted during its renewable energy solicitation process(es) and related project selection.

11. Safety Considerations

San Diego Community Power holds safety as a top priority. Since SDCP does not own, operate, or control generation facilities, SDCP's procurement of renewable resources will not present any unique safety risks. This section describes how SDCP has taken actions to reduce the safety risks that may be posed by its renewable resource portfolio and how SDCP supports the state's environmental, safety, and energy policy goals.

[12] Cal. Pub. Util. Code § 399.13(a)(7)(1) ("In soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.")

11.1. Wildfire Risks and Vegetation Management

At this point in time, SDCP has yet to adopt specific procurement policies or preferences focused on the acquisition of forest biomass resources. SDCP is aware of the mitigating impacts that biomass generators, which use forestry waste as feedstock, may have on wildfire risk and will consider the adoption of a related procurement policy in the future. During pre-launch activities, however, the creation of such a policy and exhibition of preference for biomass generating resources is premature and will be addressed in the future, following the completion of upcoming launch activities.

11.2. Decommissioning Facilities

As SDCP has yet to complete its initial long-term renewable energy contracting efforts, it has not developed any plans or requirements related to the disposition of associated generating facilities following completion of applicable delivery terms.

11.3. Climate Change Adaptation

SDCP has not adopted procurement policies or preferences relating specifically to climate changes risks. In future solicitations, SDCP will consider developing additional bid evaluation criteria based on climate change risks factors, including but not limited to risks associated with facilities located in regions that are forecasted to be impacted by higher instances of sea-level rise, flooding, wildfires, and/or elevated temperatures.

11.4. Impacts During Public Safety Shut-off (PSPS) Events

As SDCP has yet to commence CCA operations, potential impacts related to future Public Safety Power Shut-off ("PSPS") events are uncertain. However, with regard to resource planning, it is likely that a relatively short-duration PSPS event impacting SDCP would

marginally reduce retail electric sales for CCA customers and, as a result, would generate a very small increase in the proportionate share of renewable energy supply accruing to SDCP (if renewable supply agreements continue to perform as expected during such events). Unless PSPS events become more prevalent, the likelihood of a material impact to SDCP's renewable energy planning process or related performance metrics seems unlikely.

11.5. Biomass Procurement

As SDCP has yet to complete its initial long-term renewable energy contracting efforts, it is difficult to predict how its renewable energy supply portfolio will evolve over time. While SDCP has no specific preferences for or against biomass resources, the prospect of procuring such resources will be dependent upon offers received during future solicitation processes. To the extent that future biomass offers/proposals are competitive (with similar offers received from other resource types) and/or in the event SDCP adopts policies explicitly supporting the acquisition of biomass energy resources, SDCP will consider the inclusion of biomass energy within its renewable energy supply portfolio.

12. Consideration of Price Adjustments Mechanisms

During upcoming contracting processes, and consistent with SB 350 and SB 100, SDCP will review the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract execution. As noted in the ACR, such price adjustments could include price indexing to key components or to the Consumer Price Index.

13. Curtailment Frequency, Forecasting, Costs

This Section responds to the questions presented in Section 5.13 of the ACR[13] and describe SDCP's strategies and experience so far in managing SDCP's exposure to negative

[13] ACR at 27-28.

pricing events, overgeneration, and economic curtailment for SDCP's region and portfolio of renewable resources.

13.1. Factors Having the Most Impact on the Projected Increases in Incidences of Overgeneration and Negative Market Price Hours

SDCP continues to learn a great deal about the California energy market, including information and considerations related to energy curtailment, potential cost impacts, contracting considerations, and other concerns. The following represents SDCP's understanding of this topic, which may impact future procurement processes.

Due in large part to the rapid increase in the amount of wind and solar generating facilities that have been brought online throughout the western United States, the California Independent System Operator's ("CAISO") balancing authority area has experienced an increasing frequency and magnitude of curtailment and negative pricing events. As of the end of 2018, California had over 11,100 MW of solar, 7,900 MW of behind-the-meter solar, and 5,800 MW of wind. This increased capacity results in discrete periods where the majority of load in the CAISO is served by solar and wind resources. The monthly maximum load served by wind and solar in the CAISO has averaged 55.9 percent over the past 3 years (April 2017 to April 2020), and in April of 2020 the monthly maximum load exceeded 69 percent.[14] To address the resulting instances of over-supply, the amount of curtailment of wind and solar in the CAISO has significantly increased each year, totaling 187,000 MWh in 2015, 308,000 MWh in 2016, 358,000 MWh in 2017, 461,000 MWh in 2018, and 961,000 MWh in 2019.[15] As of the end of April, the total curtailment of solar and wind to date in 2020 is already over 792,000 MWh.

[14] CAISO, Monthly Renewables Performance Report, April 2020, *available at* http://www.caiso.com/Documents/MonthlyRenewablesPerformanceReport-Apr2020.html.
[15] CAISO, Managing Oversupply, Wind and Solar Curtailment Totals, updated May 5, 2020, *available at* http://www.caiso.com/informed/Pages/ManagingOversupply.aspx.

Curtailment is typically the highest during the months of March, April, and May when hydroelectric generation is historically at its highest. Due to the above-average snowpack in the past few years, the impact of hydroelectric generation on curtailment has been exacerbated.

13.2. Written Description of Quantitative Analysis of Forecast of the Number of Hours Per Year of Negative Market Pricing for the Next 10 Years

SDCP is a new CCA organization, which has yet to commence operations and has not yet completed a 10-year negative pricing analysis. Based on SDCP's initial contracting efforts, it will determine whether such analysis will be instructive in understanding potential issues (directly related to its renewable energy contracts) that may occur due to instances of negative pricing. At this time, however, the completion of such an analysis is premature and not deemed necessary.

13.3. Experience, to Date, With Managing Exposure to Negative Market Prices and/or Lessons Learned from Other Retail Sellers in California

SDCP is a new CCA organization, which has yet to commence operations. As such, SDCP has no experience managing exposure to negative price risk but understands that it should pay close attention to historical nodal energy prices at/near areas where prospective renewable generating facilities may be located. Gathering such information should facilitate an improved understanding of the frequency and significance of instances involving negative pricing and may influence project rankings within SDCP-administered solicitation processes. SDCP understands that negative pricing is more prevalent in certain geographic regions throughout the state, so contracting with generating resources located within or adjacent to such areas may expose the organization to higher-than-expected renewable energy/compliance costs. SDCP has also learned that certain contract structures, including "index plus" pricing arrangements, may substantially minimize the financial impacts related to negative pricing. During its upcoming

solicitation process, SDCP will evaluate negative pricing history, as needed, for project opportunities that may expose the organization to such risks.

13.4. Direct Costs Incurred, to Date, for Incidences of Overgeneration and Associated Negative Market Prices

SDCP is a new CCA organization, which has yet to commence operations. As such, it has not incurred direct costs related to negative pricing (for incidences of overgeneration).

13.5. An Overall Strategy for Managing the Overall Cost Impact of Increasing Incidences of Overgeneration and Negative Market Prices

While curtailment is a viable renewable integration strategy that is generally more cost-effective than other options, there are potential negative consequences from excessive curtailment. Curtailment of solar and wind represents a lost opportunity to generate zero GHG-emitting electricity, and excessive curtailment could impact the ability of the state to meet its environmental and energy policy goals. Additionally, these over-supply situations expose ratepayers to increased costs because their load serving entities must either economically curtail the generating resource (and often pay for the electricity that was not generated) or generate power and be exposed to negative prices. Because these conditions are largely driven by state policy, it is appropriate to consider macro-level mitigation measures through CAISO initiatives, Commission rulemakings, and possibly even legislation. There are a number of measures and policies that have already been implemented or are currently being pursued that will have significant impacts on curtailment in the future. This includes the expansion of the Energy Imbalance Market, improvements to the CAISO market design and structure, enhanced forecasting capabilities, time-of-use rates, improved EV charging functionalities, and smart deployment of distributed energy resources. The Commission's IRP proceeding will be an appropriate forum to measure the impact of these policies and the effect that they will have on

future curtailment. These new measures will need to be modeled and incorporated into forecasts of future curtailment.

14. Cost Quantification

As SDCP has yet to procure requisite renewable energy supply of its own, there is currently no information to report in the Cost Quantification Table, Appendix E. As such, and in consideration of direction provided by the Commission, SDCP has completed Appendix E, reflecting zero values due to the fact that contractual commitments for requisite renewable energy supply have yet to be obtained. SDCP will update such information in future RPS procurement planning documents when new data points become available.

15. Coordination with the IRP Proceeding

The resources identified in this RPS Procurement Plan are expected to be consistent with resources that will eventually be identified in SDCP's initial Integrated Resource Plan ("IRP"), which will be approved by SDCP's governing board and provided to the Commission for certification by September 1, 2020. As required by the ACR,[16] SDCP includes the following table that describes how SDCP's 2020 RPS Procurement Plan conforms with the determinations made in the IRP proceedings (R. 16-02-007 and R. 20-05-003). Due to the disparate timelines associated with RPS Procurement Plan and IRP submittal, SDCP is not yet prepared to address the items/topics identified below. As further progress is made in developing SDCP's IRP, additional detail will be available – the timeline of informational availability related to SDCP's IRP will be closely aligned with the IRP's submittal due date on September 1, 2020.

IRP Section Subsection	RPS Alignment in IRP

[16] ACR at 30-33.

III. Study Results **A. Preferred and Conforming Portfolios**	Retail sellers should explain how the RPS resources they plan to procure, outlined in their RPS Plan, will align with each portfolio to be developed in their IRP. In addition to the list of the IRP portfolios developed and portfolio descriptions submitted for Commission approval and certification in 2020 IRP Plans, this should include:	
	1. Existing RPS resources that the retail seller owns or contracts.	SDCP has yet to complete its initial renewable energy contracting efforts and, therefore, has no information to report.
	2. Existing RPS resources that the retail seller plans to contract with in the future.	SDCP has formed a new CCA organization, which has yet to commence operations. SDCP expects to participate in its initial renewable energy solicitation in early 2021 and will gather information regarding prospective renewable energy contracting opportunities during that process, but it has yet to develop projections/ predictions regarding the resources it plans to contract with in the future.
	3. New RPS resources that the retail seller plans to invest in.	SDCP has formed a new CCA organization, which has yet to commence operations. Until SDCP successfully launches its CCA program and demonstrates a successful track record during early-stage operations, including the accrual of prudent financial reserves, it would be premature to speculate on future resource investments.
IV. Action Plan **A. Proposed Activities**	Retail sellers should describe how they propose to use RPS resources to implement their Preferred Portfolio. Narratives should include:	
	1. Proposed RPS procurement activities as required by Commission decision or mandated procurement.	SDCP expects to participate in its initial renewable energy solicitation in early 2021. Based on the outcome of this process, SDCP will determine the process(es) required to fulfill future renewable energy procurement requirements.
	2. Description of RPS resources identified in the Study Results section	SDCP has yet to complete its initial renewable energy contracting efforts and, therefore, has no information to report.

	that correspond to proposed activities.	
	3. Procurement plans, potential barriers, and resource viability for each new RPS resource identified.	SDCP expects to participate in its initial solicitation for renewable energy in early 2020. Based on the outcome of this process, SDCP will determine the process(es) required to fulfill future renewable energy procurement requirements.
IV. Action Plan B. Procurement Activities	The retail seller should describe the solicitation strategies for the RPS resources that will be included in their Preferred Portfolio. This description should include:	
	1. The type of solicitation.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet considered the solicitation types that may be needed to fulfill its Preferred Portfolio.
	2. The timeline for each solicitation.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet considered the solicitation timelines that may be required to fulfill its Preferred Portfolio.
	3. Desired online dates.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet considered the desired online dates that may be needed to fulfill its Preferred Portfolio.
	4. Other relevant procurement planning information, such as solicitation goals and objectives.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has no further procurement planning information to add until the development of such IRP is closer to completion.
IV. Action Plan C. Potential Barriers	Retail sellers should provide a summary of the barriers that will be identified in their Preferred Portfolio as they relate to RPS resources. The section should include:	
	1. Key market, regulatory, financial, or other resource viability barriers or risks associated with the RPS resources	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet completed an evaluation of RPS resources that are expected to come online in its Preferred Portfolio.

	coming online in retail sellers' Preferred Portfolios.	
	2. Key risks associated with the potential retirement of existing RPS resources on which the retail seller intends to rely in the future.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet completed its initial renewable energy contracting efforts. As such, SDCP is not prepared to address this item until additional work has been completed.

Dated: July 5, 2020

Respectfully submitted,

/s/ Cody Hooven

Cody Hooven
Interim Executive Officer
San Diego Community Power
1200 Third Street, 18th Floor
San Diego, CA 92101
(858) 492-6005
CHooven@sandiego.gov

Appendix A

Redline Version of the 2020 Renewables Portfolio Standard Procurement Plan of San Diego Community Power

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program~~.~~	Rulemaking 18-07-003 (Filed July 12, 2018)

2020 ~~INITIAL~~ DRAFT ~~-~~RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF SAN DIEGO COMMUNITY POWER

Cody Hooven
Interim Executive Officer
San Diego Community Power
1200 Third Street, 18th Floor
San Diego, CA 92101~~23~~
(858) 492-6005~~(619) 236-6563~~

CHooven@sandiego.gov

Dated: July 5~~March 27~~, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	Rulemaking 18-07-003 (Filed July 12, 2018)

2020 ~~INITIAL~~ DRAFT RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN OF SAN DIEGO COMMUNITY POWER

In accordance with the California Public Utilities Commission's ("Commission") ~~April 19, 2019~~ May 6, 2020 *Assigned ~~Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2020 2019 Renewables Portfolio Standard Procurement Plans* ("ACR"), the May 5, 2019 *Administrative Law Judge's Ruling Modifying Schedule and Decision 19-12-042 (D. 19-12-042)*~~, and the May 13, 2020 *E-Mail Ruling Modifying Schedule of Review for 2020 RPS Procurement Plans Issued in the May 6, 2020 RPS Plan Ruling* ~~dated December 19, 2019~~, San Diego Community Power ("SDCP") hereby submits its 2020 ~~Initial~~ Renewables Portfolio Standard Procurement Plan ("RPS Procurement Plan"). As directed by the ACR ~~and pertinent elements of D. 19-12-042~~, this RPS Procurement Plan includes responses to the issues listed ~~expressed~~ in sections 5.1-5.~~13~~15 of the ACR and other requested information related to SDCP's planned compliance with California's RPS Program.

SDCP notes that certain issues and requests in these ACR sections apply to the other retail sellers (electrical corporations and electric service providers)~~,~~ and do not extend to Community Choice Aggregators ("CCAs"). SDCP is nevertheless voluntarily responding to these ACR sections in the interest of transparency and ~~in order~~ to collaborate with the Commission. The submission of this RPS Procurement Plan pursuant to the ACR, however, should not be

construed as a waiver of the right to assert that components of Senate Bill ("SB") 350, or Commission decisions and rulings on RPS Procurement Plan submittals, do not extend to CCAs, and SDCP reserves the right to challenge any such assertion of jurisdiction over these matters.

In reviewing this RPS Procurement Plan, SDCP encourages the Commission to consider the considerable differences between California's investor-owned utilities ("IOUs") and other retail sellers, including CCAs – differing levels of detail, procedure, complexity, and coordination are ~~likely very~~ appropriate within the planning documents submitted by small, medium, and large organizations; and where the Commission may be inclined to identify informational deficiencies in certain areas (based on inevitable differences between content provided in the RPS Procurement Plans of California's IOUs and ~~smaller~~ CCA programs), SDCP encourages the Commission to consider the inappropriateness of a "one size fits most/all" approach in managing widely varying RPS planning and procurement obligations. While there may be some commonalities amongst planning and procurement practices reflected in the various RPS Procurement Plans submitted through this process, it seems reasonable to assume that noteworthy differences may be prevalent, particularly when considering plans submitted by the IOUs and other retail sellers.

With regard to understanding the consequences of compliance shortfalls, SDCP is appreciative of both direct (*e.g.*, financial penalties and findings of non-compliance) and indirect impacts (*e.g.*, reputational damage that might accrue to participating communities or CCA organizations, generally) associated with such deficiencies and have chosen to pursue risk mitigation measures that are considerate of SDCP's aversion to such risks as well as the related administrative complexity, cost and rigor that were deemed appropriate to achieve the desired level of mitigation, particularly during pre-

launch and early-stage program operation. Since undertaking CCA implementation activities and early-stage planning efforts focused on renewable energy procurement, the completion of elaborate risk analyses and/or costly studies have not been considered necessary or desirable by SDCP, but if SDCP makes a different determination in the future, it will act in accordance with direction supported by its executive leadership and g~~G~~overning b~~B~~oard. For now, SDCP has elected to pursue risk mitigation measures that are focused on: 1) the identification of highly qualified renewable energy suppliers; 2) an initial renewable energy procurement target that commences at 50 percent~~%~~ and increases over time; and 3) the eventual pursuit of contract structures that minimize the risk of delivery shortfalls by providing SDCP with financial protections which generally offset the impacts of financial penalties (prescribed under the RPS Program) in the event of non- or under-delivery. ~~-~~

1. ~~Summary of Key Updates~~ Major Changes to RPS Plan

This Section describes the most significant changes between SDCP's Initial RPS Procurement Plan and its 2020 RPS Procurement Plan as filed on June 29, 2020. A redline of this 2020 RPS Procurement Plan against SDCP's 2020 Initial RPS Procurement Plan is included as Appendix A. The table below provides a list of key differences between ~~the~~SDCP's Initial RPS Procurement Plan and 2020 RPS Procurement Plan:

Plan Reference	Plan Section	Summary/Justification of Change
2020 RPS Procurement Plan: Introduction	Introduction	Updated to note important distinctions between the ~~early-stage~~ planning ~~and current planning~~ processes undertaken by SDCP and other retail sellers, particularly California's IOUs.~~,~~ Encourages the

		Commission to consider the appropriateness of a "one-size-fits-all" approach to RPS planning and procurement requirements, given the differences between large IOUs and CCAs.
2020 RPS Procurement Plan: Section 2	Executive Summary	Addition of Member Agency cities' GHG reduction goals through their respective Climate Action Plans.
2020 RPS Procurement Plan: Section 3	Summary of Legislative Compliance	Updated to incorporate details on how SDCP's planned procurement meets the requirements of SB 350 and SB 100, as described further in Sections 7, 8 and 9. Adds it has not contracted with any biomass facilities per SB 901.
2020 RPS Procurement Plan: Section 4	Assessment of RPS Portfolio Supplies and Demand	Updated to include discussion ~~with The Clean Energy Alliance (CEA)~~ regarding ~~a joint procurement process,~~ SDCP's ~~intention to proceed with~~ a long-term renewable energy solicitation (issued on June 29, 2020) ~~with or without CEA~~, and SDCP's participation in SDG&E's recent renewable energy RFP. Added SDCP~~s~~'s early-stage RPS procurement target of minimum 50 percent at launch. Added consideration of purchase from retail sellers, sales solicitations, should there be surplus, and optimizing existing procurement.
2020 RPS Procurement Plan: Section 5	Project Development Status Update	Added narrative describing how SDCP's procurement planning is on track to meet the RPS requirements as well as system reliability through portfolio diversity ad alignment with SDCP's load curve.
2020 RPS Procurement Plan: Section 8	Renewable Net Short Calculation	Explains there have been no risk-related adjustments to the expected renewable quantities in Appendix C, but will make the appropriate

		adjustments if needed in the future.
2020 RPS Procurement Plan: Section 10	Bid Solicitation Protocol	Updated to include discussion of potential (future) joint solicitations ~~discussion~~ with CEA (or other CCA organizations). Enumerates the variety of considerations SDCP will include in its evaluative process including prioritization of local preferences and interests.
2020 RPS Procurement Plan: Section 11	Safety Considerations	Addresses specific categories of safety considerations.
2020 RPS Procurement Plan: Section 13	Curtailment Frequency, Forecasting, Costs	Expanded on existing discussion to include SDCP's intent to evaluate "index plus" pricing and negative pricing history when planning its upcoming portfolio procurement.
2020 RPS Procurement Plan: Section 15	Coordination with the IRP Proceeding	Completed table identifying how RPS and IRP alignment details are yet developed, as SDCP is a new CCA program.

Since SDCP's submittal of its Initial RPS Procurement Plan, which occurred on March 27, 2020, ~~SDCP's CCA~~ planning and implementation activities remain in process, targeting CCA service commencement in March 2021. As indicated in its Community Choice Aggregation Plan and Statement of Intent ("CCA Implementation Plan"), which was electronically served on all parties of record in proceedings R. 17-09-020, R. 16-02-007, and R. 03-10-003 on December 9, 2019 and subsequently certified by the Commission on March 9, 2020, SDCP ~~originally planned to initiate CCA customer service during the month of March 2021, providing~~plans to provide electric generation service to approximately 696,000 service accounts located within the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego (the "Member Agencies"), which are expected to consume approximately 7,100 GWh per

year. ~~The timing of such service initiation and related customer phase-in plan is now undergoing subsequent evaluation and may be revised in consideration of ongoing planning discussions with San Diego Gas & Electric company ("SDG&E"), the incumbent investor owned utility currently serving electric accounts located within the Member Agencies, as well as other internal analysis focused on the optimization of SDCP's launch. SDCP suspects that any modification to the service commencement schedule described in its CCA Implementation Plan would likely result in a three- to four-month deferral in the aforementioned launch date.~~ With this ~~potentially evolving~~ timeline in mind, SDCP has ramped up planning and procurement efforts related to its upcoming renewable energy needs. In particular, SDCP timely submitted offers under San Diego Gas & Electric's ("SDG&E") 2020 Request for Proposal ("RFP") for the Sale of Renewable Energy Products, which was issued on May 29, 2020. If such offers are accepted, anticipated deliveries would address portions of SDCP's near-term and ongoing renewable energy requirements. According to SDG&E's RFP schedule, short-list notifications are expected on July 20, 2020. SDCP has also engaged in coordinative planning discussions with the Clean Energy Alliance ("CEA"), a neighboring CCA program located in the San~~d~~ Diego region, to pursue the administration of a joint solicitation for long-term RPS-eligible renewable energy supply. After further coordinative discussions with CEA, however, each CCA decided to proceed with independent solicitation administration at this point in time. SDCP's ~~As drafted, this~~ solicitation ~~would be~~ was issued on~~/around~~ June 29, 2020 and ~~would be~~ is expected to address significant portions of SDCP's long-term renewable energy requirements; related proposals are due on July 24, 2020 with proposal evaluation, short-list selection, contract negotiation and contract execution expected in late 2020 or early 2021.~~.~~ ~~It is worth noting that interagency discussions regarding joint issuance of the aforementioned RFP remain ongoing, and in the event~~

~~that SDCP and CEA are unable to move forward in a coordinated manner, SDCP expects to issue its own, independently administered solicitation for long-term RPS-eligible supply on or shortly after June 29, 2020. Offers to this solicitation process would be due in mid-to-late July with proposal evaluation, short-list selection, contract negotiation and contract execution expected in late 2020 or early 2021.~~ Following completion of this upcoming solicitation process, SDCP will reevaluate anticipated renewable energy open positions and expects to release other solicitations in the future to address such positions.

It is worth noting that interagency discussions regarding joint issuance of ~~the aforementioned~~ future solicitations are expected to~~RFP~~ remain ongoing, and in the event that SDCP and CEA are able to identify suitable opportunities for joint renewable solicitations administration (in the future), the CCAs will accordingly update the Commission in a subsequent RPS Procurement Plan. ~~unable to move forward in a coordinated manner~~, SDCP expects to issue its own, independently administered solicitation for long-term RPS-eligible supply on or shortly after June 29, 2020. Offers to this solicitation process would be due in mid-to-late July with proposal evaluation, short-list selection, contract negotiation and contract execution expected in late 2020 or early 2021.

SDCP also continues to evaluate key elements of the RPS Program and related planning implications, including the need to establish an appropriate margin of over procurement for necessary renewable energy supply, specifications to be included in ~~an upcoming~~future solicitations for requisite long-term renewable energy supply, the manner in which project development and performance risk will be assessed during SDCP's renewable energy procurement efforts, and various other considerations related to the RPS Program. As reflected in its CCA Implementation Plan, SDCP intends to meaningfully exceed statewide RPS

procurement mandates, supplying a minimum 50 percent renewable energy to all participating customers (with a 100 percent renewable service offering available on a voluntary basis), which should provide an ample margin of over procurement (relative to statewide procurement mandates) during the ~~first several~~initial years of program operations. Thereafter, SDCP intends to gradually increase overall RPS procurement in consideration of California's 60 percent~~%~~ mandate in 2030. During its renewable energy procurement efforts, SDCP intends to focus exclusively on Portfolio Content Category ("PCC") 1 and 2 product types (with a strong bias for PCC1 products). This considerable commitment to renewable energy procurement during early-stage CCA operations will result in meaningful planning reserves in the event that contracted renewable energy purchases are not fulfilled as expected.

Since submitting its CCA Implementation Plan, SDCP has also engaged SDG&E, the incumbent investor-owned utility ~~which~~ that currently provides electric service to customers located within the Member Agencies' jurisdictions, in planning discussions to confirm the timing of anticipated CCA service commencement, discuss potential bilateral procurement opportunities focused on renewable energy and resource~~s~~ adequacy capacity, and engage in ~~as well as~~ other coordinative activities that must be completed prior to launch. ~~The most recent meeting between SDCP and SDG&E occurred on March 23, 2020. During subsequent planning discussions, SDCP hopes to reach consensus with SDG&E regarding its intended CCA launch date to avoid planning uncertainty that would otherwise impact the development of a credible schedule for requisite activities that must be completed to ensure compliance with California's RPS Program. To the extent that any scheduling delays are imposed, SDCP may adapt the pace at which it pursues renewable energy supplies, as SDCP needs to avoid making meaningful contractual commitments until it has a definitive schedule related to the timing of service initiation and~~

~~customer revenue receipt(s). For the time being, and in consideration of its originally intended launch date of March 2021,~~ In the months leading up to its CCA program launch, SDCP plans to observe the following schedule of activities~~,~~ related to its upcoming RFP for long-term, RPS-eligible renewable energy supply~~which is subject to change, that will be necessary to promote early stage compliance with California's RPS Program, including requisite long-term contracting requirements~~: 1) Early Q2 2020 – finalization of anticipated long-term renewable energy requirements; 2) June 2020 – finalization of solicitation requirements and schedule, inclusive of any resource-related specifications, supplier qualifications and evaluation criteria; 3) Late June/Early July 2020 – release of long-term renewable energy solicitation; 4) Late July 2020 – receipt of RFP responses; 5) Late July through mid-August 2020 – evaluation of RFP responses; 6) Mid-August 2020 – finalization of response evaluation and short-list selection; 7) Mid-August 2020 – identification of preferred supplier(s) and commencement of contract negotiations; 8) Q4 2020/Q1 2021 – finalization of contract negotiations and contract execution; and 9) Late Q1/Q2 2021 – commencement of initial deliveries under executed long-term renewable supply contract(s).

~~1) Early Q2 2020 – finalization of anticipated long-term renewable energy requirements, inclusive of an SDCP-approved margin of over-procurement, if deemed necessary (relative to SDCP's intended plan to initially offer a minimum 50 percent renewable energy as part of its default service option); 2) Mid Q2 2020 – finalization of solicitation requirements and schedule, inclusive of any resource-related specifications, supplier qualifications and evaluation criteria; 3) Late Q2 2020 – release of long-term renewable energy solicitation; 4) Early Q3 2020 – receipt of renewable energy proposals, evaluation of responses and short-list selection; 5) Mid Q3 2020 – commencement of contract negotiations with short-listed supplier(s); 6) Q4 2020 – finalization~~

~~of contract negotiations and contract execution; and 7) Q1/Q2 2021 – commencement of initial deliveries under executed long-term renewable supply contract(s).~~

In the meantime, SDCP will continue evaluating ~~and solidifying~~ pertinent renewable energy planning activities, including the need to establish an appropriate margin of over procurement (which may not be deemed necessary during early-stage operations, as SDCP intends to offer a minimum 50 percent renewable energy mix within its default service option), ~~specifications to be included in an upcoming solicitation for requisite long-term renewable energy supply,~~ the manner in which project development and performance risk will be assessed during SDCP's renewable energy procurement efforts and potential opportunities for coordinated procurement with neighboring CCA organizations. ~~, quantification of short-term renewable energy requirements that will be needed to support early-stage CCA operations and various other considerations related to the RPS Program.~~

As noted, SDCP ~~also intends to~~ engaged SDG&E in coordinative discussions focused on prospective renewable energy procurement opportunities. During such conversations, SDCP expressed that bilateral contract discussions were necessary and appropriate in light of the fact that SDG&E's likely renewable energy surplus would be caused by departure of the very customers for which such renewable energy was initially procured. Because many of these customers are expected to receive CCA service from SDCP, it ~~seemed~~ is reasonable (~~to SDCP's leadership)~~ to pursue discussions with SDG&E focused on bilateral contracting opportunities that could result in the procurement (by SDCP) of certain renewable energy quantities that would no longer be needed by SDG&E for RPS compliance following enrollment of SDCP customers. Such discussions were short lived, as SDG&E indicated its intent to administer a broadly cast solicitation process rather than pursue bilateral procurement arrangements with SDCP. – ~~to the~~

~~extent that such opportunities exist, there may be mutual benefits in identifying above-RPS renewable energy quantities that may be available for purchase from SDG&E. Because such discussions are not yet fully developed, it is difficult to know for certain if such an opportunity will materially impact SDCP's renewable energy procurement plans – to the extent that such discussions evolve in a positive manner, SDCP will update the Commission in a subsequent RPS Procurement Plan.~~

SDCP is also aware of the current, worldwide COVID-19 pandemic, and its impact to "business as usual", including potential impacts to requisite renewable energy procurement activities. As the Commission is aware, successful renewable energy markets depend upon international supply chains, substantial labor commitments, robust financial markets, timely interactions with governmental planning authorities and various other considerations. With the numerous disruptions caused by the current pandemic, it is ~~incredibly challenging~~difficult ~~-~~to determine if, and to what extent, renewable energy procurement opportunities may be compromised, particularly new-build renewable energy projects which typically rely on long-term contracts as the basis for project financing. SDCP intends to closely monitor this situation as well as potential fallout related to supplier/developer effectiveness in fulfilling mandated renewable energy needs, project completion and overall supplier viability. It seems reasonable to anticipate consequences, and SDCP encourages the Commission to closely monitor and potentially reconsider certain elements of the RPS Program as this situation evolves, particularly if there are widespread, well-documented challenges as California retail sellers attempt to fulfill pertinent procurement requirements. SDCP also encourages the Commission to coordinate closely with the legislature to evaluate potential adaptations to the RPS Program, which may become necessary if renewable energy markets are materially impacted by the pandemic. In the

meantime, SDCP will remain hopeful that impacts to renewable energy markets will not compromise California's ability to reach its renewable energy procurement goals or SDCP's internally established renewable procurement goals, which exceed RPS mandates. Following administration of its upcoming long-term renewable energy solicitation ~~in Q2/Q3 2020~~, SDCP should have an improved understanding of the impacts to its planned renewable energy procurement efforts.

2. Executive Summary ~~– Summary of Key Issues~~

San Diego Community Power is a newly formed CCA program that will serve customers in the ~~City~~cities of San Diego, ~~City of~~ Encinitas, ~~City of~~ La Mesa, ~~City of~~ Chula Vista~~,~~ and ~~the City of~~ Imperial Beach ~~beginning~~ next year. SDCP was formed when these five ~~member cities~~Member Agencies ~~formed~~created a Joint Powers Authority, effective October 1, 2019.[1] SDCP subsequently submitted its CCA ~~The Commission certified SDCP's~~ Implementation Plan and Statement of Intent ("Implementation Plan"), which was certified by the Commission on March 9, 2020.[2] SDCP intends to begin serving customer load in March 2021.[3]

Reducing electric utility sector greenhouse gas ("GHG") emissions generated by residents and businesses was a ~~key~~ driving factor in the formation of SDCP. The City of San Diego adopted its Climate Action Plan ("CAP") in December 2015, which sets a goal for 100 percent renewable energy city-wide by 2035.[4] The City of Encinitas' CAP was adopted in 2018 with a goal to reduce emissions to 41 percent below 2012 levels by 2030. The City's establishment of a Community Choice Energy

[1] See *Joint Powers Agreement*, San Diego Regional Community Choice Energy Authority, October 1, 2019, available at https://www.sandiego.gov/sites/default/files/sdrccea_jpa_agreement_signed_0.pdf.

[2] See *Letter Certifying San Diego Community Power's Implementation Plan and Statement of Intent*, California Public Utilities Commission, March 9, 2020.

[3] See San Diego Community Power Community Choice Aggregation Implementation Plan and Statement of Intent, December 9, 2019, at 1.

[4] See *Climate Action Plan*, City of San Diego, December 2015, at 35, available at https://www.sandiego.gov/sites/default/files/final_july_2016_cap.pdf.

Program will have a significant impact on its emissions goals with a reduction of 43,644 MTCO2e - the most of all of its CAP's 19 GHG reduction strategies.[5] Similarly, the City of La Mesa adopted its CAP in March 2018 which set a goal to reduce emissions by 68,450 MTCO2e by 2035.[6] The City of Chula Vista adopted its CAP in September 2017. And it established a goal for up to 100 percent clean energy through the formation of a CCA program.[7] The City of Imperial Beach adopted a CAP in July 2019 which set a goal for 75 percent renewable energy by 2030.[8] The ~~member cities~~Member Agencies intend to achieve these goals collaboratively by ~~forming~~launching and operating SDCP to provide electric energy to ~~its residents~~residential, ~~businesses~~commercial ~~-~~and governmental electric accounts located within their communities.~~- agencies~~.

~~As this is SDCP's initial~~ first Draft ~~RPS Procurement Plan and CCA service commencement is not expected to occur for approximately 9-11 months~~As previously noted, SDCP has engaged in early-stage discussions focused on key considerations that are expected to impact its ability to successfully achieve compliance with California's RPS procurement mandate. ~~In particular~~At launch, SDCP's g~~G~~overning b~~B~~oard is intent on offering a minimum 50 percent~~% -~~ renewable energy supply portfolio to all participating customers with a 100 percent~~%~~ renewable retail service option available on a voluntary basis. ~~staff and external advisors are considering the eventual level of renewable energy procurement that will be pursued by SDCP, including pertinent planning reserves.~~ Initial discussions and analyses suggest that SDCP's anticipated level of overall renewable energy procurement during early-stage operations,

[5] See *Climate Action Plan,* City of Encinitas, January 2018, at 3-2, available at https://encinitasca.gov/ClimateAction/Encinitas_ClimateActionPlan_Final_01-17-18

[6] See *Climate Action Plan,* City of La Mesa, March 13, 2018, at 45, available at https://www.cityoflamesa.us/DocumentCenter/View/11008/LMCAP_CC03132018.

[7] See *Climate Action Plan*, City of Chula Vista, September 2017, at 20, available at https://www.chulavistaca.gov/home/showdocument?id=15586.

[8] See *Local Coastal Program Resilient Imperial Beach Climate Action Plan*, City of Imperial Beach, July 17, 2019, at 31, available at https://www.imperialbeachca.gov/ApprovedClimateActionPlan2019.

which is expected to exceed 50 percent of total retail sales (based on assumed participation in SDCP's minimum 50 percent% ~~percent~~ renewable default service option as well as its optional 100 percent% ~~percent~~ renewable service option – the latter service option ~~, which~~ is expected to somewhat increase overall renewable energy procurement by the CCA program), would provide adequate "cushion" in meeting applicable compliance mandates, should expected renewable energy deliveries fall short of projections. For example, if SDCP expects total retail sales to approximate ~~5,657~~6,906 GWh in 2023~~2~~, SDCP would plan to procure the required 2,849 GWh of RPS-eligible renewable energy (or 41.3 percent of retail sales), plus an additional 7~~64~~42 GWh of RPS-eligible renewable energy (1~~3.5~~1 percent% ~~percent~~ of retail sales) to meet its independently adopted renewable energy target of 52 percent in that year. The noted 11 percent "surplus" serves as an effective planning reserve (against compliance deficiencies), protecting against renewable energy delivery shortfalls in that year. ~~5,6576,906 GWh; this quantity of renewable energy would be in excess of the anticipated interim annual procurement target related to California's RPS, which is estimated to be 2,1782,849 GWh, or 38.541.3% percent of total projected retail sales in 20232) to protect against renewable energy delivery shortfalls in that year.~~ SDCP believes that the noted margin of over-procurement is likely larger than a recommended margin of over-procurement that might be derived from use a quantitative risk model. This approach would provide SDCP with a significant surplus (11 percent% in 2023, as noted above), relative to statewide mandates, virtually eliminating the possibility of compliance shortfalls during the first several years of program operations. SDCP also acknowledges that its renewable energy targets and, if necessary, related planning reserves ~~such a margin~~ could be periodically evaluated and adjusted by its g~~G~~overning b~~B~~oard – such a determination could be~~, if necessary,~~ based on the manner in which actual renewable energy purchases/deliveries relate to

applicable mandates and internally adopted targets, renewable product availability, budgetary impacts and/or various other considerations.

SDCP is also aware that renewable energy procurement activities must be timely completed to ensure the achievement of noted renewable energy targets and intends to begin coordinating such activities well in advance of service commencement, as noted above. These procurement activities will be focused on securing necessary short-term and long-term renewable energy supply, the latter of which will be intended to facilitate compliance with California's 65 percent ~~% percent~~ long-term contracting requirement, which takes effect in 2021 (the year of SDCP's planned launch). SDCP acknowledges that certain long-term renewable contracting opportunities may require substantial lead time, particularly opportunities related to new-build renewable generating facilities (which have yet to achieve commercial operation). As such, SDCP expects that one or more of its initial long-term renewable energy contracts may need to utilize existing or soon-to-be-operational renewable generating facilities to ensure timely compliance with applicable long-term procurement requirements. SDCP also intends to closely monitor prospective impacts of the current COVID-19 pandemic on renewable energy markets, particularly impacts to new-build renewables which may be heavily reliant on international supply chains to ensure timely completion. It is too early to determine the extent to which such effects will be experienced by SDCP and other buyers, but SDCP hopes to learn more during administration of its upcoming long-term renewable energy solicitation ~~(Q2/Q3 2020)~~. With time, SDCP remains optimistic that it will be able to facilitate a certain level of new renewable infrastructure buildout through its ongoing renewable energy contracting efforts and expects to confirm such expectations ~~suspicions~~ based on upcoming responses to its solicitation for long-term, RPS-eligible renewable energy supply.

During administration of its renewable energy solicitation activities, SDCP will gauge prospective supplier interest and potential concerns associated with new CCA programs and long-term supply commitments – the long-term contracting requirement and its lack of an "on ramp" for new retail sellers is expected to necessitate the execution of one or more long-term renewable energy supply commitments prior to CCA service commencement, and SDCP is prepared to take the necessary steps to secure such supply commitments as part of its resource planning and RPS compliance activities. ~~While the extent of potential challenges associated with this contracting requirement (for new retail sellers) is not yet clear, particularly when attempting to evaluate the quickly evolving economic impacts of the current pandemic, the State and its regulatory agencies should continue to monitor progress in this regard to avoid stymieing the creation and growth of new retail sellers should long-term contracting obligations for these organizations prove to be overly burdensome or unrealistic (until launch and early stage operations are successfully demonstrated and general economic stability has improved).~~

As part of its ongoing planning process, SDCP is also considering the manner in which renewable energy compliance risks will be assessed and recently adopted a formal Energy Risk Management Policy ("ERM Policy")[9] at the regularly scheduled, ~~duly noticed~~ meeting of its g~~G~~overning b~~B~~oard on June 25, 2020. The ERM Policy addresses various types of ~~such~~ risk and establishes related oversight in managing SDCP's various portfolio positions, control procedures and delegations of authority (related to the procurement of various energy and capacity products). SDCP's ERM Policy also necessitates formation of a Risk Oversight Committee ("ROC"), which is expected to meet on a regular basis to monitor SDCP's procurement efforts, open positions, counterparty credit exposure and other concerns. Staff will provide SDCP's

[9] See *San Diego Community Power Energy Risk Management Policy*, June 25, 2020.

ROC with various deal tracking and position reports to keep program management apprised of ongoing progress in meeting statewide compliance mandates and SDCP's internally adopted renewable planning targets, which exceed statewide mandates.

Initial discussion amongst SDCP's chief executive officer, Finance and Risk Management Committee (another SDCP committee intended to monitor program finances and risk) and technical advisors ~~feedback~~ suggests that managing ~~such~~ early-stage compliance risk is dependent upon the identification and selection of highly experienced and financially viable sellers during the administration of renewable energy solicitation processes. At this point, a quantitative risk assessment, using a specific model or formal study, does not appear to be necessary as part of SDCP's risk management process but may become necessary in the future, depending upon the renewable energy procurement opportunities that ~~happen to be~~are identified through SDCP's upcoming renewable energy solicitation and other future solicitations. As SDCP commences CCA program operations, it will carefully monitor the performance of selected renewable energy suppliers relative to projected RPS requirements and will augment procurement efforts should actual renewable deliveries fall below projections. Based on SDCP's minimum 50 percent~~%~~ renewable procurement target, the organization could ~~seemingly~~ suffer significant delivery shortfalls while still satisfying statewide compliance mandates. ~~SDCP plans to adopt its Energy Risk Management policy in early Q3 2020.~~

~~With regard to Least Cost Best Fit, or "LCBF", SDCP will initiate in its initial renewable energy procurement process in 2020 and intends to consider a variety of factors when evaluating prospective supply opportunities, balancing pricing considerations with other important parameters such as supplier viability and financial strength, resource diversity, timing of expected deliveries and other items. Over time, SDCP expects that its interpretation of LCBF~~

~~may evolve as it considers the implementation and administration of complementary energy programs that may support the development of locally situated renewable energy resources, which may not necessarily be the least expensive options. Again, the evaluation of LCBF and other important concerns will quickly evolve during SDCP's implementation efforts and early stage operations.~~

At this point in time, SDCP is keenly aware of applicable RPS procurement mandates, including the long-term renewable contracting requirement, and is working to ensure that such mandates can be timely and cost effectively satisfied by its CCA Program.

3. Summary of ~~Recent Legislative and/or Regulatory Changes~~ Legislative Compliance

This RPS Procurement Plan addresses the requirements of all relevant legislation and the Commission's regulatory framework. This Section describes the relevant statutory and regulatory requirements and how this RPS Procurement Plan demonstrates that SDCP will meet~~s~~ ~~these~~such requirements.

Senate Bill ("SB") 350 (stats. 2015) was signed by the Governor on October 7, 2015. SB 350 set a new RPS procurement target of 50 percent by December 31, 2030. On December 20, 2016, the Commission issued D. 16-12-040, which partially implemented the increased targets of SB 350 by establishing new compliance periods and procurement quantity requirements. On July 5, 2017, the Commission issued D. 17-06-026, which implemented some of the key remaining elements of SB 350, including adopting new minimum procurement requirements for long-term contracts and owned resources, as well as revising the excess procurement rules.

SB 100 was signed by the Governor on September 10, 2018 and became effective on January 1, 2019. SB 100 increased the RPS procurement requirements to 44 percent by

December 31, 2024, 52 percent by December 31, 2027, and 60 percent by December 31, 2030. On June 6, 2018, the Commission issued D. 18-05-026, which implemented changes made by SB 350 to the RPS waiver process and reaffirmed the existing RPS penalty scheme. In July of 2018, the Commission instituted Rulemaking 18-07-003 to continue the implementation of the RPS program. On May 28, 2019, the Commission issued a proposed decision that would continue to use a straight-line method to calculate compliance period procurement quantity requirements.

The current RPS procurement targets are incorporated into SDCP's Renewable Net Short Calculation Table as described in Section 8 below and attached as Appendix C. SDCP's ~~current and~~ planned procurement, as reflected in SDCP's Renewable Net Short Calculation Table and described in Sections 4 and 5, is expected to ~~sufficient to~~ exceed ~~these targets~~pertinent RPS procurement mandates, including a minimum margin of over-procurement based on SDCP's risk assessment, as further described in Sections 7 and 9. SDCP ~~is~~ also ~~positioned~~expects to ~~exceed the~~meet California's SB 350 long-term procurement requirement, as described in Sections 5 and 7, through the administration of upcoming solicitation processes.

SB 901, signed by Governor Brown on September 21, 2018, added Public Utilities Code section 8388, which requires any ~~investor-owned utility~~IOU, publicly owned electric utility, or CCA with a biomass contract meeting certain requirements to seek to amend the contract to extend the expiration date to be five years later than the expiration date that was operative as of 2018. SDCP has yet to execute its first renewable energy supply agreement and, as such, SDCP does not have a contract with a biomass facility that is covered by Public Utilities Code section 8388.

4. Assessment of RPS Portfolio Supplies and Demand ~~(5.1)~~

4.A. Portfolio Supply and Demand

As previously noted~~As indicated in its CCA Implementation Plan~~, SDCP ~~plans~~ expects to initiate customer service in March 2021. ~~, subject to confirmation during upcoming discussions with SDG&E and ongoing internal analyses focused on the optimization of CCA launch.~~ SDCP~~'s CCA Implementation Plan indicates its intent~~intends to serve approximately 696,000 service accounts, which are expected to consume about 7,100 GWh ~~gigawatt hours~~ per year following the completion of all customer enrollment activities. Having quantified its early-stage RPS procurement targets (minimum 50 percent~~%~~ at launch, as previously noted), SDCP initiated the process of developing its initial long-term renewable energy solicitation in May 2020. This prospective solicitation was recently introduced to SDCP's g~~G~~overning b~~B~~oard ~~(~~at its regularly scheduled, ~~duly noticed~~ public meeting on June 25, 2020~~)~~, including staff's recommendation to pursue a jointly administered solicitation with SDCP's neighboring CCA program, the Clean Energy Alliance ("CEA"). ~~The logistics of this process are under discussion, and SDCP intends to issue such a solicitation regardless of whether interagency coordination occurs. The target date for the issuance of this solicitation is June 29, 2020, but this may be adjusted by a week or two, depending on the approach that's undertaken by SDCP (independent or joint solicitation administration).~~ Following administration of its ~~this~~ solicitation, SDCP expects to gain considerable insight regarding prospective long-term renewable energy contracting opportunities that may be available to facilitate achievement of its renewable energy planning goals. SDCP also expects to secure one or more long-term renewable supply commitments through this process with contract execution anticipated in late 2020 or early 2021.

SDCP also participated in SDG&E's recent (May 29, 2020) RFP for renewable energy and expects to receive feedback regarding the offers it submitted in mid-July 2020 (per

SDG&E's solicitation schedule, short-list notification is to occur on July 20, 2020). Depending upon SDCP's success in this process, it may engage in additional solicitation efforts for short- and long-term renewable energy supply before it commences service in March 2021.

~~SDCP will soon commence the resource planning process that will be required to provide for requisite quantities of renewable energy as well as other energy and capacity products (and services) that will be needed to support SDCP's customers. Upcoming procurement efforts are expected to result in the execution of one or more renewable energy supply contracts that will contribute to SDCP's RPS compliance during early-stage and ongoing CCA operation. SDCP is aware of applicable RPS procurement mandates, including long-term renewable energy contracting obligations, that must be satisfied consistent with California Law. As such, SDCP will administer its planning and procurement processes to secure renewable energy supply that will fulfill stated compliance mandates, plus a reasonable planning reserve (also referred to as a margin of over-procurement).~~ Over time, SDCP expects to continue meeting pertinent RPS compliance obligations by entering into a variety of renewable energy supply agreements of varying term lengths and structures. The exact portfolio characteristics selected may vary depending on direction received from SDCP's governing board, renewable resource availability, procurement costs, legislative and policy changes, technological improvements, principles of resource diversity, preferences of the Member Agencies~~,~~ and/or other developments. To manage this future uncertainty, SDCP will regularly evaluate anticipated supply requirements in consideration of expected customer electricity usage and anticipated renewable energy deliveries; such information is expected to influence ~~and will structure its~~ future procurement efforts, which will attempt to balance customer usage with requisite resource commitments. SDCP is also aware of the need to promote the use of a diverse renewable resource portfolio, avoiding

overcommitting to certain generating technologies, suppliers, geographic regions, etc. Until SDCP completes its initial renewable solicitation, however, the organization must remain openminded and considerate of all possible supply options.

This ongoing examination of customer electricity usage and other market developments ~~will~~ should help reduce costs and assist in meeting planned procurement for the period reflected in this RPS Procurement Plan. SDCP notes that understanding customer electricity usage may be particularly challenging due to impacts stemming from the COVID-19 pandemic. Based on communications with other CCA programs, it appears there have been significant load reductions caused by the pandemic (in excess of 5 percent~~%~~ in many cases; such reductions relate to pre-pandemic electric energy usage and tend to vary by community in consideration of customer composition and other factors), but the extent to which such load reductions persist over time remains uncertain. For renewable energy planning purposes, SDCP has yet to adapt ~~(reduce)~~ its retail sales forecast to reflect such changes, which may endure well into the future. ~~—~~Changes in electricity usage ~~this situation will be~~ will be monitored over time with forecasting adjustments incorporated, if necessary, closer to the SDCP's expected launch. To the extent that retail sales fall below SDCP's expectations, it is likely that renewable energy content in the portfolio may be higher than necessary to achieve programmatic goals. In such cases, SDCP expects that it could: 1) sell excess renewable energy supply to interested buyers, thereby rebalancing its portfolio to align with desired renewable energy targets; or 2) retain excess renewable energy supply, providing customers with higher-than-promised renewable energy supply. Such decisions will be made following consultation with SDCP's g~~G~~overning b~~B~~oard and technical advisors.

SDCP is also attempting to gain an improved understanding of the prospective impacts

to its customer base associated with the upcoming reopening of California's direct access market ~~(~~in 2021~~)~~, but this understanding has been ~~somewhat~~ complicated by load variations caused by the pandemic. SDCP anticipates continuing this~~This~~ analysis in the months preceding CCA program launch ~~is ongoing~~ and may ~~result in~~incorporate ~~future~~ adjustments to ~~SDCP's~~ its load forecast and related renewable energy procurement plans based the results of its analysis. ~~on related results.~~ To the extent that ~~obligations, which would be expected to decrease if SDCP~~ load~~s~~ migrates to direct access providers, SDCP retail sales would likely fall – in theory, such a change would push SDCP's renewable energy content higher than planned unless surplus supply was sold to other market participants. To the extent that such adjustments are made, SDCP will reflect them in a subsequent RPS Procurement Plan. Through the ongoing evaluation of customer demand and other market developments, SDCP hopes to influence reduced overall costs while meeting planned procurement objectives for the period addressed in this RPS Procurement Plan.~~n.~~

~~**4.B. Alignment with Load Curves**~~

~~SDCP will procure renewable and other requisite energy products, as necessary, to ensure that the future energy needs of its customers are met in a reliable and cost-effective manner, based on then-current market conditions and consistent with applicable compliance mandates. SDCP, through its CCA Implementation Plan, has established initial procurement targets for requisite renewable energy supply, including subcategories for various renewable energy products, and has also established targets for related planning reserves as described elsewhere in this document. To the extent that SDCP's energy needs are not fulfilled through the use of renewable generating resources, it should be assumed that such supply will be sourced from carbon-free and/or conventional energy resources, such as hydroelectric or natural gas generating~~

~~technologies as well as system power purchases.~~

~~SDCP intends to utilize a portfolio risk management approach as part of its power purchasing program, seeking low cost supply (based on then-current market conditions) as well as diversity amongst technologies, production profiles, project sizes and locations, counterparties, lengths of contract, and timing of market purchases. While SDCP has yet to commence contracting efforts, it seems reasonable to assume that its initial supply portfolio may include a relatively small number of contracts which will grow in number over time, increasingly emphasizing the principles of resource and counterparty diversity as operational experience is gained and renewable energy requirements increase.~~

~~A key component of SDCP's early-stage planning process relates to the analysis and consideration of expected load obligations with the objective of closely balancing supply/demand, cost/rate stability and overall budgetary impacts. During pre-launch activities, this process primarily focuses on the compilation and analysis of historical customer data, as provided by SDG&E. Similar to most CCAs, SDCP expects that such historical data will not be a perfect predictor of future customer energy requirements, so it intends to actively monitor actual customer usage, relative to projections, over time, refining such forecasts as well as its ability to minimize variances between procured energy quantities and actual usage. SDCP also plans to maintain portfolio coverage targets of up to 100 percent (of expected customer energy requirements) in the near-term (0 to 5 years) but will likely leave larger open positions in the mid- to long-term, consistent with generally accepted industry practices.~~

~~At this point in time, SDCP has no explicit preference for specific renewable generating technologies and will consider all responses to its solicitations with the goal of assembling a diversified renewable energy supply portfolio over time that will deliver energy in a profile that~~

~~is generally consistent with SDCP's anticipated load shape. SDCP is also aware that use of intermittent renewable generating technologies has the potential to create occasional misalignments between customer energy consumption and related power production as well as the general quantity of renewable energy received from such projects.~~

4.A.1 Portfolio Optimization

SDCP's goal is to meet organizational policies and statewide mandates in a manner that is both cost effective and supportive of a well-balanced resource portfolio. Portfolio optimization strategies can help reduce costs and should facilitate alignment of SDCP's portfolio of resources with its forecasted load needs. To support this goal, SDCP considers the following strategies:

Joint Solicitations: Joint solicitations can expand the procurement opportunities available to a CCA, as well as potentially provide better contract terms and general administrative efficiencies. SDCP has engaged in coordinative discussions ~~is in the process of coordinating~~ with the Clean Energy Alliance regarding joint solicitation opportunities and may pursue such opportunities in the future (with CEA and/or other CCA programs).~~a jointly administered solicitation or long-term renewable energy supply and intends to continue pursuing such joint solicitation activities, as appropriate, in the future.~~

Purchases from Retail Sellers: Purchases of resales from other retail sellers can provide a cost-effective way of meeting short term resource needs or filling in gaps in procurement while long term projects are under development. After commencing operations next~~later this~~ year, SDCP will evaluate solicitations offered by other retail sellers, as necessary.

Sales Solicitations: As SDCP's portfolio of resources continues to develop, it will also consider offering solicitations of sales to other retail sellers, if the disposition of surplus is deemed desirable.

Optimizing Existing Procurement: As SDCP considers its long-term resource needs, it may evaluate options in its future power purchase agreements to increase output through either facility upgrades or adding new capacity to the generating facility. Expanding existing facilities may provide additional generation at reduced costs with a lower risks of project failure because the need for distribution system upgrades and permitting may be reduced – such opportunities may be developed, as deemed appropriate by SDCP.

The *Final Report of Working Group 3 Co-Chairs: Southern California Edison Company (U-338E) California Community Choice Association, and Commercial Energy* ("Final Report") was filed on February 21, 2020 in Rulemaking 17-06-026. SDCP understands that, as proposed, PCIA-eligible load serving entities may have an option to receive an allocation from the IOUs' PCIA-eligible RPS energy portfolios, including long-term contracting benefits from allocations under certain conditions. SDCP is awaiting a Commission decision regarding these proposals in order to determine the final form of any allocation that may be available and how to integrate such an allocation into its resource portfolio to best serve its customers. Currently, SDCP is evaluating how the Final Report's proposed allocations may change ~~the~~ SDCP's RPS procurement strategies, if these proposals are adopted by the Commission.

4.B Responsiveness to Commission Policies and Regional Policies ~~4.C. Responsiveness to Policies, Regulations, and Statutes~~

SDCP is a joint powers authority that is subject to the control of its governing board and is directly accountable to its Member Agencies. SDCP ~~strongly~~ supports and is committed to

meeting the state's GHG reduction and renewable procurement goals, as well as supporting ~~our~~its Member Agency cities in meeting their respective Climate Action Plan goals.~~.~~ SDCP is aware of California's applicable renewable energy procurement mandates, including pertinent elements of SB 100, and has incorporated the procurement requirements of the state's RPS program into its preliminary procurement strategy. Within the multi-year compliance period structure of the RPS program, SDCP expects to be well-positioned to meet the procurement quantity requirements, portfolio balance requirements, and long-term procurement requirements of the RPS with an additional margin of over-procurement (as further described above ~~and also in Section 5.6~~). As overseen by its G~~g~~overning B~~b~~oard, SDCP has commenced the process of developing its initial solicitation for long-term, RPS-eligible supply and expects to secure one or more contracts as a result of this process. ~~will eventually develop a schedule for issuing solicitations, executing contracts with existing resources, and bringing new projects online on a timeline that is reasonably calculated to meet the applicable RPS targets. This timeline will be supported by the collective procurement experience of CCAs, which, based on SDCP's understanding, is typically shorter than the experiences of California's investor owned utilities.~~

4.B.1 Long-term Procurement

SDCP's long-term renewable procurement efforts are now underway with the recent issuance of its initial solicitation for long-term, RPS-eligible supply ~~expected in late June/early July~~. Subsequent solicitation processes will continue thereafter in consideration of remaining open positions and SDCP's adopted renewable portfolio goals. SDCP expects to regularly engage in independently and jointly administered long-term renewable solicitations and anticipates the execution of multiple supply agreements during the first few years of program operations. This approach should facilitate SDCP's achievement of pertinent long-term

contracting requirements reflected in the RPS Program. Further progress will be described in subsequent RPS Procurement Plans.

4.C ~~4.D.~~ Portfolio Diversity and Reliability

Power purchased from power marketers, public agencies, generators, CCAs, or utilities will be a significant source of supply during the first several years of SDCP's operation. Subject to ~~the~~ responses to upcoming RFPs, SDCP will initially contract to obtain all of its electricity from one or more third party electric providers, power marketers and/or project developers - under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including SDCP's desired quantities of renewable and carbon-free energy, to provide a stable and cost-effective resource portfolio.- [10]

In carrying out its planning functions, SDCP will also consider the deliverability characteristics of its future generating resources placed under contract (such as the resource's dispatchability, available capacity, and typical production patterns) and will review the respective risks associated with short- and long-term purchases as part of its forecasting and procurement processes. These efforts should lead to a more diverse resource mix, address grid integration issues, and provide value to the Member Agencies. A quantitative description of this forecast is attached to the RPS Procurement Plan in Appendix -C~~A~~.

SDCP intends to utilize a portfolio risk management approach as part of ~~the~~its power purchasing program, seeking low cost supply (based on then-current market conditions) as well as diversity amongst technologies, production profiles, project sizes and locations, counterparties, lengths of contract, and timing of market purchases. While SDCP has yet to enter into any contracts, it is reasonable to assume that its initial supply portfolio may include a

[10] San Diego Community Power Implementation Plan. p.1 at 6.6

relatively small number of contracts which will grow in number over time, increasingly emphasizing the principles of resource and counterparty diversity as operational experience is gained and renewable energy requirements increase.

While SDCP is not opposed to considering emerging renewable generating technologies, it is unlikely that its initial supply agreement(s) will focus on such resources. As a new CCA organization, SDCP's initial renewable supply commitments must result in reliable, cost-effective supply to promote compliance with applicable RPS mandates without bearing the risks typically associated with newer technologies. For the foreseeable future, SDCP will likely exhibit preferences for proven generating technologies and supply structures that will minimize delivery risk during early-stage operation. If, however, a compelling offer is presented for a cost-effective emerging technology, SDCP will evaluate such proposal on its merits relative to other available offers.

SDCP will procure renewable and other requisite energy products, as necessary, to ensure that the future energy needs of its customers are met in a reliable and cost-effective manner, consistent with applicable compliance mandates. SDCP, through its CCA Implementation Plan and subsequent planning discussions, has established initial procurement targets for requisite renewable energy supply, including subcategories for various renewable energy products, and has also established targets for related planning reserves as described elsewhere in this document. To the extent that SDCP's energy needs are not fulfilled through the use of renewable generating resources, it should be assumed that such supply will be sourced from carbon-free and/or conventional energy resources, such as hydroelectric or natural gas generating technologies as well as system power purchases.

A key component of the SDCP's early-stage planning process relates to the analysis and consideration of expected load obligations with the objective of closely balancing supply/demand, cost/rate stability and overall budgetary impacts. During pre-launch activities, this process primarily focuses on the compilation and analysis of historical customer data, as provided by SDG&E. Similar to most CCAs, SDCP expects that such historical data will not be a perfect predictor of future customer energy requirements, so it intends to actively monitor actual customer usage, relative to projections, over time, refining such forecasts as well as its ability to minimize variances between procured energy quantities and actual usage. SDCP also plans to maintain portfolio coverage targets of up to 100 percent (of expected customer energy requirements) in the near-term (0 to 5 years) but will leave larger open positions in the mid- to long-term, consistent with generally accepted industry practices.

At this point in time, SDCP has no explicit preference for specific renewable generating technologies and will consider all responses to its solicitations with the goal of assembling a diversified renewable energy supply portfolio over time that will deliver energy in a profile that is generally consistent with the SDCP's anticipated load shape. SDCP is also aware that use of intermittent renewable generating technologies has the potential to create occasional misalignments between customer energy consumption and related power production as well as the general quantity of renewable energy received from such projects – SDCP expects that its voluntary commitment to a minimum 50 percent~~%~~ renewable supply portfolio will ~~to~~ protect against this uncertainty. ~~, SDCP has considered the previously described voluntary margin of over procurement for renewable energy (tentatively set at 2% of retail sales).~~

4.D Lessons Learned

As a new CCA, SDCP is gaining familiarity and experience with the information and processes that will be necessary to demonstrate compliance with the requirements of California's RPS Program but does not have any ~~specific~~ substantive lessons learned to share at this point in time. This noted, SDCP is aware that prudent planning and successful management of early-stage CCA program finances is critical in managing ongoing market risk and other uncertainties. As such, SDCP will exercise care in pursuing renewable energy supply options that align with budgetary parameters, particularly during early-stage operations. SDCP is also interested in pursuing interagency solicitation/procurement opportunities, as it is aware that such coordinated efforts can increase procedural efficiency, reduce administrative redundancy and decrease certain expenses typically associated with such processes. ~~However, SDCP the does have various concerns regarding the long-term contracting requirement, specifically the lack of a multi-year phase-in period for this significant element of the RPS Program. More specifically, SDCP believes that it may prove to be burdensome and costly for new CCAs and other retail sellers to meet the 65 percent long-term contracting requirement during the first few years of operation. This perspective is informed by discussion with California's operational CCAs, which indicated that a successful operational track record and strong financial performance seek to be important elements of allaying supplier concerns regarding the creditworthiness and general viability of new CCA buyers. Such concerns appear to be significantly diminished, if not entirely eliminated, following the demonstration of successful early-stage operations – in fact, it seems readily apparent to SDCP that no operational CCAs are currently encountering issues when pursuing long-term renewable energy contracting opportunities. This noted, economic impacts associated with the current COVID-19 pandemic, particularly potential impacts on renewable~~

~~energy markets, are not yet fully understood, and SDCP is concerned that disruption to global supply chains and general business operations may increase challenges associated with timely renewable resource development – this situation will need to be closely monitored by retail sellers, the Commission and California's legislature to determine if programmatic adaptations may be necessary and appropriate within the RPS framework. Again, the demonstration of successful early-stage CCA operations seems to increase the availability of renewable energy contracting opportunities, as well as improved product pricing, but the potentially offsetting economic impacts of the pandemic may impose unforeseen challenges during renewable energy contracting. As such, SDCP recommends that the State consider an adaptation to the long-term contracting requirement that provides for an "on ramp", gradually phasing in such requirement over a multi-year period for new retail sellers.~~

5. Project Development Status Update ~~(5.2)~~

As described in Section 4.B above, SDCP's current and planned procurement is expected to be sufficient to meet both the applicable RPS procurement requirements as well as support the state's GHG reduction targets. Further, SDCP's current and planned procurement is expected to support~~s~~ system reliability by considering both portfolio diversity and alignment with SDCP's customers' load curve.

SDCP has yet to complete its initial renewable energy ~~planning and~~ contracting process(es) and does not have any updates to report regarding project development status. As such, SDCP has no information to include in the Project Development Status Update Report, Appendix-D~~B~~. As new information related to SDCP's renewable energy contracting process(es) becomes available, it will update its Project Development Status Update Report accordingly.

6. Potential Compliance Delays ~~(5.3)~~

As SDCP will not commence CCA service until 2021, no compliance delays will occur in the current compliance period (Compliance Period 3, which includes calendar years 2017-2020). Looking ahead, SDCP does not anticipate any compliance delays for the next compliance period (Compliance Period 4, which includes calendar years 2021-2024). If a future compliance issue is identified or SDCP encounters challenges in securing requisite renewable energy supply in the future, then SDCP will address such issue within a subsequent RPS Procurement Plan.

6.1 Impacts of COVID-19 Pandemic

SDCP is keenly aware of the current, worldwide COVID-19 pandemic, and its impact on "business as usual", including impacts to requisite resource planning activities and, in particular, renewable energy procurement. As the Commission is aware, successful renewable energy markets depend upon international supply chains, substantial labor commitments, robust financial markets, timely interactions with governmental planning authorities and various other considerations. With numerous disruptions caused by the current pandemic, it is incredibly challenging to determine if, and to what extent, renewable energy procurement opportunities may be compromised, particularly new-build renewable energy projects which typically rely on long-term contracts as the basis for project financing. SDCP also understands that many CCAs are observing moderate to significant net retail sales reductions resulting from the pandemic. Generalized impacts appear to entail substantial reductions in commercial loads, which result from business closures or substantially modified operations, and increased loads within the residential sector, which result from extensive "stay at home" and "shelter in place" orders. Looking forward, it is difficult to predict the eventual retail sales impacts related to COVID-19. ~~-~~ ~~-~~Ssome businesses are expected to permanently close, while other business operations may transition to increased use of work--from--home arrangements, and/or adopt or continue ~~the~~

~~duration of~~ "transitional" operational standards (*e.g.*, reduced seating in restaurants or reduced appointment frequency to accommodate sanitization/sterilization requirements) whose duration is unclear. The timing and extent of recovery is generally unknown and the subject of considerable speculation.

SDCP intends to closely monitor this situation as well as potential fallout related to supplier/developer effectiveness in fulfilling mandated renewable energy needs, project completion and overall supplier viability. It is~~seems~~ reasonable to anticipate consequences, and SDCP encourages the Commission to closely monitor and potentially reconsider certain elements of the RPS Program as this situation evolves, particularly if there are widespread, well-documented challenges as California retail sellers attempt to fulfill pertinent procurement requirements. Related, SDCP is becoming aware of numerous instances in which contract documents are being drafted with more expansive force majeure language to alleviate the concerns of sellers/developers in meeting project completion schedules due to potential pandemic-related delays – "day for day" commercial operation date extensions have been pursued, creating flexibility in achieving commercial operation date targets based on the duration of shelter-in-place directives. From SDCP's perspective, buyers must be diligent in contracting efforts to strike an appropriate balance between flexibility and certainty – not all project development delays are expected to be directly attributable to the pandemic, so effectively parsing contractual accommodations (for development delays) in consideration of this reality should serve to manage uncertainties related to project completion and renewable delivery timelines.

SDCP also encourages the Commission to coordinate closely with the legislature to evaluate potential adaptations to the RPS Program, which may become necessary if renewable

energy markets are materially impacted by the pandemic. With rapidly changing circumstances and related information, SDCP anticipates the need for considerable flexibility/agility in working to meet requisite renewable energy procurement mandates. In the meantime, SDCP will remain hopeful that impacts to renewable energy markets will not compromise California's ability to reach its renewable energy procurement goals or its own, internally established renewable procurement targets.

7. Risk Assessment ~~(5.4)~~

When evaluating prospective renewable energy supply opportunities, SDCP will seek to minimize the risk of delivery failure (or shortfalls) by pursuing supply arrangements with experienced and financially stable suppliers with successful track records (related to the fulfillment of contracted renewable energy deliveries and/or project development~~/operation~~). ~~By pursuing supply commitments with qualified and experienced suppliers of renewable energy products, SDCP expects to minimize the risk of renewable energy delivery shortfalls and related procurement deficits.~~ This noted, there is always a possibility that future renewable energy supply will not be delivered as required, which is why SDCP intends to ~~'s governing board will~~ periodically evaluate the sufficiency of currently anticipated renewable energy procurement targets in meeting both statutory mandates and prudent planning reserve levels. ~~—g~~Given SDCP's initial commitment to providing a minimum 50 percent~~%~~ renewable default service ~~option~~ to participating customers, it seems highly unlikely that cumulative renewable energy delivery shortfalls could result in compliance deficiencies. While other CCA programs may choose to pursue differing planning reserve targets, SDCP observes that there does not seem to be a clear standard or related guidelines for setting such metrics and believes that its anticipated, internally defined renewable energy targets provide sufficient planning reserves.

SDCP is also aware that Section 399.13(a)(5)(A), and the ACR, note that generation variability and resource availability may impact the amount of future electricity delivered. As previously discussed, SDCP will consider this potential risk during its resource planning process and related procurement/contracting effortsas well as during related procurement activities. SDCP may also pursue contract structures that promote volumetric stability through the application of firm delivery quantities and/or performance guarantees that provide financial remedies/penalties in the event of delivery shortfalls. If necessary, the application of such penalties could be used to: 1) as a first priority, to procure additional renewable energy supply to address delivery shortfalls; or 2) in the event of a determination of non-compliance, to offset the cost of related penalties. SDCP's intent is to achieve and maintain compliance with applicable RPS mandates, and the latter option is a last resort that is not expected to apply..

Furthermore, SDCP is aware of the need to perform a risk assessment and present the results of such assessment in this RPS Procurement Plan. As previously noted, At this time, and as previously noted, SDCP intends to adopt an Energy Risk Management policyERM Policy at the upcoming meeting of its gGoverning bBoard on June 25, 2020., Following adoption of the ERM Policy and related creation of SDCP's ROC, any subsequent risk analyses/assessments will be developed and administered under the oversight of this committee – before the ROC begins its regular meetings, SDCP andintends to observe a practically minded risk management/assessment process that relies on the significant reserve margin created by its internally adopted renewable procurement target (minimum 50 percent%, increasing over time) as well as a concerted effort (through its solicitation processes) focuses on the identification and selection ofto identify and select highly experienced, financially viable renewable energy sellers, a process which is believed to materially reduce the risk of delivery shortfalls (and potential

compliance deficits). If SDCP's internally adopted planning targets and related procurement efforts prove to be insufficient in meeting near-term RPS compliance targets, SDCP will bring such findings to the attention of its ROC and pursue suitable resolutions and mitigation measures under the oversight of this committee. It is reasonable to assume that the ROC will consider the use of quantitative tools to further understand ~~these~~ renewable planning and compliance risks, but since this committee has yet to convene, SDCP will wait for future discussion/direction before attempting to identify or pursue development of a ~~suitable~~ risk management tool/model/software that would meaningfully reduce risk ~~(~~beyond the previously described approach~~)~~. If such a tool becomes necessary in the future, as determined in concert with SDCP's ROC, it ~~at this point in time such tool~~ may employ a stochastic approach in determining prospective variability in anticipated future renewable energy deliveries, and the results of ~~such~~ related analys~~i~~es may alter SDCP's ~~eventual margin of over-procurement~~ future planning reserves, if necessary, or prompt supplemental procurement activities to protect against the volumetric variability reflected in such analys~~i~~es.

Without having specific renewable contracting opportunities to consider (because SDCP ~~has yet to~~ is currently in the process of administering its initial renewable energy solicitation), it is premature to perform a quantitative risk assessment, the results of which would not be meaningful. When SDCP receives responses to its initial renewable energy solicitation (which is expected to occur in early Q3~~2~~ 2020~~, contingent upon discussion with SDG&E regarding SDCP's CCA launch schedule~~), it will begin the process of assessing ~~prospective~~ anticipated risks associated with its prospective supply arrangements. ~~a~~At this point in time, the largest risk (related to renewable energy procurement and delivery) facing SDCP is that responses to its initial solicitation will be insufficient to meet statutory renewable energy procurement

obligations. , but SDCP has determined that the probability of such an outcome is fairly very low (based on the success of other, similar solicitations administered by CCA organizations throughout the state) and until such solicitation is complete, SDCP remains optimistic that it will be able to fulfill all pertinent requirements under California's RPS Program.

As previously noted, SDCP's default minimum 50 percent renewable service option will serve as a significant risk mitigation mechanism in meeting pertinent RPS procurement mandates but will still be monitored, and potentially adjusted, over time to ensure that SDCP meets or exceeds applicable renewable energy procurement mandates during each compliance period. To the extent that such margin of over procurement is determined to be insufficient on a projected basis (in consideration of anticipated renewable energy delivery shortfalls, project completion delays or other considerations), SDCP may increase planned levels of renewable energy procurement to promote the creation of larger planning reserves – this exercise will be incorporated in SDCP's general resource planning process, which will assess anticipated resource needs over the near-, mid- and long-term planning horizons. SDCP expects to heighten its focus on the risk assessment process as it approaches the release date of its initial renewable energy solicitation in the coming months.

To the extent that understanding the supplier responses to such solicitation necessitates the use of a quantitative tool, SDCP will act accordingly. However, if SDCP believes that its supplier selection process (related to its upcoming renewable energy solicitation) results in the identification of: 1) low-risk supply sources that are already operational; or 2) highly experienced, financially viable project developers that have consistently demonstrated a successful development track record over time, then it may choose to forgo a related quantitative assessment as part of its risk management process.

~~Because of its relatively small size, it is likely that SDCP will engage in a relatively small number of long-term renewable energy supply agreements, so a meaningful delivery shortfall (relative to expectations) or project development failure amongst such contracts could seemingly result in compliance-related deficiencies for SDCP (related to its long-term contracting obligation).~~ Similar issues do not seem relevant with regard to short-term renewable energy purchases, as the market continues to remain robust for CCA buyers. This noted, it is entirely unreasonable for SDCP to engage in significant levels of over-procurement via long-term contract, as such an approach would materially limit planning flexibility, may impose excessive costs and rate-related impacts on its CCA customers, and would seemingly expose SDCP to unnecessary market risks (by virtue of the fact that the timing of its planned service commencement will necessitate the execution of all long-term supply commitments required to support early-stage operations at a single point in time – such an approach is generally not advisable). As previously noted, SDCP believes that a keen focus on identifying highly experienced, financially viable long-term renewable energy suppliers is the best risk mitigation strategy for this important element of the RPS Program, and SDCP intends to observe this practice during its upcoming solicitation process(es).

8. Renewable Net Short Calculation ~~Quantitative Information (5.1 – 5.5)~~

SDCP has provided a quantitative assessment to support the qualitative descriptions provided in this RPS Procurement Plan, which is attached as Appendix ~~A.~~ C. At this point in time and based on SDCP's anticipated renewable energy contracting outcomes (which will not be completed for some time), there have been no risk-related adjustments to the expected renewable energy quantities reflected in Appendix C. If such adjustments are deemed necessary or appropriate in the future, SDCP will reflect such adjustments in a future planning document.

9. Minimum Margin of Procurement (MMoP) ~~(5.6)~~

9.A. MMoP Methodology and Inputs

As previously noted, SDCP is a new CCA organization, which has yet to commence service to customers. Presently, the renewable energy procurement targets reflected in SDCP's CCA Implementation Plan ~~and previous~~ and Initial RPS Procurement Plan specify RPS-eligible renewable energy targets that significantly exceed statewide mandates during the first several years of program operations, which is expected to provide the potential for meaningful planning reserves. The targets reflected within this RPS Procurement Plan are generally equivalent to targets reflected in SDCP's CCA Implementation Plan, reflecting a 50 percent~~%~~ default renewable content at launch, which is expected to increase thereafter based on product availability and budgetary impacts.

While eventual renewable energy procurement targets to be offered at the time of CCA service commencement may evolve ~~with time~~, SDCP does not anticipate meaningful changes prior to program launch. If such changes are to occur, this topic would be discussed with SDCP's g~~G~~overning b~~B~~oard before adopting such changes. ~~expects that this topic will be considered in a future meeting of SDCP's governing board, which will work to establish a more formal policy defining its intended margin of over-procurement for requisite renewable energy supply relative to the baseline level of renewable energy that will be supplied to participating customers – to the extent that the baseline level of renewable energy offered to CCA customers significantly exceeds statewide procurement mandates, additional planning reserves may not be necessary.~~ Staff assumes that ~~the~~ future renewable procurement targets (inclusive of planning reserves necessary to meet RPS mandates) ~~levels of over-procurement, as identified in the upcoming policy,~~ will consider a variety of ~~other~~ factors ~~as well~~, including but not limited to, the operational status of prospective renewable energy facilities to be placed under contract, the

experience and general development track record of each project development team (associated with new resources), resource size (capacity), ~~and~~ the location of prospective generating resources (for new facilities) and impacts of over-procurement to the CCA program's procurement budget and customer rates.

9.B. MMoP Scenarios

At this point in time, SDCP has yet to complete any sensitivity analyses related to its intended baseline renewable energy offering and related margin of procurement. To the extent that such analyses are completed in the future, SDCP will describe applicable results in a subsequent RPS Procurement Plan.

10. Bid Solicitation Protocol, Including Least-Cost Best-Fit Methodologies (LCBF) ~~(5.7)~~

10.A. Solicitation Protocols for Renewables Sales

SDCP does not have immediate plans to issue a solicitation for sales of renewable energy products/projects, as it has yet to commence operations.

~~SDCP will soon begin developing solicitation protocols for requisite renewable energy supply to be included in its upcoming adoption of an Agency Vendor and Contracting Practices policy in Q3, supply and intends to incorporate a variety of considerations in related bid requirements and its evaluative process, including:~~

~~**1.** Overall quality of response, inclusive of completeness, timeliness, and conformity;~~

~~**2.** Price and relative value within SDCP's supply portfolio;~~

~~**3.** Project location and local benefits;~~

~~**4.** Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements;~~

~~5. Qualifications, experience, financial stability, and structure of the prospective project team (including its ownership);~~

~~6. Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;~~

~~7. Potential impacts to grid reliability;~~

~~8. Potential economic benefits created within communities with high levels of poverty and unemployment;~~

~~9. Acceptance of SDCP's standard contract terms; and~~

~~10. Development milestone schedule, if applicable.~~

~~These considerations, as well as various others, will be reflected in SDCP's solicitation materials and will help shape the criteria against which prospective responses will be evaluated. Based on the success of its initial solicitation(s), SDCP may adapt these considerations to improve success in future renewable energy procurement efforts.~~

10.B. Bid Selection Protocols

Consistent with Public Utilities Code s~~S~~ection 399.13(a)(5)(C), SDCP shall conduct solicitations for requisite energy resources, including specific needs for eligible renewable energy resources (reflecting locational preferences, when applicable, for such resources), generating capacity, and required online dates to assist in determining what resources fit best within its supply portfolio. Since CCA program governing boards are comprised of local elected officials, these solicitation and procurement decisions are overseen by elected representatives of the community. These solicitation and procurement decisions will seek to comply with targets

and preferences that are considerate of local priorities and interests. Any renewable energy supply agreements resulting from future participation in renewable energy procurement processes will be brought to the SDCP's g~~G~~overning b~~B~~oard for approval prior to execution.

SDCP's current solicitation, "San Diego Community Power 2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy" ("RFP") was issued on June 29, 2020,[11] and is attached to this document as Appendix F. SDCP's RFP includes~~SDCP is in the midst of developing solicitation protocols for requisite renewable energy supply and intends to incorporate~~ a variety of considerations in related bid requirements and its evaluative process, including but not limited to:

1. Price and relative value within SDCP's supply portfolio;
2. Project location and benefits to the local economy and workforce;
3. Potential economic benefits created within communities with high levels of poverty and unemployment;
4. Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements;
5. Qualifications, experience developing projects in California and/or with CCAs, financial stability, and structure of the prospective project team (including its ownership);
6. Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;
7. Potential impacts to grid reliability;
8. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
9. Acceptance of SDCP's standard contract terms; and
10. Development milestone schedule, if applicable.

~~Overall quality of response, inclusive of completeness, timeliness, and conformity;~~

~~Price and relative value within SDCP's supply portfolio;~~

[11] See *San Diego Community Power 2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy* available at https://www.sdcommunitypower.org/resources.

~~Project location and local benefits;~~

~~Project development status, including but not limited to progress toward interconnection, deliverability, siting, zoning, permitting, and financing requirements;~~

~~Qualifications, experience, financial stability, and structure of the prospective project team (including its ownership);~~

~~Environmental impacts and related mitigation requirements, including impacts to air pollution within communities that have been disproportionately impacted by the existing generating fleet;~~

~~Potential impacts to grid reliability;~~

~~Potential economic benefits created within communities with high levels of poverty and unemployment;~~

~~Acceptance of SDCP's standard contract terms; and~~

~~Development milestone schedule, if applicable.~~

~~These considerations, as well as various others, will be reflected in SDCP's solicitation materials and will help shape the criteria against which prospective responses will be evaluated.~~ Based on the success of its initial solicitation(s), SDCP may adapt these considerations to improve success in future renewable energy procurement efforts.

~~As SDCP is still preparing its initial renewable energy solicitation materials, it does not have related documentation to share at this point in time.~~

~~Consistent with Section 399.13(a)(5)(C), SDCP shall conduct solicitations for requisite energy resources, including specific needs for eligible renewable energy resources (reflecting locational preferences, when applicable, for such resources), generating capacity, and required online dates to assist in determining what resources fit best within its supply portfolio. Since CCA program governing boards are comprised of local elected officials, these solicitation and procurement decisions are overseen by elected representatives of the Member Agencies. These solicitation and procurement decisions will seek to comply with locally-set targets and preferences. SDCP will soon begin the process of developing a renewable energy solicitation, which it expects to release in 2020, to address its future contracting needs.~~

~~The Least-Cost Best Fit methodologies approved by the Commission pursuant to D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044 are expressly only directly applicable to investor owned utilities and the Commission does not have jurisdiction over the solicitation protocols of CCAs. However, consistent with Section 399.13(a)(8),[12] SDCP will consider best-fit attributes that support a balanced mix of resources to help support reliability of the electrical grid.~~

10.C LCBF Criteria

The Least-Cost Best Fit methodologies approved by the Commission pursuant to D.04-07-029, D.11-04-030, D.12-11-016, D.14-11-042, and D.16-12-044 are expressly only directly applicable to ~~investor owned utilities~~the IOUs and the Commission does not have jurisdiction over the solicitation protocols of CCAs. However, consistent with Section 399.13(a)(8),[13]~~14~~ SDCP will consider best-fit attributes that support a balanced mix of resources to help support reliability of the electrical grid.

In particular, SDCP anticipates considering "least cost best fit" ("LCBF") during the evaluation of responses to its ~~upcoming~~ current renewable energy solicitation as well as future solicitations that may be necessary to fill noted open positions~~(s)~~. From SDCP's perspective, use of the term "costs" should appropriately include considerations beyond the basic price of renewable energy. More specifically, costs should include a broad range of considerations, such as: 1) reputational damage resulting from failure to meet state-mandated and/or internally established renewable energy procurement targets; 2) compliance penalties resulting from failed

[12] Cal. Pub. Util. Code § 399.13(a)(8) ("In soliciting and procuring eligible renewable energy resources, each retail seller shall consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.")

[13] CAISO, Managing Oversupply, Wind and Solar Curtailment Totals, updated May 5, 2020, *available at http://www.caiso.com/informed/Pages/ManagingOversupply.aspx.*

project development efforts or delivery shortfalls; 3) administrative complexities related to dealing with inexperienced suppliers (such as prolonged contract negotiation processes and uncertainties related to project milestone timing and achievement); and 4) impacts to planning certainty resulting from higher risk projects. These factors, as well as various others, will be considered by SDCP as components of its cost evaluation process, which may lead to the selection of offers that aren't necessarily the lowest cost option(s), as expressed on a dollar-per-MWh basis. With regard to "fit", this aspect of a prospective supply opportunity has as much to do with compatibility (between SDCP and its suppliers) and alignment with key local objectives as it does with balancing customer usage and expected project deliveries, particularly when considering long-term contracting opportunities that will necessitate a constructive working relationship over a period of ten years or more. As such, SDCP's LCBF methodology will consider a broad range of components, including those previously noted, balancing a variety of pertinent considerations at the time each renewable purchase opportunity is being evaluated.

Additionally, the requirement of Section 399.13(a)(7) to give preference to renewable projects located in certain communities is expressly only applicable to "electrical corporations" and is not mandatory for CCAs.[15] However, SDCP recognizes the need to help mitigate the impacts of air pollution in regions of the state where communities have been disproportionately impacted by the existing generating fleet as well as the need to bring economic benefits to communities with high levels of poverty and unemployment. Consistent with this recognition, SDCP will consider the manner in which air pollution may

[15] Cal. Pub. Util. Code § 399.13(a)(7)(1) ("In soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.")

be impacted during its renewable energy solicitation process(es) and related project selection.

~~As SDCP has yet to prepare or release solicitation materials, it does not have related documentation to share at this point in time.~~

11. **Safety Considerations** ~~**Consideration of Price Adjustment Mechanisms (5.8)**~~

San Diego Community Power holds safety as a top priority. Since SDCP does not own, operate, or control generation facilities, SDCP's procurement of renewable resources ~~does~~will not present any unique safety risks. This Section describes how SDCP has taken actions to reduce the safety risks that may be posed by its renewable resource portfolio and how SDCP supports the state's environmental, safety, and energy policy goals.

11.1 Wildfire Risks and Vegetation Management

At this point in time, SDCP has yet to adopt specific procurement policies or preferences focused on the acquisition of forest biomass resources. SDCP is aware of the mitigating impacts that biomass generators, which use forestry waste as feedstock, may have on wildfire risk and will consider the adoption of a related procurement policy in the future. During pre-launch activities, however, the creation of such a policy and exhibition of preference for biomass generating resources is premature and will be addressed in the future, following the completion of upcoming launch activities.

11.2 Decommissioning Facilities

As SDCP has yet to complete its initial long-term renewable energy contracting efforts, it has not developed any plans or requirements related to the disposition of associated generating facilities following completion of applicable delivery terms.

11.3 Climate Change Adaptation

SDCP has not adopted procurement policies or preferences relating specifically to climate changes risks. In future solicitations, SDCP will consider developing additional bid evaluation criteria based on climate change risks factors, including but not limited to risks associated with facilities located in regions that are forecasted to be impacted by higher instances of sea-level rise, flooding, wildfires, and/or elevated temperatures.

11.4 Impacts During Public Safety Shut-off (PSPS) Events

As SDCP has yet to commence CCA operations, potential impacts related to future Public Safety Power Shut-off ("PSPS") events are uncertain. However, with regard to resource planning, it is likely that a relatively short-duration PSPS event impacting SDCP would marginally reduce retail electric sales for CCA customers and, as a result, would generate a very small increase in the proportionate share of renewable energy supply accruing to SDCP (if renewable supply agreements continue to perform as expected during such events). Unless PSPS events become more prevalent, the likelihood of a material impact to SDCP's renewable energy planning process or related performance metrics seems unlikely.

11.5 Biomass Procurement

As SDCP has yet to complete its initial long-term renewable energy contracting efforts, it is difficult to predict how its renewable energy supply portfolio will evolve over time. While SDCP has no specific ~~biases~~ preferences (for or against) biomass resources, the prospect of procuring such resources will be dependent upon offers received during future solicitation processes. To the extent that future biomass offers/proposals are competitive (with similar offers received from other resource types) and/or in the event SDCP adopts policies explicitly supporting the acquisition of biomass energy resources, SDCP will consider the inclusion of biomass energy within its renewable energy supply portfolio.

12. Consideration of Price Adjustment Mechanisms

During upcoming contracting processes, and consistent with SB 350 and SB 100, SDCP will review the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract execution. As noted in the ACR, such price adjustments could include price indexing to key components or to the Consumer Price Index.

~~During upcoming contracting processes, and consistent with SB 350 and SB 100, SDCP will review the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract execution. As noted in the ACR, such price adjustments could include price indexing to key components or to the Consumer Price Index.~~

~~**12. Curtailment Frequency, Cost, and Forecasting (5.9)**~~

~~SDCP continues to learn a great deal about the California energy market, including information and considerations related to energy curtailment, potential cost impacts, contracting considerations and other concerns. The following represents SDCP's understanding of this topic, which may impact future procurement processes.~~

~~Due in large part to the rapid increase in the amount of wind and solar generating facilities that have been brought on line throughout the western United States, the California Independent System Operator's ("CAISO") balancing authority area has experienced an increasing frequency and magnitude of curtailment and negative pricing events. As of the end of 2018, California has over 11,100 MW of solar, 7,900 MW of behind-the-meter solar, and 5,800 MW of wind. This increased capacity results in discrete periods where the majority of load in the CAISO is served by solar and wind resources. Over the last two years, the monthly maximum load served by wind and solar in the CAISO regularly exceeded 50 percent, and in April of 2019 exceeded 68~~

percent.[16] To address the resulting instances of over-supply, the amount of curtailment of wind and solar in the CAISO has significantly increased each year, totaling 187,000 MWh in 2015, 308,000 MWh in 2016, 358,000 MWh in 2017, and 461,000 MWh in 2018. As of the end of April 2019, the total curtailment of solar and wind was already 407,000 MWh. Curtailment is typically the highest during the months of March, April, and May when hydroelectric generation is historically at its highest. Due to the above-average snowpack in the past few years, the impact of hydroelectric generation on curtailment has been exacerbated.

While curtailment is a viable renewable integration strategy that is generally more cost-effective than other options, there are potential negative consequences from excessive curtailment. Curtailment of solar and wind represents a lost opportunity to generate zero GHG emitting electricity, and excessive curtailment could impact the ability of the state to meet its environmental and energy policy goals. Additionally, these over-supply situations expose ratepayers to increased costs because their load serving entities must either economically curtail the generating resource (and often pay for the electricity that was not generated) or generate power and be exposed to negative prices. Because these conditions are largely driven by state policy, it is appropriate to consider macro-level mitigation measures through CAISO initiatives, Commission rulemakings, and possibly even legislation. There are a number of measures and policies that have already been implemented or are currently being pursued that will have significant impacts on how substantial curtailment will be in the future. This includes the expansion of the Energy Imbalance Market, improvements to the CAISO market design and structure, enhanced forecasting capabilities, time of use rates, improved EV charging functionalities, and smart deployment of distributed energy resources. The Commission's IRP

[16] CAISO, Monthly Renewables Performance Report, April 2019, *available at* http://www.caiso.com/Documents/MonthlyRenewablesPerformanceReport-Apr2019.html.

~~proceeding will be an appropriate forum to measure the impact of these policies and the effect that they will have on future curtailment. These new measures will need to be modeled and incorporated into forecasts of future curtailment.~~

~~SDCP will consider the impact of curtailment and negative pricing on its future supply portfolio and will factor potential curtailment into its long-term planning. Due to the difficulty in accurately forecasting curtailment, SDCP will review historical data on curtailment and negative pricing for the regions in which its prospective and contracted generating resources are located. When SDCP evaluates new procurement, the potential amount of future curtailment will be one factor that SDCP considers. While SDCP has not developed an individualized forecast of future curtailment, SDCP will factor potential curtailment into both its minimum margin of procurement (described in Section 5.6) and its Risk Assessment (Section 5.4), if deliveries associated with SDCP's portfolio of renewable energy supply commitments could be impacted by buyer- or seller-initiated curtailment activities. Additionally, and if applicable, SDCP will take action to limit the impacts of curtailment on its ratepayers and potential compliance shortfalls that could result from significant curtailment events. SDCP expects that it will pursue contract terms that recognize and limit the potential financial impacts of negative pricing and give SDCP greater flexibility to direct economic curtailment.~~

13. Curtailment Frequency, Cost and Forecasting

This Section responds to the questions presented in Section 5.13 of the ACR[17] and describe SDCP's strategies and experience so far in managing SDCP's exposure to negative pricing events, overgeneration, and economic curtailment for SDCPs region and portfolio of

[17] ACR at 27-28.

renewable resources.

13.1. Factors Having the Most Impact on the Projected Increases in Incidences of Overgeneration and Negative Market Price Hours

SDCP continues to learn a great deal about the California energy market, including information and considerations related to energy curtailment, potential cost impacts, contracting considerations and other concerns. The following represents SDCP's understanding of this topic, which may impact future procurement processes.

Due in large part to the rapid increase in the amount of wind and solar generating facilities that have been brought online throughout the western United States, the California Independent System Operator's ("CAISO") balancing authority area has experienced an increasing frequency and magnitude of curtailment and negative pricing events. As of the end of 2018, California had over 11,100 MW of solar, 7,900 MW of behind-the-meter solar, and 5,800 MW of wind. This increased capacity results in discrete periods where the majority of load in the CAISO is served by solar and wind resources. The monthly maximum load served by wind and solar in the CAISO has averaged 55.9 percent over the past 3 years (April 2017 to April 2020), and in April of 2020 the monthly maximum load exceeded 69 percent.[18] To address the resulting instances of over-supply, the amount of curtailment of wind and solar in the CAISO has significantly increased each year, totaling 187,000 MWh in 2015, 308,000 MWh in 2016, 358,000 MWh in 2017, 461,000 MWh in 2018, and 961,000 MWh in 2019.[19] As of the end of April, the total curtailment of solar and wind to date in 2020 is already over 792,000 MWh. Curtailment is typically the highest during the months of March, April, and May when

[18] CAISO, Monthly Renewables Performance Report, April 2020, *available at http://www.caiso.com/Documents/MonthlyRenewablesPerformanceReport-Apr2020.html.*
[19] CAISO, Managing Oversupply, Wind and Solar Curtailment Totals, updated May 5, 2020, *available at http://www.caiso.com/informed/Pages/ManagingOversupply.aspx.*

hydroelectric generation is historically at its highest. Due to the above-average snowpack in the past few years, the impact of hydroelectric generation on curtailment has been exacerbated.

13.2. Written Description of Quantitative Analysis of Forecast of the Number of Hours Per Year of Negative Market Pricing for the Next 10 Years

SDCP is a new CCA organization, which has yet to commence operations and has not yet completed a 10-year negative pricing analysis. Based on SDCP's initial contracting efforts, it will determine whether such analysis will be instructive in understanding potential issues (directly related to its renewable energy contracts) that may occur due to instances of negative pricing. At this time, however, the completion of such an analysis is premature and not deemed necessary.

13.3. Experience, to Date, With Managing Exposure to Negative Market Prices and/or Lessons Learned from Other Retail Sellers in California

SDCP is a new CCA organization, which has yet to commence operations. As such, SDCP has no experience managing exposure to negative price risk but understands that it should pay close attention to historical nodal energy prices at/near areas where prospective renewable generating facilities may be located. Gathering such information should facilitate an improved understanding of the frequency and significance of instances involving negative pricing and may influence project rankings within SDCP-administered solicitation processes. SDCP understands that negative pricing is more prevalent in certain geographic regions throughout the state, so contracting with generating resources located within or adjacent to such areas may expose the organization to higher-than-expected renewable energy/compliance costs. SDCP has also learned that certain contract structures, including "index plus" pricing arrangements, may substantially minimize the financial impacts related to negative pricing. During its upcoming solicitation process, SDCP will evaluate negative pricing history, as needed, for project

opportunities that may expose the organization to such risks.

13.4. Direct Costs Incurred, to Date, for Incidences of Overgeneration and Associated Negative Market Prices

SDCP is a new CCA organization, which has yet to commence operations. As such, it has not incurred direct costs related to negative pricing (for incidences of overgeneration).

13.5. An Overall Strategy for Managing the Overall Cost Impact of Increasing Incidences of Overgeneration and Negative Market Prices

While curtailment is a viable renewable integration strategy that is generally more cost-effective than other options, there are potential negative consequences from excessive curtailment. Curtailment of solar and wind represents a lost opportunity to generate zero GHG emitting electricity, and excessive curtailment could impact the ability of the state to meet its environmental and energy policy goals. Additionally, these over-supply situations expose ratepayers to increased costs because their load serving entities must either economically curtail the generating resource (and often pay for the electricity that was not generated) or generate power and be exposed to negative prices. Because these conditions are largely driven by state policy, it is appropriate to consider macro-level mitigation measures through CAISO initiatives, Commission rulemakings, and possibly even legislation. There are a number of measures and policies that have already been implemented or are currently being pursued that will have significant impacts on curtailment in the future. This includes the expansion of the Energy Imbalance Market, improvements to the CAISO market design and structure, enhanced forecasting capabilities, time of use rates, improved EV charging functionalities, and smart deployment of distributed energy resources. The Commission's IRP proceeding will be an appropriate forum to measure the impact of these policies and the effect that they will have on future curtailment. These new measures will need to be modeled and incorporated into forecasts

of future curtailment.

143. Cost Quantification ~~(5.10)~~

As SDCP has yet to procure requisite renewable energy supply of its own, there is currently no information to report in the Cost Quantification Table, Appendix- E ~~C~~. As such, and in consideration of direction provided by the Commission, SDCP has completed Appendix ~~C~~E, reflecting zero values due to the fact that contractual commitments for requisite renewable energy supply have yet to be obtained~~arranged~~. SDCP will update such information in future RPS Procurement Planning documents when new data points become available.

~~**14. Safety Considerations (5.13)**~~

~~SDCP holds safety as a top priority. There are no unique safety issues related to SDCP's planned procurement of resources. Since SDCP does not own, operate, or control generation facilities, there are no present safety considerations to report.~~

15. ~~Comments on~~ Coordination with the IRP ~~Integrated Resource Planning~~ Proceeding ~~(6)~~

~~SDCP recommends that the Commission only pursue directly incorporating the RPS Procurement Plans into the IRP to the extent it is clear that doing so will reduce the administrative burden for both retail sellers and Commission staff. The Commission should continue to evaluate potential synergies and efficiency improvements that may exist amongst the RPS, IRP and other related programs. To the extent that potential opportunities for improvement are identified, SDCP encourages the Commission to solicit input from CCAs and other retail sellers before incorporating related adaptations.~~

The resources identified in this RPS Procurement Plan are expected to be consistent with ~~the~~ resources that will eventually be identified in SDCP's initial Integrated Resource Plan ("IRP"), which will be approved by SDCP's g~~G~~overning b~~B~~oard and provided to the

Commission for certification by September 1, 2020. As required by the ACR,[20] SDCP includes the following table that describes how SDCP's 2020 RPS Procurement Plan conforms with the determinations made in the IRP Proceedings (R.16-02-007 and R.20-05-003). Due to the disparate timelines associated with RPS Procurement Plan and IRP submittal, SDCP is not yet prepared to address the items/topics identified below. As further progress is made in developing SDCP's IRP, additional detail will be available – the timeline of informational availability related to SDCP's IRP will be closely aligned with the IRP's submittal due date on: September 1, 2020.

IRP Section Subsection	**RPS Alignment in IRP**	
III. Study Results **A. Preferred and Conforming Portfolios**	Retail sellers should explain how the RPS resources they plan to procure, outlined in their RPS Plan, will align with each portfolio to be developed in their IRP. In addition to the list of the IRP portfolios developed and portfolio descriptions submitted for Commission approval and certification in 2020 IRP Plans, this should include:	
	1. Existing RPS resources that the retail seller owns or contracts.	SDCP has yet to complete its initial renewable energy contracting efforts and, therefore, has no information to report.
	2. Existing RPS resources that the retail seller plans to contract with in the future.	SDCP has formed a new CCA organization, which has yet to commence operations. SDCP expects to participate in its initial renewable energy solicitation in early 2021 and will gather information regarding prospective renewable energy contracting opportunities during that process, but it has yet to develop projections/predictions regarding the resources it plans to contract with in the future.
	3. New RPS resources that the retail seller plans to	SDCP has formed a new CCA organization, which has yet to commence operations. Until SDCP successfully launches its CCA program and demonstrates a successful track record during

[20] ACR at 30-33.

	invest in.	early-stage operations, including the accrual of prudent financial reserves, it would be premature to speculate on future resource investments.
IV. Action Plan A. Proposed Activities	Retail sellers should describe how they propose to use RPS resources to implement their Preferred Portfolio. Narratives should include:	
	1. Proposed RPS procurement activities as required by Commission decision or mandated procurement.	SDCP expects to participate in its initial renewable energy solicitation in early 2021. Based on the outcome of this process, SDCP will determine the process(es) required to fulfill future renewable energy procurement requirements.
	2. Description of RPS resources identified in the Study Results section that correspond to proposed activities.	SDCP has yet to complete its initial renewable energy contracting efforts and, therefore, has no information to report.
	3. Procurement plans, potential barriers, and resource viability for each new RPS resource identified.	SDCP expects to participate in its initial solicitation for renewable energy in early 2021. Based on the outcome of this process, SDCP will determine the process(es) required to fulfill future renewable energy procurement requirements.
IV. Action Plan B. Procurement Activities	The retail seller should describe the solicitation strategies for the RPS resources that will be included in their Preferred Portfolio. This description should include:	
	1. The type of solicitation.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet considered the solicitation types that may be needed to fulfill its Preferred Portfolio.
	2. The timeline for each solicitation.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet considered the solicitation timelines that may be required to fulfill its Preferred Portfolio.
	3. Desired online	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet

	dates.	considered the desired online dates that may be needed to fulfill its Preferred Portfolio.
	4. Other relevant procurement planning information, such as solicitation goals and objectives.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has no further procurement planning information to add until the development of such IRP is closer to completion.
IV. Action Plan **C. Potential Barriers**	Retail sellers should provide a summary of the barriers that will be identified in their Preferred Portfolio as they relate to RPS resources. The section should include:	
	1. Key market, regulatory, financial, or other resource viability barriers or risks associated with the RPS resources coming online in retail sellers' Preferred Portfolios.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet completed an evaluation of RPS resources that are expected to come online in its Preferred Portfolio.
	2. Key risks associated with the potential retirement of existing RPS resources on which the retail seller intends to rely in the future.	SDCP is currently in the process of developing its initial Integrated Resource Plan and has not yet completed its initial renewable energy contracting efforts. As such, SDCP is not prepared to address this item until additional work has been completed.

Dated: July 5~~March 27~~, 2020

Respectfully submitted,

/s/ Cody Hooven

Cody Hooven
Interim Executive Officer
San Diego Community Power
1200 Third Street, 18th Floor
San Diego, CA 92123
(619) 236-6563
CHooven@sandiego.gov

Appendix B

2020 RPS Procurement Plan Checklist and Verification

2020 RPS Procurement Plan Checklist- Task Completed

Retail seller name:	YES/ NO	NOTES
1. Major Changes to RPS Plan	YES	
2. Executive Summary	YES	
3. Summary of Legislation Compliance	YES	
4. Assessment of RPS Portfolio Supplies and Demand	YES	
4.A. Portfolio Supply and Demand	YES	
4.A.1. Portfolio Optimization	YES	
4.B. Responsive to Policies, Regulations, and Statutes	YES	
4.B.1 Long-term Procurement	YES	
4.C. Portfolio Diversity and Reliability	YES	
4.D. Lessons Learned	YES	
5.Project Development Status Update	YES	
6. Potential Compliance Delays	YES	
7. Risk Assessment	YES	
8. Renewable Net Short Calculation	YES	
9. Minimum Margin of Procurement (MMoP)	YES	
9.A. MMoP Methodology and Inputs	YES	
9.B. MMoP Scenarios	YES	
10. Bid Solicitation Protocol	YES	
10.A. Solicitation Protocols for Renewables Sales	YES	
10.B. Bid Selection Protocols	YES	
10.C. LCBF Criteria	YES	
11. Safety Considerations	YES	
12. Consideration of Price Adjustments Mechanisms	YES	
13. Curtailment Frequency, Forecasting, Costs	YES	
14. Cost Quantification	YES	
15. Coordination with the IRP Proceeding	YES	
Appendix A: Redlined Version of the Draft 2020 RPS Plan	YES	

OFFICER VERIFICATION

I am the Interim Chief Executive Officer for San Diego Community Power, a joint powers authority, and am authorized to make this verification on behalf of San Diego Community Power. The statements in the foregoing 2020 Renewables Portfolio Standard Procurement Plan are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.
Executed on July 5, 2020 at San Diego, California.

____/s/ Cody Hooven_____
Cody Hooven
Interim Chief Executive Officer
San Diego Community Power
1200 Third Street, 18th Floor
San Diego, CA 92101
(858) 492-6005

Appendix C

Renewable Net Short Calculation

Renewable Net Short Calculations - 2020 RPS Procurement Plans

LSE Name:	SDCP
Date Filed:	6/22/2020

Input required | No input required | Hard-coded

Variable	Calculation	Item	2017 Actual	2018 Actual	2019 Actual	2020 Forecast	**2017-2020**	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	**2021-2024**	2025 Forecast	2026 Forecast	2027 Forecast	**2025-2027**	2028 Forecast	2029 Forecast	2030 Forecast	**2028-2030**
		Forecast Year				1	**CP3**	2	3	4	5	**CP4**	6	7	8	**CP5**	9	10	11	**CP6**
		Annual RPS Requirement																		
A		**Total Retail Sales (MWh)**					-	**1,976,515**	**6,787,273**	**6,906,467**	**6,940,999**	**22,611,255**	**6,975,704**	**7,010,583**	**7,045,636**	**21,031,923**	**7,080,864**	**7,116,268**	**7,151,849**	**21,348,981**
B		RPS Procurement Quantity Requirement (%)	27.0%	29.0%	31.0%	33.0%	NA	35.8%	38.5%	41.3%	44.0%	40.8%	46.7%	49.3%	52.0%	49.3%	54.7%	57.3%	60.0%	57.3%
C	A*B	**Gross RPS Procurement Quantity Requirement (MWh)**	-	-	-	-	-	**706,604**	**2,613,100**	**2,848,918**	**3,054,040**	**9,222,661.7**	**3,255,561**	**3,458,320**	**3,663,731**	**10,377,612.1**	**3,871,108**	**4,079,757**	**4,291,110**	**12,241,974.4**
D		Voluntary Margin of Over-procurement (MWh)					-	281,654	916,282	742,445	832,920	2,773,301	790,347	748,030	563,650	2,102,027	377,410	190,004	-	567,414
E	C+D	**Net RPS Procurement Need (MWh)**	-	-	-	-	-	**988,258**	**3,529,382**	**3,591,363**	**3,886,960**	**11,995,963**	**4,045,908**	**4,206,350**	**4,227,381**	**12,479,639**	**4,248,518**	**4,269,761**	**4,291,110**	**12,809,388**
		RPS-Eligible Procurement																		
Fa		**Risk-Adjusted RECs from Online Generation (MWh)**					-					-				-				-
Faa		Forecast Failure Rate for Online Generation (%)					*#DIV/0!*					*#DIV/0!*				*#DIV/0!*				*#DIV/0!*
Fb		**Risk-Adjusted RECs from RPS Facilities in Development (MWh)**					-					-				-				-
Fbb		Forecast Failure Rate for RPS Facilities in Development (%)					*#DIV/0!*					*#DIV/0!*				*#DIV/0!*				*#DIV/0!*
Fc		**Pre-Approved Generic RECs (MWh)**					-	**988,258**	**3,529,382**	**3,591,363**	**3,886,960**	**11,995,963**	**4,045,908**	**4,206,350**	**4,227,381**	**12,479,639**	**4,248,518**	**4,269,761**	**4,291,110**	**12,809,388**
Fd		**Executed REC Sales (MWh)**					-					-				-				-
F	Fa+Fb+Fc-Fd	**Total RPS Eligible Procurement (MWh)**	-	-	-	-	-	**988,258**	**3,529,382**	**3,591,363**	**3,886,960**	**11,995,963**	**4,045,908**	**4,206,350**	**4,227,381**	**12,479,639**	**4,248,518**	**4,269,761**	**4,291,110**	**12,809,388**
F0		Category 0 RECs					-					-				-				-
F1		Category 1 RECs					-					-				-				-
F2		Category 2 RECs					-					-				-				-
F3		Category 3 RECs					-					-				-				-
		Gross RPS Position (Physical Net Short)																		
Ga	F-E	**Annual Gross RPS Position (MWh)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gb	F/A	Annual Gross RPS Position (%)	0%	0%	0%	0%	0%	50%	52%	52%	56%	53%	58%	60%	60%	59%	60%	60%	60%	60%
		Application of Bank																		
Ha	J-Hc (from previous CP)	**Existing Banked RECs above the PQR**					-	-				-	-			-	-			-
Hb		RECs above the PQR added to Bank					-					-				-				-
Hc		Non-bankable RECs above the PQR					-					-				-				-
H	Ha+Hb	**Gross Balance of RECs above the PQR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ia		Planned Application of RECs above the PQR towards RPS Compliance					-					-				-				-
Ib		Planned Sales of RECs above the PQR					-					-				-				-
J	H-Ia-Ib	**Net Balance of RECs above the PQR**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J0		Category 0 RECs					-					-				-				-
J1		Category 1 RECs					-					-				-				-
J2		Category 2 RECs					-					-				-				-
		Expiring Contracts																		
K		RECs from Expiring RPS Contracts (MWh)		-	-	-	-					-				-				-
		Net RPS Position (Optimized Net Short)																		
La	Ga+Ia-Ib-Hc	**Annual Net RPS Position after Bank Optimization (MWh)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lb	(F+Ia-Ib-Hc)/A	Annual Net RPS Position after Bank Optimization (%)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.500000287	0.520000016	0.519999973	0.560000014	0.530530607	0.579999959	0.600000118	0.599999879	0.593366541	0.599999994	0.59999995	0.6	0.599999981

Note: All values are to be input in MWhs

Appendix D

Project Development Status Update

Reporting LSE Name	RPS Contract ID	Project Name	Technology Type	Project Development Phase	City

Appendix E

Cost Quantification

	Table 1: Cost Quantification (Actual Net Costs, $)	Actual RPS-Eligible Procurement and Generation Net Costs ($)		
1	**Executed RPS-Eligible Contracts (Purchases and Sales)**	**2017**	**2018**	**2019**
2	Biogas			
3	Biomass			
4	Geothermal			
5	Small Hydro			
6	Solar PV			
7	Solar Thermal			
8	Wind			
9	UOG Small Hydro			
10	UOG Solar			
11	Unbundled RECs			
12	Various (Index Plus REC)			
13	**Total RPS-Eligible Procurement and Generation Net Cost**	**$0**	**$0**	**$0**
14	Bundled Retail Sales (MWh)			
15	**Incremental Rate Impact**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

	Table 2: Cost Quantification (Forecast Costs and Revenues, $)	Forecast RPS-Eligible Procurement Costs and Revenues ($)										
1	**Executed But Not Approved RPS-Eligible Contracts (Purchases and Sales)***	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
2	Biogas											
3	Biomass											
4	Geothermal											
5	Small Hydro											
6	Solar PV											
7	Solar Thermal											
8	Wind											
9	UOG Small Hydro											
10	UOG Solar											
11	Unbundled RECs											
12	Various (Index Plus REC)											
13	Sales Revenue											
14	**Total Executed But Not Approved RPS-Eligible Procurement and Generation Cost**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
15	Bundled Retail Sales (MWh)											
16	**Incremental Rate Impact**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
17	**Executed RPS-Eligible Contracts (Purchases and Sales)****	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
18	Biogas											
19	Biomass											
20	Geothermal											
21	Small Hydro											
22	Solar PV											
23	Solar Thermal											
24	Wind											
25	UOG Small Hydro											
26	UOG Solar											
27	Unbundled RECs											
28	Various (Index Plus REC)											
29	Sales Revenue											
30	**Total RPS-Eligible Procurement and Generation Cost**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
31	Bundled Retail Sales (MWh)	0	0	0	0	0	0	0	0	0	0	0
32	**Incremental Rate Impact**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**
33	**Total Incremental Rate Impact**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

Table 3: Cost Quantification (Actual Procurement / Generation and Sales, MWh)		Actual RPS-Eligible Procurement / Generation and Sales (MWh)		
1	**Technology Type (Procurement / Generation and Sales)**	**2017**	**2018**	**2019**
2	Biogas			
3	Biomass			
4	Geothermal			
5	Small Hydro			
6	Solar PV			
7	Solar Thermal			
8	Wind			
9	UOG Small Hydro			
10	UOG Solar			
11	Unbundled RECs			
12	Various (Index Plus REC)			
13	RPS-Eligible Sales			
14	**Total RPS-Eligible Procurement / Generation and Sales**	**0**	**0**	**0**

Table 4: Cost Quantification (Forecast Procurement / Generation and Sales, MWh)		Forecast RPS-Eligible Procurement / Generation and Sales (MWh)										
1	**Executed But Not Approved RPS-Eligible Contracts (Purchases and Sales) ***	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
2	Biogas											
3	Biomass											
4	Geothermal											
5	Small Hydro											
6	Solar PV											
7	Solar Thermal											
8	Wind											
9	UOG Small Hydro											
10	UOG Solar											
11	Unbundled RECs											
12	Various (Index Plus REC)											
13	RPS-Eligible Sales											
14	**Total Executed But Not Approved RPS-Eligible Deliveries**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
15	**Executed and Approved RPS-Eligible Contracts (Purchases and Sales) ****	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
16	Biogas											
17	Biomass											
18	Geothermal											
19	Small Hydro											
20	Solar PV											
21	Solar Thermal											
22	Wind											
23	UOG Small Hydro											
24	UOG Solar											
25	Unbundled RECs											
26	Various (Index Plus REC)											
27	RPS-Eligible Sales											
28	**Total RPS-Eligible Deliveries**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Appendix F

San Diego Community Power
2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy

San Diego Community Power
2020 Request for Proposals ("RFP") for Long-Term California RPS-Eligible Renewable Energy

Introduction

San Diego Community Power ("SDCP"), a new Community Choice Aggregation ("CCA") program that will begin serving customers located within the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego (the "Member Agencies") during the month of March 2021, is requesting proposals for long-term, California Renewables Portfolio Standard ("RPS") eligible renewable energy products with initial deliveries commencing during the 2021, 2022 and/or 2023 calendar years. SDCP anticipates annual retail sales approximating 7,000 GWh and anticipates serving nearly 740,000 service accounts, following the completion of pertinent phase-in activities.

In consideration of upcoming long-term renewable energy contracting requirements, as imposed by SB 350, SDCP anticipates certain open positions as further described herein. In particular, this RFP is primarily intended to support future Portfolio Content Category 1 ("PCC1" or "Bucket 1") energy requirements through long-term power purchase agreements with one or more qualified counterparties. This noted, SDCP will also accept and evaluate long-term procurement opportunities for Portfolio Content Category 2 ("PCC2" or "Bucket 2") renewable energy products. Long-term offers for Portfolio Content Category 3 ("PCC3" or "Bucket 3") renewable energy products will not be considered at this time. SDCP notes its strong preference for a renewable energy supply portfolio that emphasize the use of PCC1 products and has a goal of transitioning to the exclusive use of such products over time, subject to product availability and budgetary constraints. Based on SDCP's most recent analysis, future long-term renewable energy requirements have been quantified in the following table:

Table 1: SDCP's Estimated Annual Long-Term Renewable Energy Requirements (GWh)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LT RPS GWh	500	1,800	2,000	2,100	2,300	2,400	2,600	2,700	2,900	3,000

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. SDCP reserves the right to reject any offer that does not comply with these requirements. Furthermore, SDCP may, in its sole discretion and without notice, modify, extend, suspend, or terminate this RFP without further obligation or liability to any respondent. This RFP does not constitute an offer to buy or create an obligation for SDCP to enter into an agreement with any party, and SDCP shall not be bound by the terms of any offer until SDCP has entered into a duly authorized and fully executed agreement.

RFP Instructions

Standardized Response Template: All respondents must use the standardized response template provided by SDCP. SDCP has posted the template on its website (https://www.sdcommunitypower.org/resources) and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. SDCP may update the RFP template from time to time, so respondents are encouraged to periodically visit the SDCP website to determine if any changes have been posted. Only submittals of the currently applicable template will be reviewed.

Project Eligibility: Each respondent may propose one or more project offers conforming to the following eligibility requirements. Failure to meet all of the following project eligibility criteria shall be grounds for proposal rejection:

i. Resource Location: The point of physical interconnection for any eligible generator must be within the California Independent System Operator ("CAISO") or directly connected to and delivering into CAISO. SDCP has a strong preference for physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located directly within or within close proximity to SDCP's Member Agencies.

ii. Product: Offers for bundled PCC1 renewable energy should include electric energy, Green Attributes/Renewable Energy Credits and Capacity Attributes. Even though this RFP is predominantly targeting PCC1 renewable energy supply, SDCP will also accept long-term PCC2 renewable energy offers. SDCP will accept offers for both new and existing renewable generating resources.

iii. Resource Eligibility: All proposed generating resources must be certified by the California Energy Commission ("CEC" or "Commission") as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the California Public Utilities Code ("Code"), which may be amended or supplemented from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

iv. Generating Capacity: Minimum ten (10) megawatts ("MW") AC.

v. Annual Delivery Specifications: Delivered energy volumes reflected in any proposal must be within the following minimum and maximum annual volumes:

Year	Min Deliveries (MWh)	Max Deliveries (MWh)
2021	50,000	150,000
2022	50,000	200,000
2023	50,000	200,000
2024	50,000	200,000
2025	50,000	250,000
2026	50,000	250,000
2027	50,000	250,000
2028	50,000	300,000
2029	50,000	300,000
2030	50,000	300,000

vi. Initial Date of Delivery: No sooner than March 1, 2021 and no later than June 30, 2023.

vii. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

viii. Proposed Pricing: For bundled PCC1 renewable energy, each respondent must propose two distinct pricing options. First, respondents must include a single, flat price for each MWh of electric energy delivered from the proposed resource, priced at the generator node and/or at the SP 15 Trading Hub, as defined by the CAISO [TH_SP15_GEN-APND]. This energy price shall include the energy commodity, all Green Attributes/Renewable Energy Credits related thereto, and (if applicable) Capacity Attributes. If energy storage is included in the proposal, a separate capacity price ($/KW) for the storage capacity should be provided. All pricing options shall remain unchanged throughout the entire contract term and shall not be adjusted by periodic escalators or time of deliver multipliers/factors. Second, respondents must also include an index-plus pricing option in which the "plus" component reflects the price to be paid for the Renewable Energy Credit, expressed a flat/fixed price throughout the contract term. ***Alternative pricing options may be proposed so long as the aforementioned pricing requirements have been satisfied.***

ix. Point of Delivery: Per the requirements of the Proposed Pricing section, respondents must provide a proposal for the delivery of all electric energy at the generator node; however, respondents are also strongly encouraged to provide a proposal that includes pricing based on delivery of all electric energy to the SP 15 Trading Hub.

x. Scheduling Coordinator ("SC") Responsibilities: SDCP does not have a strong preference regarding the assignment of SC responsibilities and will evaluate proposals in which the Buyer or Seller provide such services.

xi. Minimum Development Progress: To the extent that a proposed generating resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator, including: 1) evidence of site control; and 2) evidence that respondent has submitted a generator interconnection application to the appropriate jurisdictional entity; provided, however, that if respondent has completed interconnection studies or executed an interconnection agreement, as applicable, respondent should provide copies of such materials, including applicable appendices. Such documentation must be provided to SDCP at the time of response submittal.

xii. Project Financing Plan: Respondent shall describe its intended financing plan for each proposed project in sufficient detail for SDCP to effectively evaluate the viability of such arrangements. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

Transfer of Environmental Attributes/Renewable Energy Certificates

As part of the proposed transaction associated with any renewable energy product, all Environmental Attributes/Renewable Energy Certificates must be created by and transferred to SDCP via the Western Renewable Energy Generation Information System ("WREGIS"), or its successor, without any additional costs or conditions to SDCP. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.

RFP Schedule*

This RFP will be administered in consideration of the following schedule:

RFP Activity	Anticipated Date of Completion
RFP Issuance	June 29th
Deadline for Electronic Question Submittal	July 10th no later than 5:00 P.M. PPT
RFP Response Deadline	July 24th no later than 5:00 P.M. PPT
Follow-up with RFP Respondents, as necessary	To occur between July 27th and August 7th
Supplier Notifications (Short-List Selection)	August 12th
Contract Negotiations	August 13th through November 30th
SDCP Board to Award Contract(s)	December 2020/January 2021 – to occur at duly noticed SDCP Board Meetings
Execution of Contract(s)	December 2020/January 2021 – to occur after SDCP's Board approves the final contract(s)

*SDCP reserves the right to change the schedule of these events at any time for any reason.

Respondents may submit questions to SDCP regarding this RFP process and associated materials no later than 5:00 P.M. PPT on July 10, 2020. All questions and final proposals should be submitted electronically to energybids@sdcommunitypower.org and must include the following subject line: "Questions for SDCP's 2020 RFP for Long-Term California RPS-Eligible Renewable Energy". SDCP will post responses to all questions on its website after responses have been prepared – SDCP anticipates posting such responses by July 14, 2020. Responses to similar questions may be consolidated within SDCP's list of posted responses.

SDCP may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. SDCP shall have the right, at its sole discretion, to request information without notifying other respondents. SDCP shall establish due dates for responses at the time of each informational request and will directly notify individual respondents in the event that follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by SDCP no later than 5:00 P.M. PPT on Friday, July 24, 2020. All responses should be submitted to energybids@sdcommunitypower.org and must include the following subject line: "Response to SDCP's 2020 RFP for Long-Term California RPS-Eligible Renewable Energy".

Evaluation of Responses

SDCP will evaluate responses against a common set of criteria that will include various factors. A partial list of factors to be considered during SDCP's evaluative process is provided below. This list may be revised at SDCP's sole discretion.

a. Price
b. Overall quality of response, including general completeness and conformance with RFP instructions/requirements
c. Project location
d. Benefits to the local economy
e. Benefits to the local workforce
f. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
g. Siting, zoning and permitting status, if applicable
h. Qualifications of project team
i. Proposed financing plan and ownership structure
j. Environmental impacts and related mitigation requirements
k. Financing plan & financial stability of project owner/developer
l. Proposed security obligations
m. Development milestone schedule, if applicable
n. Supplier diversity
o. Experience developing and operating renewable energy projects in California
p. Experience selling renewable energy to CCAs

Contracting

SDCP plans to negotiate a single form of Power Purchase Agreement ("PPA") with each of the short-listed suppliers. As part of the short-list notification process, SDCP will provide each of the short-listed suppliers with a draft PPA. Contract negotiations will proceed thereafter.

Confidentiality

All correspondence with SDCP, including responses to this RFP, will become the exclusive property of the SDCP and will become public record under the California Public Records Act (Cal. Government Code section 6250, et seq.). All documents sent by respondents to SDCP may be subject to disclosure, unless exempt under the California Public Records Act.

In order to designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word "Confidential" and provide a citation to the California Public Records Act supporting confidential treatment of such information. Respondents should be judicious in designating material as confidential. Over-designation would include stamping/designating entire pages, series of pages and/or entire sections as confidential when such material does not require confidential treatment.

Therefore, any proposal which contains language purporting to render all or significant portions of the proposal as "Confidential", "Trade Secret" or "Proprietary", or which fails to provide the noted exemption citation (related to the California Public Records Act) may be considered a public record in its entirety subject to the procedures described below. Do not mark your entire proposal as "Confidential".

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over SDCP, including the California Public Records Act, SDCP may release confidential information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation. In the event SDCP is required to release confidential information, it shall notify the respondent of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

SDCP does not intend to disclose any part of any proposal before it announces a recommendation for award, based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation or negotiation process.

Exclusivity Agreement and Bid Deposit

As part of the short-listing process, SDCP will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement (of no less than 90 days in duration), and post a bid deposit in the amount of $3,000/MW multiplied by the project's guaranteed capacity. SDCP will accept bid deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of credit, in a form reasonably acceptable to SDCP, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by SDCP, and (B) it is acceptable to SDCP in its sole discretion. The issuing bank must have a credit rating of at least A- from S&P or A3 from Moody's, with a stable outlook designation. All costs of the Letter of Credit shall be borne by the short-listed respondent.