



SAN DIEGO
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POWER**

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San Diego Community Power to Slash Electricity Generation Prices 18% Year-Over-Year on Average for Customers

REDUCED RATES GO INTO EFFECT ON FEB. 1

SAN DIEGO – As part of its ongoing efforts to provide clean energy at the greatest possible value for its customers, the San Diego Community Power Board of Directors today approved new rates that will result in customers seeing an average decrease of 17.7% to their electricity generation costs compared to their rates in 2023.

The new rates, which were approved unanimously, will take effect on Feb. 1.

“As a not-for-profit that keeps community at the center of what we do, it was critical for us to provide rate relief while building on the strong financial foundation we established in our first four years,” SDCP Chief Executive Officer Karin Burns said. “Since our inception, customers have counted on us to bring competition to the marketplace to drive down electricity costs and give them the financial ability to thrive in our region.”

SDCP sources electricity for its customers, while SDG&E transmits and delivers that power to customers’ homes and businesses. For a full breakdown of how electric bills in SDCP’s service areas work, visit <https://sdcommunitypower.org/billing-rates/understanding-your-bill/>.

The new electricity generation rates feature a 23.2% year-over-year decrease in winter and a 12.3% year-over-year decrease in summer months, while allowing San Diego Community Power to maintain a balanced budget.

The price decreases are possible due to careful financial planning as well as market shifts that included lower power market prices compared to past years.

However, the energy market still presents challenges. There is an extremely tight market on resource adequacy, which is required by the state of California to serve as a

sort of “back up” power for periods, like heat waves, when there is a higher-than-usual strain on the grid.

Additionally, due to a number of market forces, short-term renewable energy prices have also increased significantly.

SDCP is mitigating these short-term challenges by executing numerous long-term projects through power purchase and resource adequacy agreements that will help blunt the effects of market swings and create price certainty at lower cost in future years.

Five of these types of power purchase agreements were also approved unanimously at the Board of Directors meeting following the approval of the new rates. In the past year, SDCP has entered into 13 similar agreements, which will create more predictable, stable pricing in future years.

The Board of Directors also approved an innovative flex load strategy, which will enable SDCP to help customers strategically use appliances, smart thermostats, electric vehicles, solar power, batteries and other distributed energy resources to shift electricity demand to off peak hours to drive down costs.

In 2022, SDCP's board approved a rate development policy, which acts as a guide for staff to make recommendations to the board of directors about electricity generation rates.

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

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

San Diego Community Power is a community choice energy program that gives customers an option to run their businesses and homes on significantly higher levels of renewable power at competitive rates. Over the last four years, San Diego Community Power has served nearly a million municipal, business and residential power



customers in the cities of San Diego, Chula Vista, Encinitas, La Mesa, National City and Imperial Beach as well as the unincorporated communities in the County of San Diego.

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

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