



## San Diego Community Power Regulatory & Legislative Platform

### Overview and Purpose

San Diego Community Power's (SDCP) Regulatory & Legislative Platform (Platform) serves as a guide to the SDCP Board of Directors, SDCP staff, and SDCP advocates in their efforts and engagement on policy matters of interest to SDCP. The Platform allows both Board members and staff to pursue actions at the local, regional, state, and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform enables the organization to move swiftly to respond to issues before Legislature and Executive Branch agencies including, but not limited to, the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California Independent System Operator (CAISO), and the California Air Resources Board (CARB) so that SDCP's views can be heard on important matters in a timely fashion. This Platform applies, but is not limited to, statewide referenda, grant funding opportunities, and local ballot initiatives. The Platform is also applicable to opportunities arising out of recent federal legislation, including the Inflation Reduction Act as well as the Infrastructure Investment and Jobs Act. The Platform provides guidance to the Chief Executive Officer or their designee on positions that should be taken on legislative matters identified by the SDCP Director of Regulatory and Legislative Affairs or their designee and the California Community Choice Association (CalCCA) Board of Directors.

The Platform outlines the legislative and regulatory priorities and stances of SDCP with the intent to inform customers, stakeholders, representatives, and policymakers on the myriad of public policies that intersect with SDCP's priorities, programs, and services.

SDCP has three major policy priorities:

1. Accelerating Deep Decarbonization, Equitably and Expeditiously
2. Promoting Local Development, and
3. Stabilizing Community Choice Energy.

SDCP support of policies will be contingent upon that legislation or regulation adhering to these priorities as well as SDCP's organizational goals and priorities. Moreover, SDCP supports any and all policies that will preserve or enhance the ability of SDCP to promote these priorities at the local level.

Any questions regarding this Platform can be directed to Laura Fernandez, Director of Regulatory and Legislative Affairs, at [lfernandez@sdcommunitypower.org](mailto:lfernandez@sdcommunitypower.org).

### General Policy Principles

SDCP has three general policy principles. These priorities serve as the foundation for all actions SDCP will take, including the lobbying and public comment for policies that promote those same guiding priorities. Public policy encompasses a myriad of subject and topic areas. However, as these policies intersect at the local level, they have the ability to impact SDCP revenues, programs, operations, and/or administrative discretion and control. SDCP will support policies that accelerate deep decarbonization, promote



local development, stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, SDCP will oppose, support with amendments, adopt a neutral position, or in some cases take no stance on that policy or legislation. The General Policy Principles for SDCP are:

### **Accelerating Deep Decarbonization**

- Support the creation or expansion of federal, state, and local policies, programs and funding that enable SDCP to provide 100% renewable energy by 2035 or sooner to customers within its service area as well as contribute to the State's efforts to reduce greenhouse gas emissions, including through building electrification and transportation electrification.
- Oppose any legislation, policies, programs, referenda, initiatives, unfunded mandates and budgets that would have an adverse impact on SDCP's ability to advance decarbonization through its procurement, programs, projects, and services.

### **Promoting Local Development**

- Support any legislation, policy, funding, referenda, and budgets that enhance community choice energy providers' ability to invest in local clean energy, including infill solar and battery storage, as well as other distributed energy resources, grid resiliency, zero-emission transportation, all while promoting equity in the communities that it serves.
- Oppose any legislation, policy, funding, referenda, initiatives and budgets that limit or undermine SDCP's ability to invest in local clean energy, distributed energy resources, zero-emission transportation, all while promoting equity in the communities that it serves.

### **Stabilizing Community Choice**

- Support any legislation, policies, funding, referenda, initiatives and budgets that maintain or improve the stability of community choice energy providers by ensuring regulatory structure is equitable and enables Community Choice Aggregators (CCAs) to meet their mission and goals. Maintaining local decision-making authority, including rate-setting authority and procurement of energy, as well as program design and administration, is a key pillar for this stability.
- Oppose any legislation, policies, funding, referenda, and budgets that undermine or circumvent CCAs and impede the ability of SDCP to achieve its mission and goals or its value proposition.

The list of policy positions below is by no means exhaustive. In addition to the general policy principles detailed above, SDCP takes the following more specific public policy positions:

#### **I. Governance and Authority**

- a. Oppose legislation and regulation that limits the local decision-making authority for CCAs, including rate-setting authority and procurement of energy and capacity to serve their customers.
- b. Oppose legislation and regulation that limits SDCP's ability to effectively serve its customers.



- c. Support legislation and regulations that makes it easier for other cities and counties that are not served by a publicly owned utility to form a CCA, become members of SDCP or other CCAs, and oppose legislation and regulation that restricts that ability.
- d. Support, as appropriate, legislation that facilitates public and board member participation in SDCP's governance and decision-making, including through the Community Advisory Committee, while maintaining a high standard of transparency.

## **II. Deep Decarbonization**

- a. Advocate for and support legislative and regulatory efforts to accelerate deep decarbonization of the energy sector, transportation and the built environment, including expanding access to low-cost financing for clean energy technologies.
- b. Advocate for and support legislative and regulatory efforts to support and expand access to transportation and building electrification.
- c. Advocate for and support policy efforts to ensure flexibility in program design so that local data and local needs directly inform program offerings.
- d. Support state funding for electric vehicle infrastructure programs, including related electric vehicle grid connected programs and policies.
- e. Advocate for and support legislative and regulatory efforts to provide incentives to support Communities of Concern achieving deep decarbonization.

## **III. Environmental Justice**

- a. Support legislation and regulation that supports the ability of Communities of Concern in the SDCP service area to have affordable, reliable and local clean energy.
- b. Support legislation and regulation that strengthens the resilience of vulnerable communities to the impacts of climate change.
- c. Support legislation and regulation that enables all communities, including emerging and historically marginalized communities in California, to participate in deep decarbonization efforts.
- d. Support legislation, regulation and policies that internalize the externalities of carbon, through true cost pricing and social cost accounting.
- e. Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within Communities of Concern.
- f. Oppose legislation and regulations that have the potential to disproportionately and negatively impact communities of concern.

## **IV. Environmental Sustainability**

- a. Support legislation and initiatives that increase funding for the creation of sustainable and stable energy supply infrastructure.
- b. Support legislation and initiatives that encourage the conservation of energy resources as well as the development of dynamic load-shifting capabilities.
- c. Support legislation, regulation, and funding for renewable and advanced energy technology that increases efficient consumption.
- d. Support legislation and funding for pilot energy and resource efficiency



programs.

- e. Support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and building local resiliency.

**V. Investor-Owned Utility (IOU) Charges and Exit Fees - Power Charge Indifference Adjustment (PCIA)**

- a. Support efforts that seek to eliminate exit fees including the PCIA or wind down exit fees within a reasonable time frame.
- b. Support efforts to minimize the cost of the PCIA generally and minimize its impact on SDCP's rates.
- c. Support efforts to increase the transparency of IOU electricity contracts that provide the basis for PCIA charges.
- d. Support legislation and regulation that would bring stability to the PCIA and/or provide new mechanisms for CCAs to securitize PCIA charges.
- e. Support legislation and regulation that advances ratepayer equity.
- f. Oppose legislation and regulation that would increase or expand exit fees on CCA customers.

**VI. Resource Adequacy**

- a. Support legislation and regulation to address shortfalls in the Resource Adequacy market including transmission constraints, interconnection or project delays, and minimizing market power.
- b. Oppose legislation and regulation that would supplant CCAs' procurement authority for Resource Adequacy or impose compliance penalties not grounded in market realities.
- c. Support reform of the CPUC Resource Adequacy program to allow for stability in the resource adequacy value of existing resources and allow for departing load to access existing resources at fair market value.
- d. Advocate for and support efforts to remove barriers to demand response, microgrids and behind the meter resources to provide Resource Adequacy.

**VII. Nonbypassable Charges**

- a. Oppose legislation and regulation that restricts or limits SDCP's ability to procure its own energy products to meet state policy goals.
- b. Support legislation that promotes a level playing field between CCAs and other market participants.
- c. Support legislation that enhances the flexibility of CCA programs to support statewide procurement policy and develop and expand programs, local options, and rate design to support SDCP's community and customers.

**VIII. Community Resilience**

- a. Advocate for and support funding for programs implemented by CCAs and their member jurisdictions to increase community resilience to wildfires, public safety power shutoff (PSPS) events and other potential service disruptions.
- b. Support legislation and regulation that reduces barriers to microgrid and other distributed energy resource development by CCAs.
- c. Oppose legislation and regulation that would enable IOUs to be the only developer of microgrids and other distributed energy resources.
- d. Support legislation and regulation that increases development of



community-level resources and distributed energy resources that increase resilience and reduce the need for new transmission and distribution infrastructure.

**IX. Local Economic Development**

- a. Support legislation and regulation that is consistent with SDCP's commitment to an inclusive and sustainable workforce.
- b. Support legislation and regulation that enhances opportunities for CCAs to promote local economic development through locally designed programs that meet the unique needs of their member agencies, communities, and customers.
- c. Support efforts to enhance development of local and regional sources of renewable energy, including supporting efforts to reform and expedite permitting processes
- d. Support policies that ensure a just transition of workers into the non-fossil fuel, clean energy economy.
- e. Support legislation and regulation that enables CCAs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.
- f. Advocate for and support efforts to direct state and federal funding to CCAs to deliver local energy resources and projects, as appropriate.

**X. California Energy Market Structure & Expansion**

- a. Oppose legislation that expands direct access or the ability of electric service providers to selectively recruit CCA or IOU customers.
- b. Support legislation that would create renewable content and environmental standards for electric service providers to match the products offered by CCAs.
- c. Support legislation that changes California's market structures towards innovative models that reduce costs of energy service and support the expansion of carbon-free resources.
- d. Support legislation that advocates for equitable and timely data access/sharing between the IOUs, CCAs and other LSEs to support accurate and timely load forecasts, which aid in overall statewide grid reliability and resiliency efforts.
- e. Support regulatory and legislative efforts for the development of a regional market structure that enhances SDCP's mission to provide affordable renewable energy for a sustainable future for the San Diego region. This includes:
  - i. Preserving SDCP's ability to make resource choices that best serve its customers' needs, as well as state and Board adopted goals.
  - ii. Maintaining SDCP's commitment to an inclusive and sustainable workforce for the region, and keeping jobs in California and preserving union work opportunities in California's energy sector.
  - iii. Maintaining a transparent governance process that provides equitable representation of the interests of all market participants.





- iv. Focusing on customer benefit, with a particular focus on resource cost-savings for SDCP customers.
- v. Enhancing grid reliability in a variable generation grid while achieving clean energy goals in the quickest way possible.
- vi. Coordinating transmission planning, to the extent feasible, to enhance deliverability, reduce congestion, and help cost-effectively and reliably meet renewable and clean energy goals.

#### **XI. Finance**

- a. Support legislation that enhances the financial standing of CCAs and their ability to receive a positive credit rating.
- b. Oppose legislation that reduces or removes the tax-exempt status of municipal bonds.
- c. Oppose any legislation that would divert CCA revenues to the State or other governmental entities.
- d. Oppose policies that inequitably transfer risk from IOUs to CCAs (e.g. including within the implementation of the provider of last resort framework).
- e. Oppose legislation that disrupts or impairs the ability of CCAs to maintain or achieve financial stability.

#### **XII. Educational, Neighborhood and Social Services**

- a. Support legislation and regulation that aids or helps to fund SDCP to provide energy support services, education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities, or otherwise have historically been marginalized. Support policies and efforts to ensure that services and education are offered in languages other than English.
- b. Support legislation and regulation that increase targeted funding for energy efficiency, demand response, solar plus storage, transportation electrification programs, behind the meter programs, and energy literacy programs and services.
- c. Support legislation and regulation that would result in improved indoor air quality. For example, policies that would require or encourage appropriate ventilation be added when efficiency improvements, such as weatherproofing, insulation and double pane windows are installed.

#### **XIII. Rate Affordability and Modernization**

- a. Support legislative and regulatory efforts to promote affordable rates for all Californians while ensuring ratepayer equity and maintaining CCA ratemaking autonomy and financial solvency.
- b. Support policies that enhance CCA timely access to quality billing data to enable demand flexibility initiatives and innovative rate design.
- c. Oppose policy mandates that violate CCA ratemaking autonomy or impose fixed fees within the generation component of rates.
- d. Oppose policies that would result in increasing utility customer delivery rates rather than utilizing alternative state or federal funding to accomplish stated policy goals.