



Board of Directors

Regular Meeting

August 22, 2024



The image features a background of blue water with ripples. A white diagonal shape, resembling a large arrow pointing from the top-left towards the bottom-right, is superimposed on the water. Inside this white shape, the text "Welcome & Call to Order" is written in a bold, blue, sans-serif font, arranged in four lines.

**Welcome
&
Call to
Order**

The background features a vibrant blue water surface with gentle ripples. A large, white, diagonal shape, resembling a stylized arrow or a large 'V', is superimposed over the water, pointing from the top-left towards the bottom-right. The text 'Roll Call' is centered within this white shape.

Roll Call



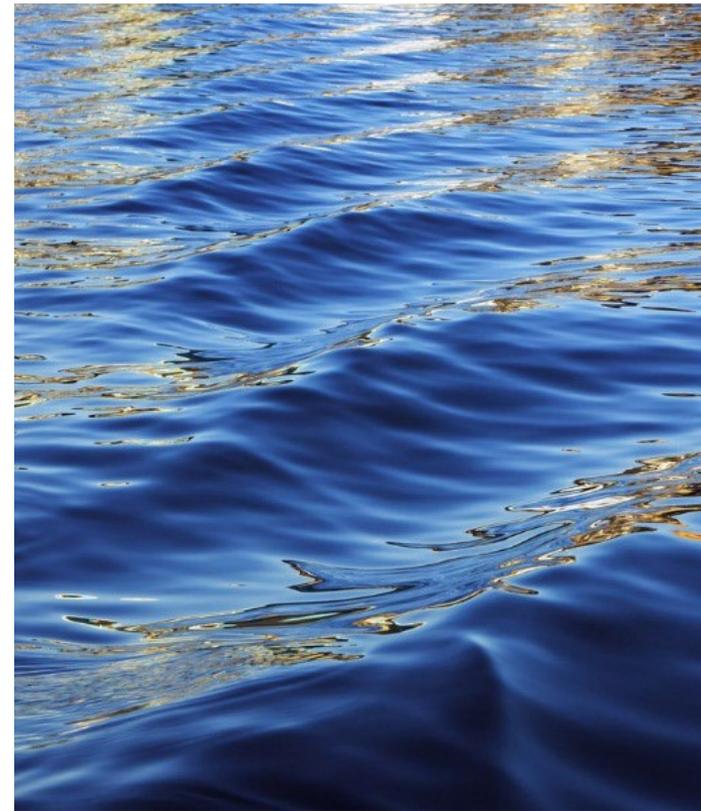
The background of the slide is a vibrant blue water surface with gentle ripples. A large, white, diagonal shape, resembling a stylized arrow or a large 'X' formed by two triangles, is superimposed over the water. The text is centered within the white area.

Land Acknowledgement



Eddie Price

Special Recognition
Outgoing CAC Member, City of San Diego



Warm Welcome!



Melissa Elder
Community Engagement Associate



Aja, Holmes
Senior Settlements Analyst



Vincenzo Tarantino
Marketing Manager



Dr. Hanlu Huang
Data Scientist



Jose Tapia
Information Technology System Engineer



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**Items to
be Added,
Withdrawn
or
Reordered
on the
Agenda**



**Public
Comment
for Items
NOT
on the
Agenda**

Closed Session Agenda

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency designated representative(s): General Counsel
Unrepresented employee: Chief Executive Officer



**Public
Comment
on Closed
Session**



CLOSED SESSION RECESS



Open Session

**GENERAL COUNSEL REPORT FROM
CLOSED SESSION**

Consent Agenda

- 1. Approve June 27, 2024, Meeting Minutes**
- 2. Receive and File Treasurer's Report for Period Ending May 31, 2024**
- 3. Receive and File Update on Programs**
- 4. Receive and File Update on Power Services**
- 5. Receive and File Update on Human Resources**
- 6. Receive and File Update on Customer Operations**
- 7. Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
- 8. Receive and File Update on Community Advisory Committee**
- 9. Receive and File Update on IT and Data Analytics**
- 10. Receive and File Update on Regulatory and Legislative Affairs**
- 11. Adoption of Resolution No. 2024-05, approving a revision to the SD Community Power's Conflict of Interest Code**



**Public
Comment
for
Consent
Agenda**

Regular Meeting Agenda

- 12. Approve Third Amendment to the Chief Executive Officer Employment Agreement**
- 13. Approval of Community Advisory Committee (CAC) Appointment for the City of San Diego**
- 14. Quarterly Report on Community Advisory Committee**
- 15. Approve Legal Counsel Agreement with Chapman and Cutler LLP**
- 16. Approve contracts for vendors selected in the 2024 Request for Proposals (RFP) for Professional Services for Energy Trading Risk Management**
- 17. Board Consideration of Establishing an Ad Hoc Committee to Review Existing San Diego Community Power Board and Committee Compensation and Reimbursement Policy; and, if established, Chair Appointment of Members to the Committee**

Item No. 12 Approve Third Amendment to the Chief Executive Officer Employment Agreement

Recommendation:

Approve Third Amendment to Chief Executive Officer Employment Agreement



**Public
Comment
for Item
No. 12**

Item No. 13

Approval of Community Advisory Committee (CAC) Appointment for the City of San Diego

Recommendation:

**Approve the Appointment of Luis Montero-Adams
to the CAC for the City of San Diego**

Presenter:

Xiomalys Crespo, Senior Community Engagement Manager

Membership Criteria & Selection Process

- The Community Advisory Committee (CAC) includes 2 members from each member agency.
- Appointments are to prioritize residents from diverse social, economic, and racial backgrounds that are representative of all residents within Community Power's service territory.
- Staff promoted the vacancy via social media, the Board of Directors, the CAC and directly engaging with member agency staff and the public in the City of San Diego; and worked with Director LaCava's staff to review applications, conduct interviews, and determine a nomination for appointment based on Membership Terms & Criteria.
- Director and Chair LaCava has nominated Luis Montero-Adams.

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**Public
Comment
for Item
No. 13**

Item No. 14

Quarterly Report on Community Advisory Committee

Recommendation:

**Receive and File Community Advisory Committee
Quarterly Report**

Presenter:

Matthew Vasilakis, Community Advisory Committee Chair

Quarterly Report on Community Advisory Committee

April through June 2024

Topics Discussed

- Vehicle-Grid Integration Strategy Overview
- Power100 CAC Ad-Hoc Committee Updates
- Power100 Green+ Service Level
- PowerBase Service Level
- Update on Community Power's Strategic Plan
- FY 2024-25 Community Power Budget
- Regulatory and Legislative Affairs Update
- Solar Battery Savings Program



CAC Member David Harris (La Mesa) volunteers at the Grossmont College Sustainability Fair in April 2024

Quarterly Report on Community Advisory Committee

July 2024

2024 – 2025 Community Advisory Committee Officers

Chair: Matt Vasilakis (City of San Diego)

Vice-Chair: Lawrence Emerson (National City)

Secretary: Aida Castañeda (Secretary)



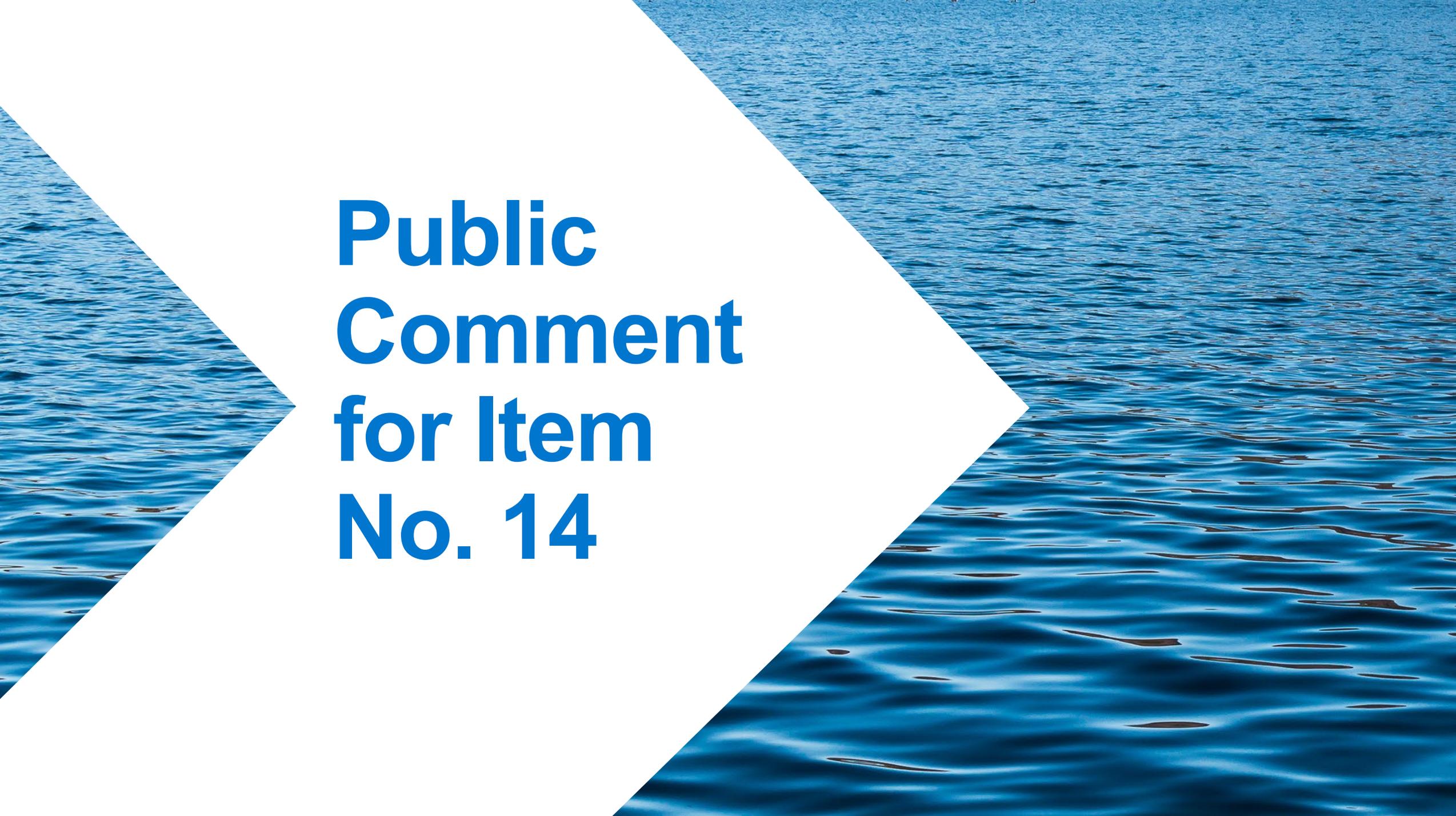
CAC Chair Matthew Vasilakis (City of San Diego) throws the first pitch at the San Diego Padres game on July 10, 2024



CAC Members David Harris (La Mesa) and Aida Castañeda (National City) attend the 2024 Pride Parade



Ken Hoyt (Imperial Beach) attends Community Power July Events

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**Public
Comment
for Item
No. 14**

Item No. 15

Approve Legal Counsel Agreement with Chapman and Cutler LLP

Recommendation:

Approve Legal Counsel Agreement with Chapman and Cutler LLP

Presenter:

Eric W. Washington, Chief Financial Officer

Veera Tyagi, General Counsel

Michael Berwanger, with PFM Financial Advisors

Chapman and Cutler LLC

Scope	<ul style="list-style-type: none">• Provides advice, counsel, and subject matter expertise to SDCP’s selection of transaction counterparties, the negotiation and drafting of all agreements, documentation associated with the transaction, and to serve specifically in the capacity of Disclosure Counsel to SDCP.
Background	<ul style="list-style-type: none">• Extensive experience in the prepaid energy market dating back to the mid-1990s• Worked with a variety of prepaid suppliers, underwriters, bond issuers, and muni purchasers• Experience with CCAs: MCE (2), AVA (3), SVCE (3), Pioneer (1), CPA (2)
Not-to-exceed	<ul style="list-style-type: none">• \$300,000 - fixed fee from bond proceeds, contingent upon completion





SAN DIEGO
**COMMUNITY
POWER**

Energy Prepayment Discussion

August 22, 2024

PFM Financial Advisors LLC

555 W. 5th Street
Suite 3500
Los Angeles, CA 90013

213.489.4075

Prepayment Transaction Overview

- **Goal** – Reduce cost of power purchases by 8% or more
- **How** – Leverage use of tax-exempt bonding capacity to secure long-term supply

Background

- Codified in the U.S. tax law
- Used since the 1990s largely for natural gas transactions
- Over 100 transactions totaling over \$70 billion completed in the U.S. – mostly for gas
- Eleven energy prepayment transactions totaling \$9.8 billion completed last few years for six California Community Choice Aggregators:
 - East Bay Community Energy
 - Silicon Valley Clean Energy
 - Marin Clean Energy
 - Pioneer Community Energy
 - Clean Power Alliance
 - Central Coast Community Energy

Prepayments That Have Been Completed by CCAs in California

Date	Amt. (\$000)	Issuer	Description	Beneficiary
09/2021	1,234,720	California Community Choice Fin Auth	Elec (Green)	SVCE, EBCE
11/2021	602,655	California Community Choice Fin Auth	Elec (Green)	MCE
06/2022	931,120	California Community Choice Fin Auth	Elec (Green)	EBCE
12/2022	459,640	California Community Choice Fin Auth	Elec (Green)	Pioneer
01/2023	841,550	California Community Choice Fin Auth	Elec (Green)	SVCE
02/2023	998,780	California Community Choice Fin Auth	Elec (Green)	CPA
06/2023	958,290	California Community Choice Fin Auth	Elec (Green)	CPA
08/2023	997,895	California Community Choice Fin Auth	Elec (Green)	EBCE
10/2023	647,750	California Community Choice Fin Auth	Elec (Green)	CCCE
12/2023	1,038,285	California Community Choice Fin Auth	Elec (Green)	MCE
01/2024	1,101,625	California Community Choice Fin Auth	Elec (Green)	SVCE
Total	\$9,812,310			

- All transactions to date have achieved a 9.5% savings or better.
- Most recent transactions have been over 12%

Prepayments That Have Been Completed by Municipal Utilities in California

Date	Amt. (\$000)	Issuer	Description	Beneficiary
06/2006	230,845	Vernon Nat. Gas Fin Auth	Nat Gas	City of Vernon Elec
01/2007	209,350	Roseville Natural Gas Fin Auth	Nat. Gas	City of Roseville Elec
05/2007	757,055	Northern Ca Gas Auth No. 1	Nat. Gas	SMUD
09/2007	887,360	Long Beach Bond Fin Auth	Nat. Gas	City of Long Beach
10/2007	504,445	So. Ca. Pub. Power Auth	Nat. Gas	Multiple MOUs
10/2007	251,695	Long Beach Bond Fin. Auth	Nat. Gas	City of Long Beach
08/2009	901,620	M-S-R Energy Authority	Nat. Gas	MID/Redding/SVP
10/2009	514,160	So. Ca Pub Power Auth (Windy Flats)	Elec (Wind)	LADWP, Mult. MOUs
04/2010	778,665	Cal. Statewide Comm Dev Auth	Nat. Gas	SMUD
2010/11	394,700	So. Ca Pub Power Auth (Milford 1 & 2)	Elec (Wind)	LADWP, Mult. MOUs
12/2018	539,615	Northern Ca Energy Auth	Gas/Elec	SMUD
Total	\$5,969,510			

Entities Involved in a Prepayment Transaction

- **SD Community Power** – Has existing Power Purchase Agreement(s) for clean energy
- **Prepay Counterparty** – Typically a financial institution with a commodity presence or a financial institution partnered with a commodity market participant
- **Issuer** – Bond issuing entity formed for sole purpose of selling the prepayment bonds, typically a Joint Powers Authority (“JPA”). All other CCAs have used California Community Choice Financing Authority (CCCFA)
- **Existing Power Supply Counterparty** – Agrees to limited assignment of the existing PPA
- **Bond Investors** – Purchase the non-recourse tax-exempt prepayment bonds
- **Service Providers** - Municipal financial advisor, bond, tax and disclosure counsel, to support the structuring and issuance of a prepayment transaction.

Prepayment Timeline

- Nov 7, 2023:** Request-for-Proposal (RFP) was issued for Municipal Financial Advisor (MFA)
- Dec 28, 2023:** PFM Financial Advisors LLC (PFM) was selected as MFA
- Feb 15, 2024:** Finance and Risk Management Committee (FRMC) Prepaid Financing Presentation
- Feb 22, 2024:** Board Presentation Prepaid Financing Presentation
- Apr 19, 2024:** RFP issued for underwriter and legal services (bond, tax, disclosure)
- Aug 22, 2024:** **Legal counsel agreement with Chapman & Cutler for disclosure services – Potential Board approval**
- Sep19, 2024:** FRMC - Presentation and Underwriter and Bond Issuer – Potential recommendation for Board approval of Resolution for Bond Issuer
- Sep 26, 2024:** **Board Presentation and Underwriter and Bond Issuer – Potential Board approval for Board approval of Resolution for Bond Issuer**
- Oct 17, 2024:** FRMC Presentation and Update on authorizing documents
- Oct 24, 2024:** **Prepay Transaction – Potential Board approval**
- Nov 21, 2024:** Execute prepaid agreement
- Dec 5, 2024:** **Closing**



**Public
Comment
for Item
No. 15**

Item No. 16

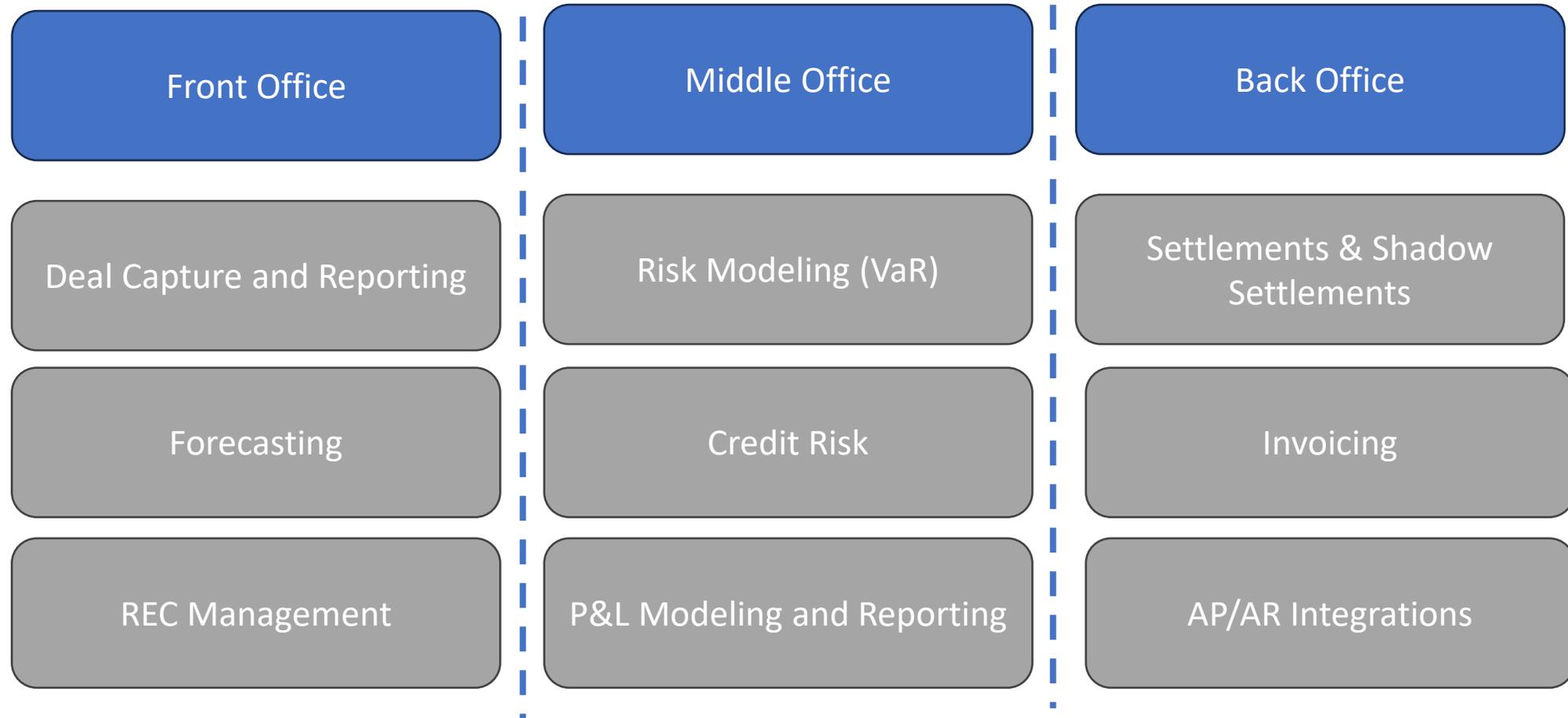
Approve contracts for vendors selected in the 2024 Request for Proposals (RFP) for Professional Services for Energy Trading Risk Management

Recommendation:

- a. Approve a contract (Attachment A) with PCI Energy Solutions with a not-to-exceed amount of \$4,354,549 over the initial term of five years, and a yearly automatic renewal after the initial term, until SDCP provides a notice of termination, for Energy Trading Risk Management Subscription Software, Update and Support Services, and Hosting Services, and authorize execution by the Chief Executive Officer.**

- b. Approve a contract (Attachment B) with cQuant.IO Inc. with a not-to-exceed amount of \$1,467,707 over three years and four months, and options for two one-year extensions, for an Energy Trading Risk Management analytics platform and associated implementation, training, and consulting, and authorize execution by the Chief Executive Officer.**

What is an Energy Trading Risk Management (ETRM) system?



ETRM: Why / What / How

Why SDCP needs an ETRM system?

- *Critical to manage contracts and portfolio, settle invoices, report on positions, and to gauge and evaluate risk*

What the new ETRM system will accomplish?

- *Power service strategic goal “Manage portfolio to manage risk, cost, and reliability objectives through risk management tools, sufficient staffing, and staff training”*
- *Allow SDCP to have direct access to its data, reporting, and risk models*

How the new ETRM system will reduce risk?

- *Advanced stochastic and simulation-based modeling at the project and portfolio level*
- *Reduce reliance on third party contractors*

ETRM RFP: Scope

I. **Main Scope**

- a. Energy Trading Risk Management System (ETRM)
 - I. Deal capture / trade entry along with deal locking functionality
 - II. Portfolio management, reporting, and risk analysis
 - III. Asset management, tracking, and optimization
 - IV. Position tracking, management, and reporting
 - V. Project Valuation and impacts on portfolio
 - VI. Risk analysis including counterparty risk management
 - VII. Market pricing data and integration with third party data vendors
 - VIII. Settlements including AP/AR integration
 - IX. Pro-Forma Budget integration

II. **Optional Secondary Scope if Proposer has responsive software offerings**

- a. Load forecasting
- b. Battery optimization and dispatch
- c. Contract management
- d. Project valuation at the nodal level

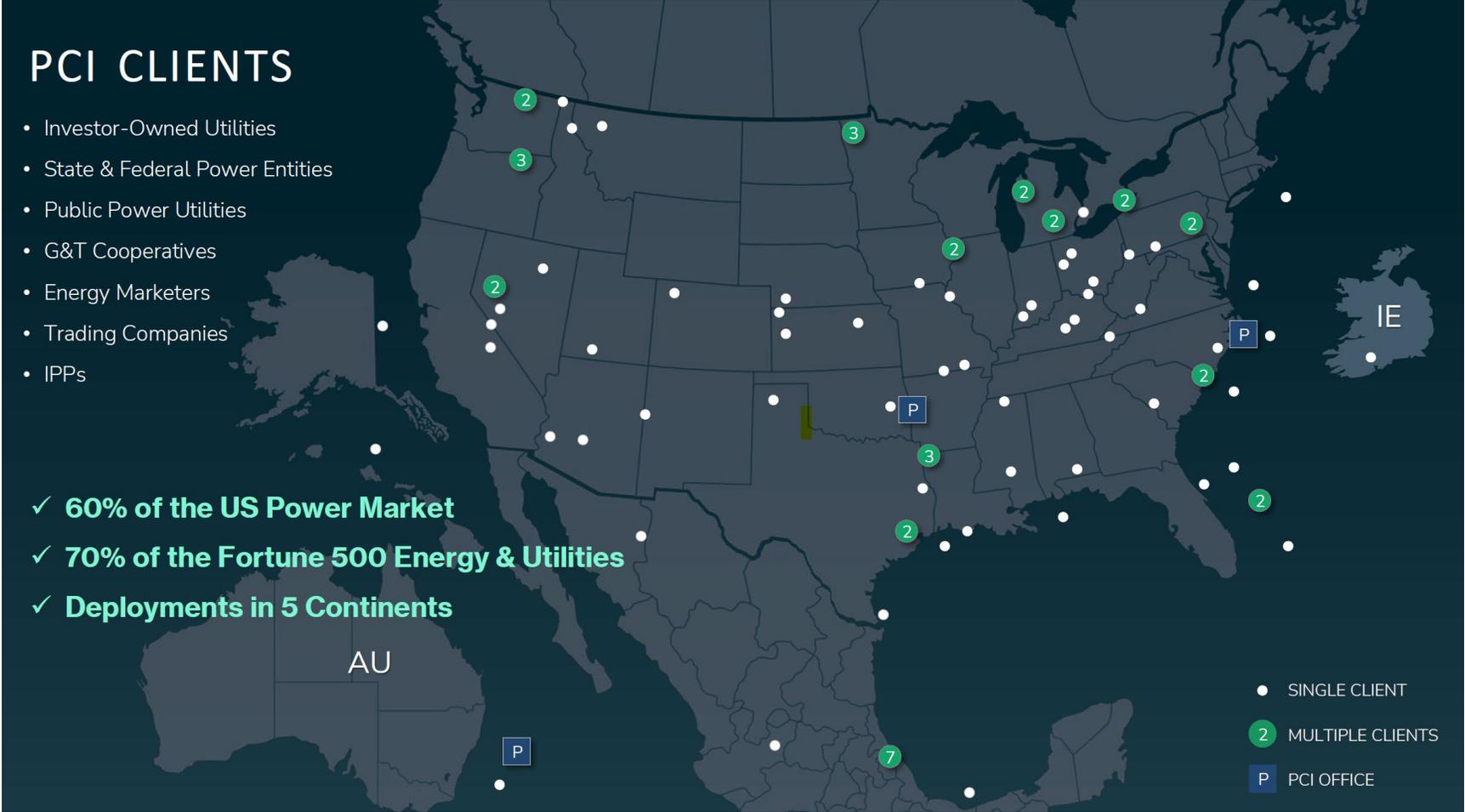
ETRM RFP: Timeline

- **January 2024:** Launched RFP
- **March 2024:** Submissions Due
 - 13 total applicants (7 main scope, 6 submitted secondary scope only)
- **March 2024:** Shortlisting for Pilot Proof of Concept Demonstrations
 - 4 were shortlisted and selected for in depth demonstrations
- **April to July 2024:** Pilot Proof of Concept Demonstrations
- **July 2024:** Final Vendor Selections

The two vendors selected fulfill all the primary scope of the ETRM RFP and some of the secondary scope – (1) PCI Energy Solutions and (2) cQuant.IO.

The vendors scored well throughout the RFP process and their offerings were cost-competitive while providing enhanced value to SDCP versus other applicants.

PCI Overview

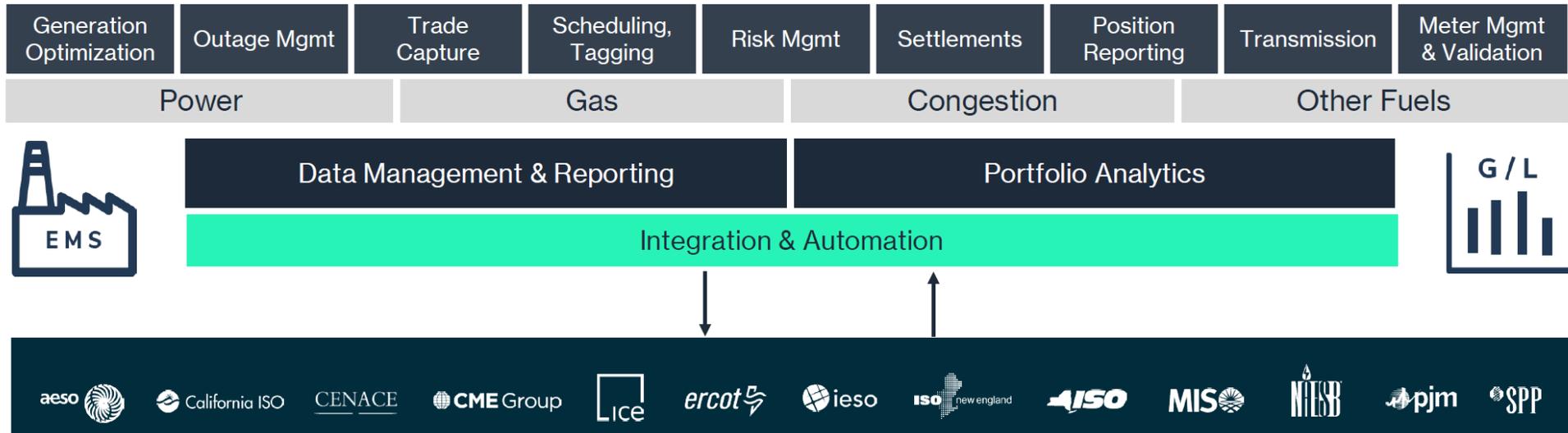


PCI Overview

PCI Enterprise Platform



the complete energy lifecycle, optimized by PCI's interconnected platform



cQuant Overview



Quick Look at cQuant, A Partner You Can Trust

HQ

- Boulder, CO

Offices

- London
- Sacramento
- Houston

Stats

- Founded in 2016
- Analysis in 5 continents
- Library of 30+ models
- Exceptional Growth
- Built by and for Analysts

Who We Serve

- Utilities & CCA's
- Independent Power Producers
- Trading Organizations
- Corporate PPA Buyers
- Renewable Developers
- Storage Developers
- Energy Consultancies

cQuant Overview

cQuant is Modeling:

- 40+ portfolios
- 100 GW renewable
- 10 GW storage
- 100 GW thermal
- 5+ Million energy contracts

Problems cQuant Solve

- Renewable assets and contracts often vary from what's expected. Renewable energy has increased complexity and uncertainty in pre-COD value and portfolio analysis → **Stochastic simulation is critical for accurate results.**
- The energy transition is dynamic and has created new uncertainty → **A modern and adaptive analytic approach is needed.**
- Critical analysis (such as intrinsic and extrinsic value) is not getting done at the pace of business and results are not trusted → **An advanced analytics platform with fastest time to insight is key.**
- An asset-by-asset analysis ignores the diversification benefits and risks at the portfolio level → **Portfolio-level analysis is essential in understanding holistic value.**

RiskTech
Energy50
2022
Top 20

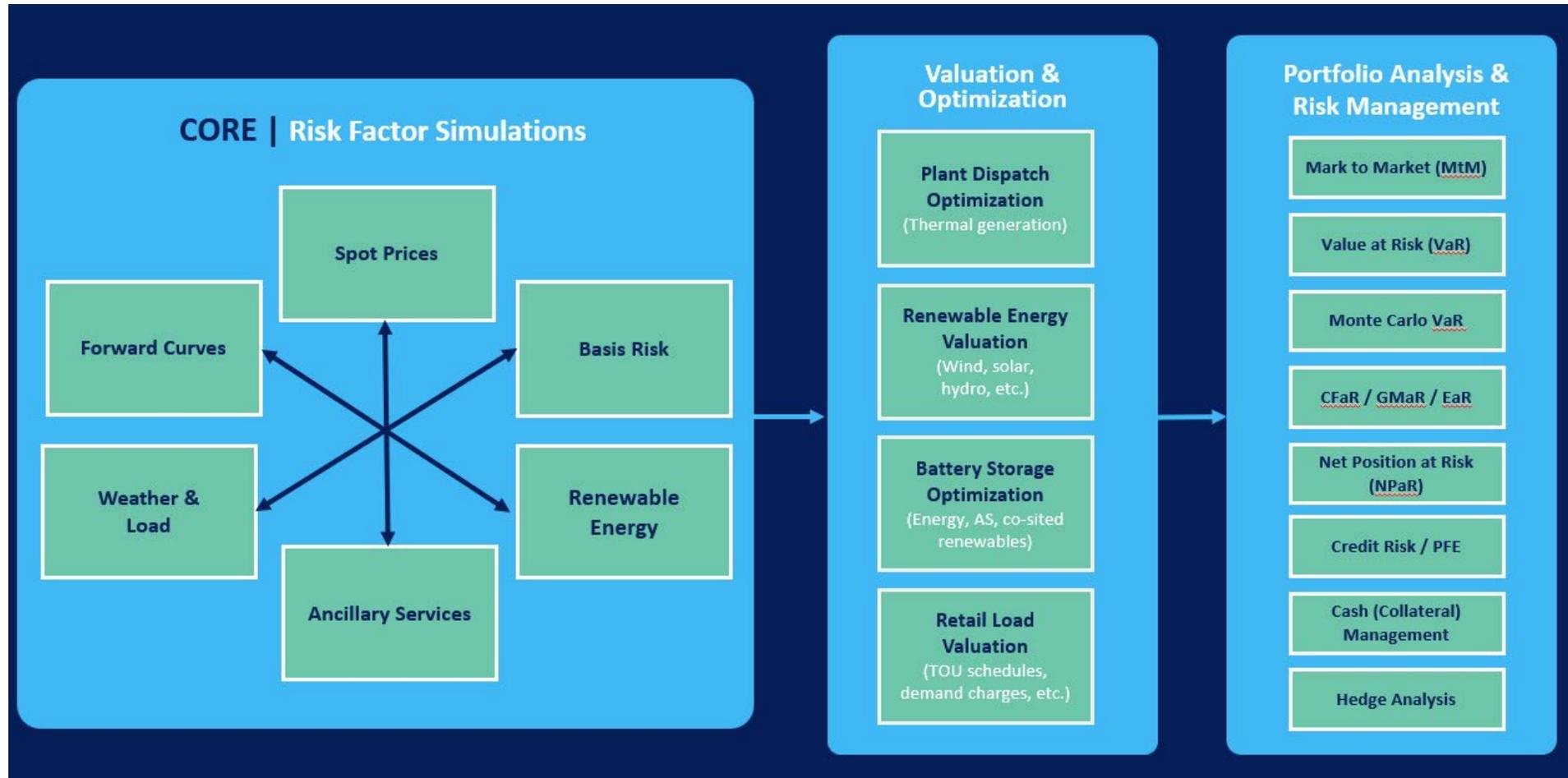
Energy50
2023
Top 20

Energy50
2023
cQuant.io
Complex Contracts for
Risk Management

Chartis
Energy50
2024
cQuant.io
Top 15

Energy50 2024
Complex Contracts
for RM

cQuant Overview



Staff Recommendation

- Approve both contracts for vendors selected in the 2024 Request for Proposals (RFP) for Professional Services for Energy Trading Risk Management
- Budget Impacts:
 - Combined Do Not Exceed limits: \$5,822,256
 - PCI Energy Solutions: \$4,354,549
 - cQuant.IO: \$1,467,707
 - The proposed costs for ETRM vendors are included in the FY 2024-25 operating budget reviewed by the Board on June 27, 2024.
 - SDCP expects these contracts to be cost neutral to the approved operating budget based on the approved ETRM vendor budget and savings in other budget items that will result from bringing these services in-house.



**Public
Comment
for Item
No. 16**

Item No. 17

Board Consideration of Establishing an Ad Hoc Committee to Review Existing San Diego Community Power Board and Committee Compensation and Reimbursement Policy; and, if established, Chair Appointment of Members to the Committee

Recommendation:

Board Consideration of Establishing an Ad Hoc Committee (Committee) Consisting of No More Than Three (3) Board Members, to Review and Recommend Possible Amendments to the Board and Committee Compensation and Reimbursement Policy; and Chair appointment of Members to such Committee.

Presenter:
Chair Joe LaCava

Ad Hoc Committee Formation To Review Existing Board and Committee Compensation and Reimbursement Policy; Appoint Members

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**Public
Comment
for Item
No. 17**



**Report by
Chief
Executive
Officer**

Community Power Day at the Padres



Summer rates are in effect from June 1, 2024 through October 31, 2024.

English

Learn how you can stay cool, conserve energy and save money this summer. [Stay Cool and Save](#)



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Log In



Introducing My Energy Center

A new customer portal designed to transform the way you interact with your utility services. You will be able to gain insights into your **energy consumption** and conveniently **view and pay your bills** from any device with just a few clicks.

Start Here

Welcome to San Diego Community Power

Your community-driven clean energy provider

At SDCP, we are powering a clean and affordable energy future.



Equitable Building Decarbonization Direct Install Program



Statewide and International Collaboration



INSTITUTE OF
THE AMERICAS®

**CENTER FOR
U.S.-MEXICAN
STUDIES**

UC San Diego
SCHOOL OF GLOBAL POLICY AND STRATEGY

Community Grants, Key Account Forum



Community Clean Energy Grants Press Conference



Community Clean Energy Grants Press Conference



Key Account Forum

In the Community



Understanding Your Energy Bill Workshops



IB Chamber Presentation



Movies in the Park

We're Hiring!

Interview Stage

- Data Engineer
- Senior REN Program Managers (2)
- Origination Manager
- Public Outreach Coordinator

Open Positions

- Director of Portfolio Management
- Marketing Manager
- Senior Counsel/Assistant General Counsel
- Finance Manager
- Senior Cyber Security Analyst

Starting September 3

- Dean Kinports, Senior Strategic Policy Manager
- Bronte Parker, Senior Quantitative Energy Analyst
- Rachel Zook, Program Manager Vehicle Grid Integration

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Director Comments

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Adjournment



Next Regular Board of Directors Meeting

September 26, 2024

