



## AGENDA

### Regular Meeting Community Advisory Committee

Thursday, March 12, 2026  
5:30 p.m.

Don L. Nay Port Administration Training Room  
3165 Pacific Highway, San Diego, CA 92101

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

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

**Note:** Any member of the public may provide comments to the CAC on any agenda item. When providing comments, it is requested that name and city of residence are provided for the record. Members of the public are requested to address their comments to the CAC as a whole through the chairperson. Comments may be provided in one of the following manners:

1. **Oral comments during meeting.** Anyone attending in person who wishes to address the CAC is asked to complete a speaker's card and present it to the clerk of the Board. To provide remote comments during the meeting, join the Teams meeting by electronic device or dial-in number. When participating in a Microsoft Teams meeting by electronic device, use the "Raise Hand" feature. This will notify the moderator that a members of the public wishes to speak during a specific item on the agenda or during the non-agenda public comment period. Members of the public will not be shown on video but will be able to address CAC members when called upon. When participating in the meeting using the Teams dial-in number, press \*5 to raise your hand and \*6 to unmute microphone. Comments will be limited to three minutes.

2. **Written Comments.** Written public comments must be submitted prior to the start of the meeting to [ClerkOfTheBoard@SDCommunityPower.org](mailto:ClerkOfTheBoard@SDCommunityPower.org). Please indicate a specific agenda item when submitting a comment card. All written comments received prior to the meeting will be provided to the CAC members. At the discretion of the chairperson, the first ten submitted comments shall be stated into the record of the meeting. Comments read at the meeting will be limited to the first 400 words. Comments received after the start of the meeting will be collected, sent to the CAC members and become part of the public record.

If members of the public have any materials to be distributed to the CAC, they should be sent to [ClerkOfTheBoard@SDCommunityPower.org](mailto:ClerkOfTheBoard@SDCommunityPower.org), who will distribute the information to CAC members.

The public may participate using the following remote options:

[Microsoft Teams](#)

Meeting ID: 261 215 241 717 7

---

**Dial in by phone**

469-262-1739

Phone conference ID: 565 317 75#

Press \*5 to raise hand and \*6 to unmute

**WELCOME**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**LAND ACKNOWLEDGMENT**

**SPECIAL PRESENTATIONS AND INTRODUCTIONS**

- Introduction of New Community Power Staff

**ITEMS TO BE WITHDRAWN OR REORDERED ON THE AGENDA**

## **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

*This is an opportunity for members of the public to address the CAC on any items not on the agenda but within the subject jurisdiction of the CAC. Members of the public may provide a comment in either manner described above.*

## **CONSENT CALENDAR**

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

1. **Approve February 12, 2026, CAC Regular Meeting Minutes**
2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
3. **Receive and File Update on Customer Operations**
4. **Receive and File Update on Programs**
5. **Receive and File Update on Power Services**
6. **Receive and File Regulatory and Legislative Affairs Update**

## **REGULAR AGENDA**

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

7. **Inclusive and Sustainable Workforce Policy Amendments and Updates to Energy Proposal Evaluation Criteria**

Recommendation: Receive and file Inclusive and Sustainable Workforce Policy Amendments and Updates to Energy Proposal Evaluation Criteria

8. **Community Benefits Framework**

Recommendation: Receive and File this informational item regarding the Community Benefits Framework

## **DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS**

The CAC may bring items to the attention of the Board for consideration at a Board meeting using either of the following:

1. **Standing CAC Report.** The CAC report may be a standing item on the Board agenda, in which the CAC chairperson, chief executive officer (CEO) or designated staff reports on updates related to a recent CAC meeting. Consistent with the Brown Act, items raised during the standing CAC report may not result in extended discussion or action by the CAC unless agendaized for a future meeting.
2. **Suggesting Board agenda items.** The CAC may suggest agenda items for Board consideration by communicating with the CAC chairperson and the designated Community Power staff before and/or after a regular CAC meeting. If suggested during a regular meeting, there shall be no discussion or action by the CAC unless the item has been included on the CAC agenda. To be added to a Board meeting agenda, items must have the approval of the Community Power chief executive officer and the chairperson of the Board of Directors. If approval is provided, staff must be given at least five business days before the date of the Board meeting to work with the CAC to draft any memos and materials necessary.

## **CHIEF OPERATING OFFICER REPORT**

## **COMMITTEE MEMBER ANNOUNCEMENTS**

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

## **ADJOURNMENT**

The Community Advisory Committee will adjourn until the next regular meeting scheduled for Thursday, April 9, 2026, at 5:30 p.m.

## ***Compliance with the Americans with Disabilities Act***

Community Power committee meetings comply with the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, to participate in a public meeting may contact 888-382-0169 or [ClerkOfTheBoard@SDCommunityPower.org](mailto:ClerkOfTheBoard@SDCommunityPower.org). Requests for disability-related modifications or accommodations require varying lead times and should be provided at least 72 hours in advance of the public meeting.

## ***Availability of Committee Documents***

Agenda-related materials are available at [sdcommunitypower.org/resources/meeting-notes](https://sdcommunitypower.org/resources/meeting-notes). Late-arriving documents related to a CAC meeting item are distributed to the members prior to or during the CAC meeting and are available for public review as required by law. Public records,

including agenda-related documents, can be requested electronically from [ClerkOfTheBoard@SDCommunityPower.org](mailto:ClerkOfTheBoard@SDCommunityPower.org) or by mailing San Diego Community Power, Attn: Clerk of the Board, P.O. Box 12716, San Diego, CA 92112. The documents may also be posted on Community Power's website. Such public records are also available for inspection by contacting [ClerkoftheBoard@SDCommunityPower.org](mailto:ClerkoftheBoard@SDCommunityPower.org) to arrange an appointment.



# SAN DIEGO COMMUNITY POWER

## COMMUNITY ADVISORY COMMITTEE

### Regular Meeting Minutes

February 12, 2026

Don L. Nay Port Administration Training Room  
3165 Pacific Highway, San Diego, CA 92101

---

#### WELCOME

Chair Harris called the regular meeting to order at 5:31 p.m.

#### ROLL CALL

**PRESENT:** Chair Harris, City of La Mesa; Vice Chair Montero-Adams, City of San Diego; Secretary Pike and Committee Member Andersen, County of San Diego (Unincorporated); Committee Members Sclafani (arrived at 5:43 p.m.) and Committee Member Gonzalez, City of Chula Vista; Committee Member Vasilakis, City of San Diego; Committee Member Emerson; City of National City; Committee Member Sumner, City of La Mesa; Committee Member Hammond, City of Encinitas (via Zoom Teleconference); and Committee Member Hoyt, City of Imperial Beach

**ABSENT:** None

**VACANT:** Seat 7, City of Encinitas and Seat 10, City of Imperial Beach

**Staff Present:** Chief Executive Officer Burns; Assistant General Counsel Laity; Senior Director of Public Affairs Lebron; Senior Director of Regulatory and Legislative Affairs Fernandez; Associate Director of Legislative Affairs Welch; Senior Policy Manager Cissna (via Teams); Rates and Strategy Manager Lu; Senior Director of Programs Santulli; Associate Director of Programs Tran; Senior Manager Community Engagement Crespo; and Assistant Clerk of the Board Vences

#### PLEDGE OF ALLEGIANCE

Chair Harris led the Pledge of Allegiance.

## **LAND ACKNOWLEDGMENT**

Chair Harris acknowledged the Kumeyaay Nation and all the original stewards of the land.

## **ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA**

Chair Harris noted that Item No. 8; Regulatory and Legislative Affairs Update would be moved ahead of Item No. 7.

## **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

There were no public comments.

## **CONSENT CALENDAR**

1. **Approve December 4, 2025, CAC Regular Meeting Minutes**
2. **Receive and File Update on Marketing, Public Relations, and Local Government Affairs**
3. **Receive and File Update on Customer Operations**
4. **Receive and File Update on Programs**
5. **Receive and File Update on Power Services**

There were no public comments on Item Nos. 1-5.

Motioned by Secretary Pike and seconded by Committee Member Vasilakis to approve Consent Item Nos. 1-5. The motion carried 10/0 by Roll Call Vote as follows:

AYES: Chair Harris, Vice Chair Montero-Adams, Secretary Pike, Committee Members Andersen, Gonzalez, Hammond, Hoyt, Sumner, Emerson and Vasilakis  
NOES: None  
ABSTAINED: None  
ABSENT: Committee Member Sclafani

## **REGULAR AGENDA**

6. **Informational Presentation on the California Community Choice Association**

Jackson McDonough, Communications and Marketing Manager at CalCCA, provided an informational presentation on the California Community Choice Association.

There were no public comments on Item No. 6.

After Committee Member questions, discussion and comments, the Informational Presentation on the California Community Choice Association was received and filed.

#### **8. Regulatory and Legislative Affairs Update**

Mr. Welch, Ms. Fernandez, and Ms. Cissna provided a regulatory and legislative affairs update.

Mr. Saad Asad provided public comments.

After Committee Member questions and comments, the update on Regulatory and Legislative Affairs was received and filed.

#### **7. Community Clean Energy Grants Update**

Chair Harris asked whether any committee members needed to recuse themselves due to a potential conflict of interest.

Committee Member Hammond recused herself from participating in this item and left the meeting at 6:49 p.m.

Ms. Crespo provided a Community Clean Energy Grants update and invited previous grantees Brooke Truesdale, representing SunCoast Market Co-op, and Frida Vergara and Azul Bay representing SanDiego350's South Bay Clean Energy Education Program, to share information about their projects.

There were no public comments on Item No. 7.

After Committee Member questions and comments, the update on Community Clean Energy Grants was received and filed.

#### **9. Update on 2026 Rates Adjustment**

Mr. Lu provided an update on 2026 Rates Adjustment.

There were no public comments on Item No. 9.

After Committee Member questions and comments, the update on the 2026 Rates Adjustment was received and filed.

#### **10. San Diego Regional Energy Network (SDREN) Update**

Mr. Santulli and Ms. Tran provided an update on San Diego Regional Energy Network (SDREN).

There were no public comments on Item No. 10.

After Committee Member questions and comments, the update on San Diego Regional Energy Network (SDREN) was received and filed.

**11. 2026 CAC Work Plan End of Ad-Hoc Committee Report**

Vice Chair Montero-Adams provided the 2026 CAC Work Plan End of Ad-Hoc Committee Report.

There were no public comments on Item No. 11.

After Committee Member questions and comments, the 2026 CAC Work Plan End of Ad-Hoc Committee Report was received and filed.

**12. 2026 Community Advisory Committee Work Plan**

Ms. Crespo provided an overview on the 2026 Community Advisory Committee Work Plan.

There were no public comments on Item No. 12.

After Committee member questions, discussion and comments, Secretary Pike motioned and seconded by Committee Member Vasilakis to recommend Board Approval of 2026 CAC Work Plan Approval. The motion carried 10/0 by Roll Call Vote as follows:

- AYES: Chair Harris, Vice Chair Montero-Adams, Secretary Pike, Committee Members Sclafani, Andersen, Gonzalez, Hoyt, Sumner, Emerson and Vasilakis
- NOES: None
- ABSTAINED: None
- ABSENT: Committee Member Hammond

**DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS**

None.

**COMMITTEE MEMBER ANNOUNCEMENTS**

Committee Members shared announcements and reported on various events taking place in their member jurisdictions.

Chair Harris announced that he would email Committee Members a recap of the January 2026 and December 2025 Board of Directors meetings.

## **ADJOURNMENT**

The Community Advisory Committee meeting adjourned at 8:04 p.m. to a regular meeting scheduled for Thursday, March 12, 2026, at 5:30 p.m.

---

Sandra Vences  
Assistant Clerk of the Board



# SAN DIEGO COMMUNITY POWER

## Staff Report – Item 2

---

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer  
Jen Lebron, Senior Director of Public Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Marketing, Public Relations, and Local Government Affairs

Date: March 12, 2026

---

### **Recommendation**

Receive and file an update on marketing, public relations, and local government affairs activities for San Diego Community Power (Community Power).

### **Background**

Community Power has engaged in a variety of public relations, marketing, community outreach, and local government affairs activities to drive awareness, spark community engagement, and maintain high customer enrollment.

### **Analysis and Discussion**

Community Power's Public Affairs Department has been participating in events across our member agencies as it aims to increase general awareness and answer questions in a friendly, helpful manner.

### **Recent and Upcoming Public Engagement Events**

Jackie Robinson YMCA Resource Fair  
City Heights Health Fair  
Asian Business Association's Lunar New Year Celebration  
Chula Vista Community Collaborative  
NOIP San Diego  
National City Collaborative  
Cause San Diego

Little Saigon Lunar New Year Festival  
Green Schools Conference  
North Park Farmers Market  
Language Academy PTSA STEAM Night  
National City Chamber of Commerce  
La Mesa Environmental Sustainability Commission  
Small Business Expo  
Los Altos Elementary Multicultural Festival  
North San Diego Business Chamber San Diego Women's Week  
San Diego State University Business of Being Green Sustainability Panel  
Doing Business for Good Summit  
La Mesa Home Energy Fair  
Generation STEAM San Diego Festival of Science and Engineering  
San Diego 350 Youth4Climate Summit

### **Marketing, Communications and Outreach**

The Public Affairs team has been working on campaigns to help customers save money and electricity before heading into warmer months.

The Public Affairs team has been working diligently behind the scenes to support programmatic efforts, including the launch of the San Diego Regional Energy Network and the Solar Battery Savings Program. It is also ramping up efforts to promote pilot programs, including one that helps customers repair their roofs to be ready for solar installations, and another that will distribute grants to small businesses that would benefit from more efficient refrigerators. The Public Affairs team is working closely with internal and external stakeholders to encourage participation in these programs and leveraging relationships with community partners to amplify our marketing and outreach efforts.

Community Power has continued its efforts to connect with local leaders through meetings and community events.

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

## **Local Government Affairs**

Community Power continues to meet with and work with local governments and tribal nations throughout the greater San Diego region. It has made a concerted effort to reach out to newly elected officials in all seven member agencies to provide education about the organization.

## **Fiscal Impact**

N/A

## **Attachments**

N/A



# SAN DIEGO COMMUNITY POWER

## Staff Report – Item 3

---

TO: Community Advisory Committee

FROM: Jack Clark, Chief Operating Officer  
Lucas Utouh, Senior Director of Data Analytics and Customer Operations

VIA: Karin Burns, Chief Executive Officer

SUBJECT: Update on Customer Operations

DATE: March 12, 2026

---

### Recommendation

Receive and file an update on various customer operations' initiatives.

### Background

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

### Analysis and Discussion

#### A) Enrollment Update

As of February 25, 2026, Community Power is serving a cumulative total count of **968,427** active accounts.

Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive two post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date, notifying them that they have defaulted to Community Power electric generation service.

## B) Customer Participation Tracking

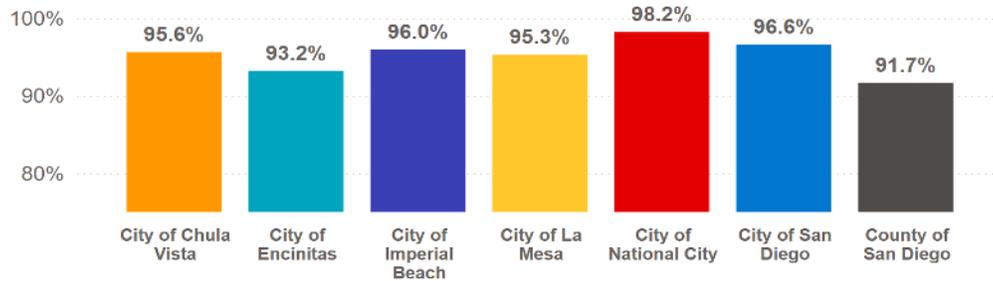
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options.

Please note that Re-Enrollment metrics are captured and displayed through January 31, 2026.

Enrolled Accounts	Participation Rate
968,427	95.5%

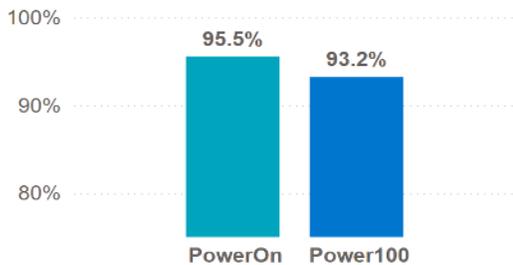
### Participation

#### Participation by Jurisdiction

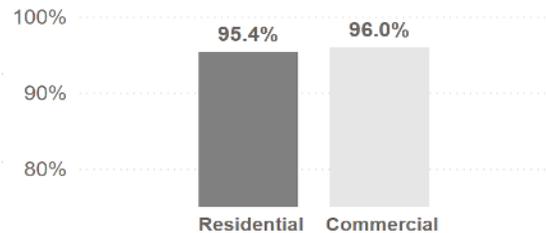


Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,224	95,838	95.6%
City of Encinitas	Power100	28,960	26,999	93.2%
City of Imperial Beach	PowerOn	10,828	10,395	96.0%
City of La Mesa	PowerOn	29,648	28,255	95.3%
City of National City	PowerOn	19,698	19,351	98.2%
City of San Diego	PowerOn	633,674	612,226	96.6%
County of San Diego	PowerOn	191,332	175,363	91.7%
<b>Total</b>		<b>1,014,364</b>	<b>968,427</b>	<b>95.5%</b>

#### Participation by Default Service Option



#### Residential vs Commercial Participation

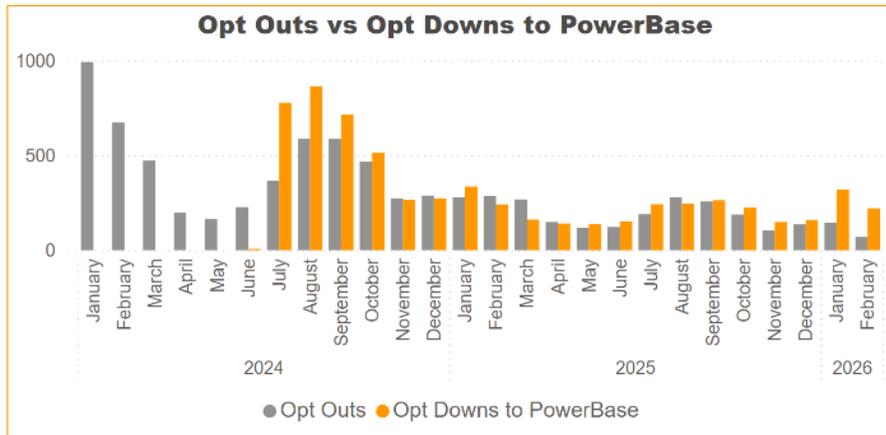


## Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	<b>5,514</b>	Enrolled	<b>928,525</b>	Enrolled	<b>34,365</b>	Enrolled	<b>23</b>
Participation	<b>0.6%</b>	Participation	<b>95.9%</b>	Participation	<b>3.5%</b>	Participation	<b>0.0%</b>

### Service Option Enrollment Summary

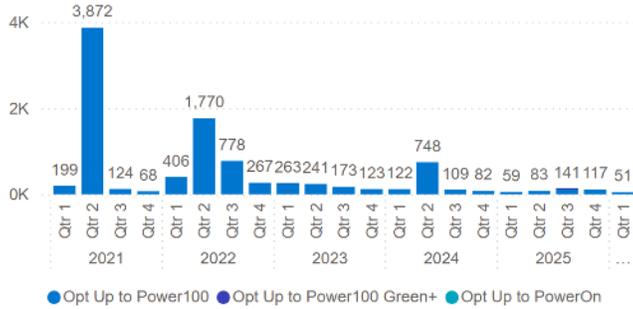
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	95,838	489	0.5%	94,435	98.5%	914	1.0%		
City of Encinitas	Power100	26,999	226	0.8%	391	1.4%	26,382	97.7%		
City of Imperial Beach	PowerOn	10,395	40	0.4%	10,272	98.8%	83	0.8%		
City of La Mesa	PowerOn	28,255	152	0.5%	27,838	98.5%	265	0.9%		
City of National City	PowerOn	19,351	67	0.3%	19,254	99.5%	30	0.2%		
City of San Diego	PowerOn	612,226	3,016	0.5%	603,303	98.5%	5,884	1.0%	23	0.0%
County of San Diego	PowerOn	175,363	1,524	0.9%	173,032	98.7%	807	0.5%		
<b>Total</b>		<b>968,427</b>	<b>5,514</b>	<b>0.6%</b>	<b>928,525</b>	<b>95.9%</b>	<b>34,365</b>	<b>3.5%</b>	<b>23</b>	<b>0.0%</b>



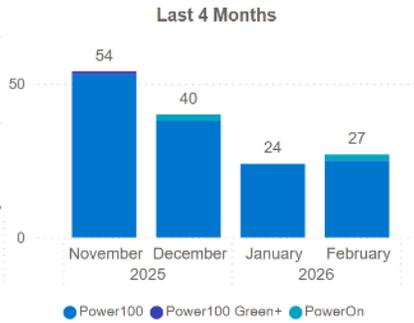
## Opt Up History

<b>Total Opt Ups</b>	<b>Opt Ups Current*</b>
9,796	8,071

**Opt Ups Quarterly**



**Opt Ups Monthly**



### Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	2	1,028
City of Encinitas	18	1	1	3	1	1	25
City of Imperial Beach	60	29	11	6	6	2	114
City of La Mesa	155	120	19	12	8		314
City of National City			12	24	2		38
City of San Diego	3,316	2,896	489	340	309	39	7,389
County of San Diego	4		207	627	43	7	888
<b>Total</b>	<b>4,263</b>	<b>3,221</b>	<b>800</b>	<b>1,061</b>	<b>400</b>	<b>51</b>	<b>9,796</b>

### Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	701	159	9	5,653
Residential	7	2,925	568	360	241	42	4,143
<b>Total</b>	<b>4,263</b>	<b>3,221</b>	<b>800</b>	<b>1,061</b>	<b>400</b>	<b>51</b>	<b>9,796</b>

### Opt Ups by Method

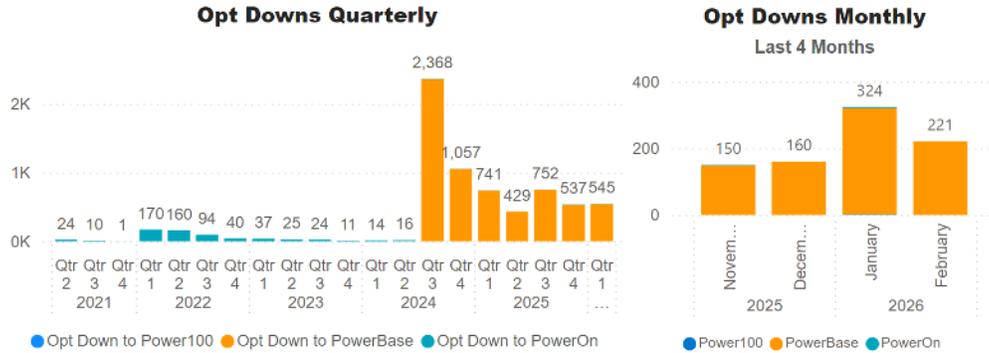
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	16	6,951
IVR	4	85	84	42	29	3	247
Web	27	1,764	415	202	158	32	2,598
<b>Total</b>	<b>4,263</b>	<b>3,221</b>	<b>800</b>	<b>1,061</b>	<b>400</b>	<b>51</b>	<b>9,796</b>

\*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of February 23, 2026

## Opt Down History

<b>Total Opt Downs</b> 7,055	<b>Opt Downs Current*</b> 5,937
---------------------------------	------------------------------------



### Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	35	574
City of Encinitas	35	429	74	150	109	30	827
City of Imperial Beach		1		31	18	4	54
City of La Mesa		4		106	66	17	193
City of National City				36	39	6	81
City of San Diego		28	13	1,793	1,390	359	3,583
County of San Diego			6	1,052	591	94	1,743
<b>Total</b>	<b>35</b>	<b>464</b>	<b>97</b>	<b>3,455</b>	<b>2,459</b>	<b>545</b>	<b>7,055</b>

### Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	171	10	755
Residential	1	441	88	2,947	2,288	535	6,300
<b>Total</b>	<b>35</b>	<b>464</b>	<b>97</b>	<b>3,455</b>	<b>2,459</b>	<b>545</b>	<b>7,055</b>

### Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	247	4,747
IVR	4	26	3	309	274	51	667
Web		127	29	584	654	247	1,641
<b>Total</b>	<b>35</b>	<b>464</b>	<b>97</b>	<b>3,455</b>	<b>2,459</b>	<b>545</b>	<b>7,055</b>

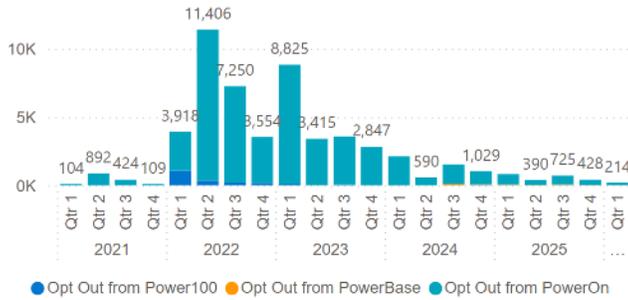
\*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of February 23, 2026

## Opt Out History

<b>Total Opt Outs</b>	<b>Opt Outs Current*</b>
54,222	44,637

### Opt Outs Quarterly



### Opt Outs Monthly

Last 4 Months



### Opt Outs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	267	3,466	747	411	200	16	5,107
City of Encinitas	66	1,869	230	118	56	7	2,346
City of Imperial Beach	32	343	99	60	17	5	556
City of La Mesa	84	1,269	235	128	59	5	1,780
City of National City			285	75	33	2	395
City of San Diego	1,078	19,180	3,185	1,836	1,065	110	26,454
County of San Diego	2	1	13,899	2,669	944	69	17,584
<b>Total</b>	<b>1,529</b>	<b>26,128</b>	<b>18,680</b>	<b>5,297</b>	<b>2,374</b>	<b>214</b>	<b>54,222</b>

### Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	1,492	535	1,684	344	141	14	4,210
Residential	37	25,593	16,996	4,953	2,233	200	50,012
<b>Total</b>	<b>1,529</b>	<b>26,128</b>	<b>18,680</b>	<b>5,297</b>	<b>2,374</b>	<b>214</b>	<b>54,222</b>

### Opt Outs by Method

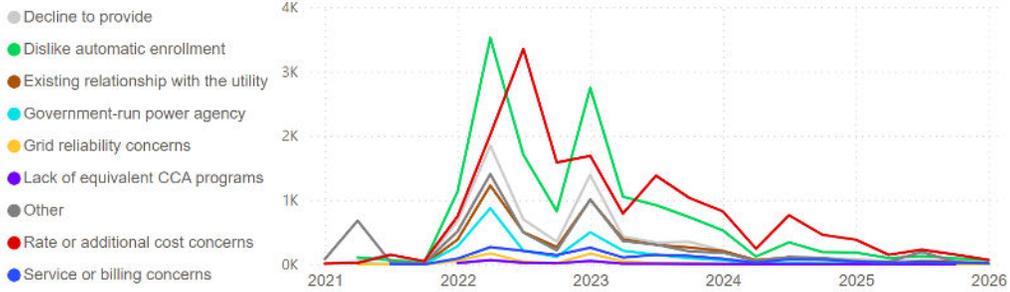
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	80	15,209
IVR	102	4,885	3,788	1,284	445	32	10,536
Web	323	14,280	10,186	2,360	1,226	102	28,477
<b>Total</b>	<b>1,529</b>	<b>26,128</b>	<b>18,680</b>	<b>5,297</b>	<b>2,374</b>	<b>214</b>	<b>54,222</b>

\*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of February 23, 2026

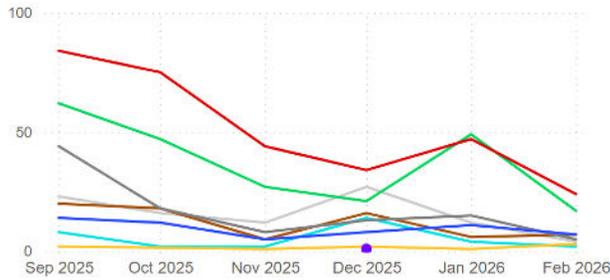
# Opt Out Reason Summary

## Opt Outs by Reason Quarterly



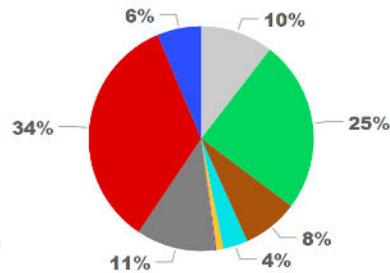
## Opt Outs by Reason Monthly

Last 6 Calendar Months



## Opt Out Reason Distribution

Last 6 Calendar Months



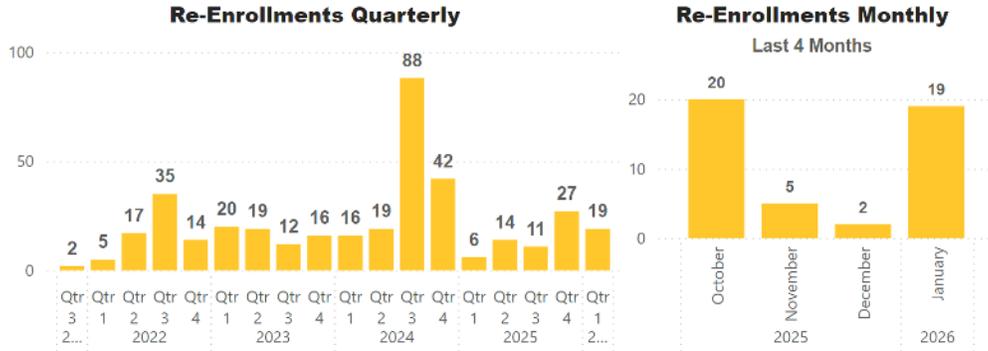
## Opt Outs by Reason Table

Opt Out Reason	2021	2022	2023	2024	2025	2026 YTD	Total
Decline to provide	228	3,581	2,518	465	256	16	7,064
Dislike automatic enrollment	203	7,187	5,458	1,188	511	66	14,613
Existing relationship with the utility	2	2,388	1,968	462	153	13	4,986
Government-run power agency	24	1,489	960	129	66	6	2,674
Grid reliability concerns	7	293	252	20	7	4	583
Lack of equivalent CCA programs		131	90	12	6		239
Other	819	2,636	1,883	453	325	20	6,136
Rate or additional cost concerns	240	7,705	4,897	2,296	918	71	16,127
Service or billing concerns	6	718	654	272	132	18	1,800
<b>Total</b>	<b>1,529</b>	<b>26,128</b>	<b>18,680</b>	<b>5,297</b>	<b>2,374</b>	<b>214</b>	<b>54,222</b>

2026 YTD as of February 23, 2026

## Re-Enrollment Requests

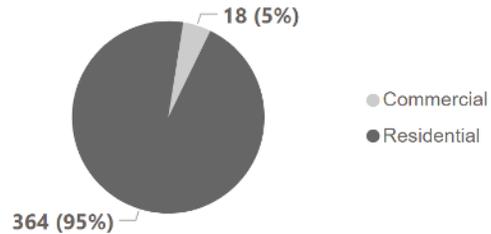
Excludes closed accounts



### Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	24
City of Encinitas	35
City of Imperial Beach	5
City of La Mesa	8
City of National City	1
City of San Diego	228
County of San Diego	81
<b>Total</b>	<b>382</b>

### Re-Enrollments Residential vs Commercial



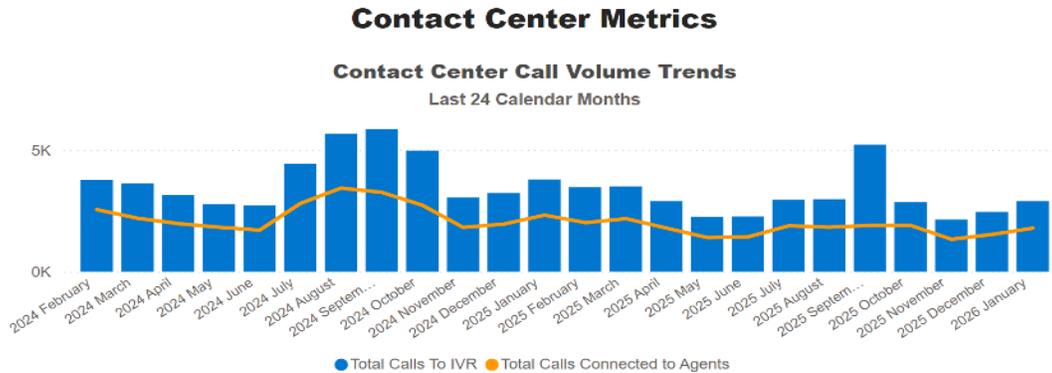
2026 YTD through the end of January, 2026

In September 2025, Community Power implemented an option for customers to identify their reason for re-enrollment at the time they submit their request to re-enroll. Following the Solar Battery Savings Program re-launch in 2025, about 57% of customers re-enrolled in Q4 2025 to join the program, while roughly 25% did so for lower rates.

### C) Contact Center Metrics

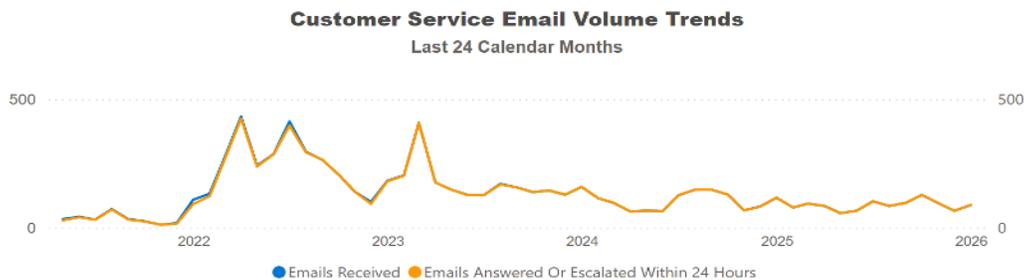
As expected, calls to our Contact Center have decreased following the warm summer months that resulted in higher electric bills and have remained steady in the winter months.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through January 31, 2026.



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

	2021	2022	2023	2024	2025	2026 YTD	Total
Total Calls to IVR	2,289	47,118	52,977	48,073	36,829	2,903	<b>190,189</b>
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	1,790	<b>118,426</b>
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	8.00	<b>12.69</b>
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	8.4	<b>9.3</b>
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	96.55%	<b>95.35%</b>
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.28%	<b>0.44%</b>



#### Customer Service Emails

	2021	2022	2023	2024	2025	2026 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	89	<b>7,812</b>
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	89	<b>7,714</b>
Completion%	94%	96%	100%	100%	100%	100%	<b>98%</b>

2026 YTD through the end of January, 2026

San Diego Community Power anticipates that the trend of customers calling into the Contact Center's Interactive Voice Response (IVR) system tree and being able to self-serve their opt

actions using the recorded prompts as well as utilizing Community Power's website for processing opt actions will continue to account for the majority of all instances. The remaining portion of customer calls are connected to Customer Service Representatives to answer additional questions, assist with account support, or process opt actions.

As of this latest reporting month, Community Power has 11 Dedicated Customer Service Representatives staffed at the Contact Center and 1 Supervisor. Robust Quality Assurance (QA) procedures are firmly in place to ensure that customers are getting world-class customer experience when they contact Community Power.

## **Fiscal Impact**

N/A

## **Attachments**

N/A

## SAN DIEGO COMMUNITY POWER

### Staff Report – Item 4

---

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer  
Colin Santulli, Senior Director of Programs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Programs

Date: March 12, 2026

---

### Recommendation

Receive and file updates on customer energy programs.

### Background

Staff will provide regular updates to the Community Advisory Committee (“CAC”) regarding the following Community Power customer energy programs: Commercial Programs, Residential Programs, Flexible Load Programs, Solar and Energy Storage Programs, and the San Diego Regional Energy Network.

### Analysis and Discussion

Updates on customer energy programs are detailed below.

#### Commercial Programs

##### ***Efficient Refrigeration Pilot Project***

***Status & Next Steps:*** Please refer to [Item 4](#) of the February CAC 2026 agenda packet for the most recent update on this program.

## Residential Programs

### ***California Energy Commission (“CEC”) Equitable Building Decarbonization Direct Install (“EBD DI”) Program***

Status: Staff continue to work with Los Angeles County (“LA County”) and the EBD coalition to prepare for the launch of the EBD DI Program. Recent updates from LA County indicate that the program is expected to launch by the end of Q1 2026. Due to the targeted nature of the program, staff does not anticipate a large launch announcement or press event.

Staff are in the final stages of contract negotiations with community-based organizations (“CBOs”) in our Power Network to implement and support marketing, outreach, and educational (“ME&O”) activities. Staff will be meeting with EBD staff to discuss available tools and resources to initiate outreach as soon as the program is open.

Next Steps: Staff will finalize agreements with CBOs to conduct ME&O activities to implement the program in the San Diego region.

## Flexible Load Programs

### ***Smart Home Flex Pilot Project***

Status: The evaluation of the Smart Home Flex pilot project is ongoing. Learnings from the evaluation will inform program design of the potential expansion of Smart Home Flex.

The first Universal Communication Modules (UCMs) staff shipped to program participants have been successfully installed on enrolled heat pump water heaters by customers. UCMs allow Community Power to communicate with the water heaters to pre-heat the water ahead of peak periods to avoid electricity usage during those times. Feedback from customers has been positive with no major issues encountered during the installation process. Staff will continue to work to increase the number of water heaters enrolled over the next few quarters.

Next Steps: Staff will continue the impact evaluation of Smart Home Flex and increase the number of water heaters enrolled by working with TECH to gather more applications.

### ***EV Flex Connect Pilot Project***

Status & Next Steps: Please refer to [Item 4](#) of the December 2025 CAC agenda packet for the most recent update on this program.

## Solar and Energy Storage Programs

### ***Net Energy Metering (“NEM”) and Net Billing Tariff (“NBT”)***

Status & Next Steps: Please refer to [Item 13](#) of the September 2025 BOD agenda packet for the most recent update on this program.

### ***Solar Battery Savings (“SBS”) Program***

***Status:*** The SBS program began accepting applications on September 30, 2025. To date, the program has received over 630 applications, 412 of which have been approved. Of the 54 contractors approved to participate in the program, 45 have submitted applications. Seventy-two percent of applicants are from market rate customers. Sixty-eight percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

In January 2026, Community Power posted an invitation via the Power Network for organizations to bid to offer a series of SBS customer workshops to build awareness of the program and the benefits of residential solar and storage, in general. Workshops will be targeted in communities of concern with the goal of increasing non-market rate applications. In February 2026, Community Power posted an invitation to support a bill impact analysis study for SBS participants.

***Next Steps:*** In February 2026, staff will reopen the contractor application period, including offering additional mandatory training to enable additional interested contractors to apply to become an approved contractor in the program. Community Power expects to start SBS customer workshops in Q2 2026.

### ***Solar Advantage Program (previously DAC-GT)***

***Status and Next Steps:*** Please refer to [Item 4](#) of the February 2026 CAC agenda packet for the most recent update on this program.

### ***San Diego Regional Energy Network (“SDREN”)***

***Status:*** Staff continue activities required for the successful launch of SDREN programs with a focus on procurement. As of February 24, 2026, the following contracts from Phase 3 have been executed with the selected vendors:

- Efficient Refrigeration Program
  - Vendor: The Energy Coalition
  - Contract Total: \$2,028,045 (direct implementation), \$4,074,678 (incentives)
- Small-to-Medium Business Energy Coach Program
  - Vendor: Environmental Innovations
  - Contract Total: \$6,567,084 (direct implementation), \$2,016,518 (incentives)

***Next Steps:*** Staff will continue to finalize contract negotiations with the selected vendor from the Phase 3 solicitation. All contracts from Phase 1 and 2 have been executed. Staff anticipate the remaining Phase 3 contract to be executed in March 2026 in accordance with Resolution No. 2025-01 adopted by the Board on January 23, 2025, authorizing the Chief Executive

Officer to 'negotiate and execute contracts with third parties to implement the agreement or use of [SDREN] funds.'

The remaining SDREN contract is expected to be executed with the selected vendor with an amount not exceeding the budget stated in the solicitation:

**Phase 3**

- Market Access Program: \$4,597,330 (direct implementation), \$9,006,228 (incentives)

SDREN funds are authorized by the California Public Utilities Commission and are disbursed to San Diego Community Power in accordance with the *San Diego Regional Energy Network Energy Efficiency Programs and Budget Agreement for Years 2024-2027* executed between Community Power and SDG&E (under Resolution No. 2025-01).

**Fiscal Impact**

N/A

**Attachments**

N/A



# SAN DIEGO COMMUNITY POWER

## Staff Report - Item 5

---

To: Community Advisory Committee  
From: Gordon Samuel, Chief Commercial Officer  
Via: Karin Burns, Chief Executive Officer  
Subject: Update on Power Services  
Date: March 12, 2026

---

### Recommendation

Recommendation to receive and file update on Power Services.

### Background

Staff provide the updates below to the Community Advisory Committee regarding Community Power's energy procurement activities.

### Analysis and Discussion:

#### Power Services Staffing

Building out a team of experienced, knowledgeable energy professionals has long been a top priority and allows Community Power not only to solicit, negotiate, and administer contracts for energy supply effectively, but also to monitor market activity, manage risk, bring in-house several activities that have historically been completed by consultants, and to dedicate additional resources to local and distributed energy procurement and development efforts. The Power Services team is now sixteen people strong.

#### Long-term Renewable Energy Solicitations

As Community Power strives to meet its environmental, financial, and regulatory compliance goals and requirements, long-term power purchase agreements (PPAs) provide developers with the certain revenue stream against which they can finance up-front capital requirements, so each long-term PPA that Community Power signs with a developing facility will underpin a new, incremental renewable energy and/or storage project. In addition, long-term PPAs lock in renewable energy supply around which Community Power can build its power supply portfolio while also hedging

---

power supply costs. Moreover, the California Renewable Portfolio Standard (RPS), as modified in 2015 by Senate Bill 350, requires that Community Power provide 65% of its RPS-required renewable energy from contracts of at least ten years in length. Finally, in California Public Utilities Commission (CPUC) Decision (D.) 21-06-025, the CPUC required each Load Serving Entity (LSE) in California to make significant long-term purchase commitments for resource adequacy from new, incremental generation facilities that will achieve commercial operation during 2023 through 2026 for purposes of “Mid Term Reliability” (MTR). These requirements have been augmented and extended into 2026 and 2027 via CPUC D.23-02-040.

In pursuit of long-term contracts for renewable energy and storage, staff have released several Requests for Offers (RFOs), including an RFO this year that targeted clean-firm resources that can provide 24/7 deliveries. Staff and the Energy Contracts Working Group (ECWG) evaluate all submissions from solicitations prior to entering negotiations with selected participants. Assuming that staff and shortlisted developers can agree to mutually agreeable contracts consistent with terms authorized by the ECWG, staff then review draft terms with the Community Power Board for approval and authorization to execute the relevant documents. To date, staff have enabled the execution of over two dozen long-term contracts for energy, renewable energy credits and/or capacity from renewable and storage projects.

Staff remain in negotiations for additional resources that are expected to be online between 2027 and 2030. Going forward, staff expect to prioritize projects that increase the portfolio’s diversity in terms of technology and innovative contract structures to achieve a pathway to 100% clean energy. Staff will also be increasingly prioritizing local infill projects as described below.

## Local Development

### *Local RFI*

Community Power’s rolling Local RFI remains open and has yielded eight Board-approved contracts for local generation and storage facilities. After consultation with the ECWG, Community Power Board of Directors has approved a portfolio of PV PPAs and energy storage and service agreements and is actively negotiating with several local projects submitted to the Local RFI over the past several months. Community Power also released an RFO for distributed renewable energy resources (DERs), focusing on a broad range of distribution-level renewable projects within San Diego County. This solicitation has yielded nine Board-approved PPAs and energy storage agreements. Other ongoing local initiatives include continued collaboration with member agency staff and other local agencies to identify strategic opportunities to further infill development.

Community Power’s Local RFI and Feed-in Tariff remain open. More information is available about each at the links below:

- <https://sdcommunitypower.org/resources/solicitations/>
- <https://sdcommunitypower.org/programs/feed-in-tariff/>

### ***Solar Advantage Program (previously DAC-GT)***

*Status:* The California Public Utilities Commission (“CPUC”) approved Community Power’s Advice Letter 35-E for three fully executed Power Purchase Agreements (“PPAs”) with 1st Oak 2, LLC for a total of 2.91 MW on December 11, 2025. Staff presented the PPAs for Board approval at the September 2025 Board meeting (please refer to Item 18a).

Staff shortlisted 11 projects on December 19, 2025, received through the Solar Advantage Program’s Second Request for Offer (“RFO”) after following Energy Contract Working Group’s approval (“ECWG”).

*Next Steps:* Prior to launching RFO #3 (currently planned for Q1 CY 2026), staff will update the cost containment cap as directed by CPUC Resolution E-5368.

Staff will bring the shortlisted projects received through the Solar Advantage Program’s Second RFO to the Board for approval in time to meet the CPUC’s requirement to file an advice letter within 180 days of notifying bidders of their shortlisting status.

### **Short-Term RPS Procurement**

Community Power staff continue to actively manage its environmental position and closely monitor the market for opportunities to optimize the renewable and carbon-free portfolios. Community Power has been evaluating solicitation offers, bilateral offers, and products that meet needs for multiple portfolios – creating greater value for its customers. Community Power will continue to prioritize environmental targets while also ensuring value for our customers.

### **Market Update**

Due to resource availability in the broader Western Interconnection, lingering supply chain impacts and long interconnection queues that have delayed development of new-build energy resources, and implementation of tariffs and duties on foreign imports, the market for renewable energy and resource adequacy (RA) continues to be uncertain. Staff are working with developers, industry groups, the CPUC, and CA Governor’s Office and legislators to i) develop near-term solutions while also actively procuring short-term energy and capacity products and long-term energy resources to meet Community Power’s portfolio needs practically and cost-effectively, and ii) to establish a portfolio of resources that will provide value to Community Power and California’s clean, reliable energy needs into the future.

Near-term California power market prices are steady but did react temporarily to recent extreme winter weather across the country, which in turn, impacted natural gas prices and marginal electric prices in the West. Markets are closely watching and reacting to seasonal weather that can impact natural gas supply and by extension, in-state energy supply and prices. No supply shortfalls are expected, but markets remain sensitive to extreme weather events and unexpected supply shortages.

## **Fiscal Impact**

N/A

## **Attachments**

N/A





# SAN DIEGO COMMUNITY POWER

## Staff Report – Item 6

---

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer  
Patrick Welch, Associate Director of Legislative Affairs

Via: Karin Burns, Chief Executive Officer

Subject: Update on Regulatory and Legislative Affairs

Date: March 12, 2026

---

### Recommendation

Receive and file the update on regulatory and legislative affairs.

### Background

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

### Analysis and Discussion:

#### A) Regulatory Updates

##### *Integrated Resource Planning*

On February 24, 2026, the California Public Utilities Commission (CPUC) issued a revised [Proposed Decision](#) requiring 2029-2032 electric resource procurements and transmitting portfolios for the 2026-2027 Transmission Planning Process (TPP). For a summary of the original Proposed Decision and the opening comments of Community Power's trade association, the California Community Choice Association (CalCCA), please see the [February regulatory update](#) to the Board of Directors starting on page 311.

The revised Proposed Decision made several changes in response to party comments, including:

- Structuring the new procurement order in three tranches, as opposed to two: requiring 2,000 megawatts (MW) of net qualifying capacity (NQC) by 2030, another 2,000 MW NQC, by 2031, and an additional 2,000 MW NQC by 2032.
  - Community Power's obligation will be 81 MW each compliance year.
- Removing the cap on storage resources that can count towards the procurement order but requiring at least one-quarter of resources have attributes that align with clean firm resources and/or long-duration storage resources.

- Continuing other provisions previously adopted in the mid-term reliability procurement Decisions, including consideration of good faith efforts by load-serving entities and allowing baseline swaps.

The CPUC is scheduled to vote on the revised Proposed Decision on February 26, 2026.

### ***Resource Adequacy (RA)***

On February 23, 2026, the CPUC Energy Division filed its *Report on Transactability Within The Slice Of Day (SOD) Resource Adequacy (RA) Framework*. The report evaluates whether transactability issues exist under the SOD RA framework and assesses the potential need, benefits, and feasibility of implementing an hourly load obligation trading mechanism, which Community Power and CalCCA have advocated for.

The CPUC staff report found that while implementation is technically feasible, it would impose meaningful administrative burdens on CPUC staff, particularly during the early years of SOD implementation. As a result of this burden, combined with the limited evidence of need, uncertain magnitude of benefits, and heightened implementation risks, the report concludes that the potential gains do not outweigh the added complexity and risk of unintended consequences. CPUC staff therefore recommends continued monitoring of market performance as the SOD framework matures.

The procedural schedule for Track 1 will be modified in a subsequent ruling to address the delayed issuance of this report.

### ***Power Charge Indifference Adjustment (PCIA)***

On February 20, 2026, the CPUC issued a [Ruling](#) requesting feedback on questions related to the scope of Track 3 for the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes*. The Ruling states that Track 3 intends to address the “broader set of remaining issues” and seeks to get up-to-date perspectives and priorities. Importantly, the Ruling also addresses data confidentiality/data access, which CalCCA, has been pushing both at the Commission and with the investor-owned utilities.

The Ruling asks the following:

1. What issues should be addressed in Track 3 of this proceeding? If you have views on how these issues should be prioritized, also provide that input.
2. There may be data confidentiality and/or data access issues that affect how issues can or should be addressed by the parties. What data confidentiality issues are likely to arise in Track 3? How should the scope and schedule of Track 3 address these issues?
3. How long do you expect Track 3 will take to complete? What process/timing interdependencies may there be?

Opening Comments are due March 27, 2026.

### ***SDG&E Energy Resource Recovery Account (ERRA) Forecast***

The purpose of the ERRA Forecast proceeding is to review the forecasted costs that SDG&E will incur to procure energy resources (fuel for power plants, purchased power, and greenhouse gas (GHG) Costs & Allowance Revenues) in the coming year. Based on these forecasts, the CPUC approves rates that allow utilities to recover these costs from customers.

### ***SDG&E 2023 ERRA Compliance Case***

On February 13, 2026, the CPUC issued a [Proposed Decision](#) approving with modification SDG&E's Application for Approval of Energy Resource Recovery Account Compliance for 2023.

The Proposed Decision adopted several positions aligned with what Community Power jointly argued for with Clean Energy Alliance in the case, including:

- **Retained Resource Adequacy (RA):** In response to the Joint CCAs, RA that SDG&E did not offer for sale because it maintained an "RA buffer" will be treated as retained RA and assigned a portfolio value using the agreed-upon methodology.
- **Retained Renewable Energy Credits (RECs):** As agreed on between SDG&E and the Joint CCAs, SDG&E's additional Retained RPS will be valued at \$3.2 million using the RPS Adder that SDG&E used for the rest of the Retained RPS.
- **Allocation of Revenue from Certain Battery Energy Storage Systems (BESS):** SDG&E is authorized to allocate the revenues from the Miguel Vanadium Redox Flow BESS and the Ramona Air Attack Base BESS to the California Independent System Operator net revenues for these battery systems in the Electric Distribution Fixed Cost Account for 2023.

However, the Proposed Decision also authorizes SDG&E to recover the under-collected amounts in its Green Tariff Shared Renewables (GTSR) program-related balancing accounts from all ratepayers through the Public Purpose Programs (PPP) charge. Community Power has consistently argued that the law prohibits SDG&E from collecting these program costs from non-participants, especially CCA customers who were ineligible to participate in the program. Opening comments on the Proposed Decision are due March 6, 2026.

### ***SDG&E's Demand Flexibility Rate Application***

On February 2, 2026, SDG&E filed an [Application Requesting Approval of Demand Flexibility Rates](#). SDG&E seeks authority to offer new opt-in demand flexibility rates, proposing day-ahead hourly price signals and location-based pricing to encourage load shifting. SDG&E requests recovery of approximately \$11.3 million in implementation costs. SDG&E's

application acknowledges limited expected participation, noting that most customers in the service territory receive generation service from CCAs and that similar pilots elsewhere remain under evaluation. Protests on the application are due on March 6.

### ***Rulemaking to Improve California Climate Credit***

The CPUC issued a [Proposed Decision](#) pausing the distribution of the 2026 Climate Credit by SDG&E, PG&E, and SCE. Comments on the proposed decision are due March 2 with Reply Comments due by March 9. This matter may be voted on as soon as the March 19 CPUC meeting. On February 3, the CPUC issued an [Assigned Commissioner's Scoping Memo and Ruling](#) establishing a fast-tracked Phase 1A focused on near-term affordability actions, including whether to pause the spring 2026 electric Climate Credit and potentially shift 2026 credits into higher-bill summer months consistent with Assembly Bill 1207. The Scoping Memo outlines a two-step process, with an initial decision narrowly addressing the pause, followed by a second decision on summer timing, outreach changes, and statutory requirements.

### ***SDG&E's Application to Withdraw from Regional Energy Efficiency Administration (Application 25-04-014, Application of San Diego Gas & Electric Company to Revise its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan.)***

On February 18, 2026, four parties filed opening testimony in SDG&E's application to withdraw from regional energy efficiency administration: SDG&E, the Public Advocates Office (PAO), San Diego Community Power and Clean Energy Alliance (Joint CCAs), and the Small Business Utility Advocates (SBUA). See Attachment A for the joint filing of Community Power and Clean Energy Alliance. In rebuttal testimony, the Joint CCAs reiterated their arguments that San Diego's regional energy efficiency programs (administered by San Diego Regional Energy Network (SDREN)) deliver demonstrable value to ratepayers and are an important affordability measure. Other key points in the Joint CCAs' rebuttal testimony include:

- The Commission should reject PAO's request to impose cost-effectiveness requirements on all new program spending, absent broader cost-effectiveness reform that fully accounts for programs' benefits to customers.
- The Commission should reject unfounded assertions of program duplication and find that overlap of SDG&E and SDREN programs is not justification for withdrawal.
- Given significant on-the-ground non-compliance with Title 24, the Commission should consider the risks of SDG&E's planned reliance on codes and standards advocacy (a.k.a. advocacy to update Title 24) as a way to meet its statutory energy efficiency savings obligations.
- Irrespective of SDG&E's withdrawal, the commission should continue to consider opportunities for innovation in energy efficiency to address evolving challenges by

further incorporating load management and distributed energy resources measures into portfolios.

SDG&E and PAO reiterated their stance that regional energy efficiency programs generally do not provide demonstrable ratepayer benefit, and that incremental funding requests for a Program Administrator that seeks expanded budget - should SDG&E withdraw – must be contingent on passing the Commission’s cost-effectiveness tests. SBUA expressed hesitance regarding SDG&E’s potential withdrawal to the extent the impacts on commercial customers are unclear.

A central objective for SDREN in this proceeding is to preserve the approximately \$300 million in regional funding that SDG&E proposes to eliminate, in order to ensure that SDREN and/or other Portfolio Administrators have sufficient resources to expand programs and address service gaps resulting from SDG&E’s withdrawal, if the CPUC finds withdrawal is permissible.

The arguments raised in this withdrawal proceeding are also expected to foreshadow issues that may arise in opposition to SDREN’s forthcoming 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application, which is scheduled to be filed in March 2026. More details on SDREN’s programs are described in the SDREN Update staff report included in the agenda packet.

## **B) State Legislative Activities Update**

February 20 marked the bill introduction deadline for the 2025-2026 legislative session. Nearly 1,800 bills were introduced. Around 600 of them are considered spot, or placeholder, bills and can be amended with substantive language on or after March 20. Community Power staff is reviewing bills relevant to the Legislative Platform.

### ***CalCCA Sponsored Legislation Introduced to Improve Access to Power Charge Indifference Adjustment Data and to Make the State’s Resource Adequacy Program More Affordable***

On February 9, Assembly Member Chris Rogers introduced [AB 1761 \(Rogers\)](#), legislation sponsored by the California Community Choice Association (CalCCA). The bill is intended to bring improved transparency to the way the Power Charge Indifference Adjustment (PCIA) is calculated. The PCIA is designed to ensure customers who leave utility generation service pay their fair share of legacy power costs. But over the years of implementing the PCIA, there has been no consistent standard for what data must be made available to the CCAs in California Public Utilities Commission (CPUC) rate proceedings where the PCIA is set. This inconsistency creates disputes, inefficiencies, and unexpected rate impacts.

AB 1761 (Rogers) seeks to do the following:

- Require the CPUC to ensure that all data in any decision or proposal provided by an IOU, or the Commission, is made public. This applies to the PCIA, as well as the Financial Security Requirements (FSR).
- The data must be provided in its native format and via a non-disclosure agreement to a CCA's reviewing representative concurrently with the relevant filing.

The legislation now must make its way through the legislative process, which concludes on August 31, 2026. If the bill is successful, the practical impact would be to ensure that each time an IOU makes an Energy Resource Recovery Account (ERRA) filing on PCIA calculations – typically around four times per year – that they must automatically provide the underlying data to a CCA's reviewing representative. This would avoid going through an official, time-consuming discovery process to obtain the data multiple times a year.

Greater transparency allows CCAs to better forecast costs and shield customers from sudden rate swings. It reduces repeated fights over information, improves regulatory efficiency, and encourages utilities to verify calculations since the underlying data would be open to review. The bill would strengthen confidence that customers pay their fair share – and not more. The bill will be heard in the Assembly Utilities & Commerce Committee in March or April.

Additionally, on February 18, State Senator Steve Padilla – who previously served as Vice Chair of the Community Power Board of Directors – introduced [SB 1138 \(Padilla\)](#), also sponsored CalCCA. The bill makes an important affordability improvement to the CPUC's resource adequacy (RA) program, which ensures load-serving entities (LSEs) like Community Power have enough capacity under contract to meet peak system and local needs. The CPUC recently changed the RA paradigm from being based on monthly compliance to hourly compliance. The program is now known as slice of day (SOD).

While the CPUC's reformed program requires hourly compliance, it does not permit hourly trading. This is misaligned with commercial realities; commercial RA transactions are based on blocks of time, often 24 hour or monthly blocks. Therefore, under SOD, if Community Power is short in a particular hour on our obligation, we have to purchase an entire commercial block, overpaying for capacity that is not needed. This adds unnecessary costs to ratepayers.

SB 1138 (Padilla) fixes this and would allow LSEs to trade hourly SOD obligations. This means that Community Power would be able to trade with another LSE for the one hour we were hypothetically short on. An [analysis](#) by CalCCA found that savings from hourly trading could have reached \$179 million statewide in 2025. Estimated savings for Community Power in 2025 could have been as much as \$10.8 million. The bill will be heard in the Senate Energy, Utilities & Communications Committee in March or April.

## ***Community Power Signs onto Two Coalition Letters Seeing Funds for Customer-Sited Batteries and Heat Pumps***

Community Power joined a coalition of other groups requesting \$75 million in state funding for the Demand Side Grid Support (DSGS) program at the California Energy Commission (CEC). The program can help provide incentives for batteries, which would complement Community Power's Solar Battery Savings programs. Community Power also joined a second coalition pushing for additional funding for the Technology and Equipment for Clean Heating (TECH) program, which provides incentives to accelerate the adoption of electric heat pumps in homes. Both letters are included as attachments.

## ***Assembly Committee Holds Oversight Hearing to Assess Progress on Clean Energy***

On February 18, the Assembly Committee on Utilities & Energy held an oversight hearing titled "Assessing Progress in Developing Clean Energy (here is the [agenda](#) and [background](#) paper). The hearing explored the impact that recent federal policy changes have had on the timeline for renewable and clean energy project delivery. Federal tax incentives are now subject to earlier phase-outs under H.R. 1 – signed into law by the President in July 2025 – compressing development timelines and increasing financial exposure for both developers and ratepayers.

During the hearing, the chair of the committee made clear that this is not solely a climate policy discussion. The loss of federal tax credits would directly affect electricity affordability. She noted that developers facing higher capital costs will inevitably pass those costs on through power purchase agreements, which in turn impact ratepayers. Therefore, speed is not just about climate compliance, it is about protecting Californians from higher utility bills.

Panelists representing independent energy producers, the environmental community, and Southern California Edison, outlined the complexity of the new federal rules that create potential new structural barriers that may slow resource deployment. The hearing was also an opportunity to hear from the state's energy agencies (such as the CPUC) about their response to Executive Order N-33-25, issued in August 2025 by the Governor. The order directed state agencies to accelerate siting, permitting, and construction of clean energy projects considering federal policy changes. The CPUC testified about recent capacity additions, long-term procurement targets, and extensive regulatory and transmission planning coordination, while the California Independent System Operator explained its recent transmission interconnection queue reforms and proactive transmission development to meet rising demand. The Governor's Office of Economic and Business Development also explained the Tracking Energy Development (TED) task force's role in monitoring project development.

### **C) Federal Activities Update**

Community Power is tracking several implementation matters related to H.R. 1, the One Big Beautiful Bill Act signed into law in July 2025. Among other things, the large reconciliation bill changed clean energy tax credit eligibility. Importantly, the legislation changed the Clean

Electricity Production Tax Credit and the Clean Electricity Investment Tax Credit, also known as the PTC and ITC, which previously allowed for a 30%-50% tax credit to the seller of a power purchase agreement to reduce the costs of a clean energy project. H.R. 1 ends the tax credits for solar and wind projects placed in service after December 31, 2027 – seven years earlier than under prior law – unless the project starts construction by July 4, 2026. It also imposed new foreign sourcing material restrictions on all clean energy technologies, including energy storage.

### ***State of California Joins Amicus Brief on Lawsuit Pertaining to Wind and Solar Start of Construction Standard***

Three days after H.R. 1 was signed into law, the President issued an executive order titled “Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources.” The [order](#) directed the U.S. Treasury to issue guidance to define the term “start of construction” as it pertains to solar and wind projects. Accordingly, the Internal Revenue Service (IRS) in August issued a [Notice](#) to tighten up the physical construction test relative to determining start of construction. Sellers of PPAs bear the obligation to navigate the start of construction standard.

In February of this year, the State of California announced it joined on [an amicus brief](#) with several other states arguing that the IRS notice is unlawful and is causing many wind and solar projects to be abandoned. The court case is in the District Court for the District of Columbia.

### ***IRS Rolls Out Interim Rules on Foreign Sourcing of Materials for Clean Energy Projects that Seek Tax Credit Eligibility***

On February 12, 2026, the Treasury Department and IRS issued [initial guidance](#) regarding the foreign entity of concern (FEOC) restrictions placed on clean energy tax credits by H.R. 1. Under the law, tax credits may be denied if a project receives “material assistance” from a prohibited foreign entity, which includes companies that are owned, controlled, or influenced by certain foreign countries identified as covered nations, such as China, Russia, Iran, and North Korea. At a high level, the notice outlines initial safe harbors and calculations to determine whether a resource or product has received material assistance from a prohibited foreign entity. Importantly, the guidance states that the Administration intends to propose regulations regarding further definitions and the calculation of the material assistance restrictions that determine how much of a project’s components can be linked to a covered foreign nation before losing tax credit eligibility. Sellers of power purchase agreements bear the obligation to navigate the initial guidance.

## **Fiscal Impact**

N/A

## Attachments

A: Prepared Rebuttal Testimony on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's Application to Revise Its 2024-2031 Energy Efficiency Rolling Portfolio Business Plan

B: TECH Coalition Letter

C: DSGS Coalition Letter

Docket No.: A.25-04-014

Exhibit No.: \_\_\_\_\_

Date: February 18, 2026

Witness: Various

**PREPARED REBUTTAL TESTIMONY  
ON BEHALF OF  
SAN DIEGO COMMUNITY POWER AND CLEAN ENERGY ALLIANCE  
IN SAN DIEGO GAS AND ELECTRIC COMPANY'S  
APPLICATION TO REVISE ITS 2024-2031 ENERGY EFFICIENCY ROLLING  
PORTFOLIO BUSINESS PLAN**

## Table of Contents

I. INTRODUCTION AND SUMMARY OF TESTIMONY.....	1
II. THE COMMISSION SHOULD REJECT CAL ADVOCATES’ REQUEST TO IMPOSE COST-EFFECTIVENESS REQUIREMENTS ON ALL NEW PROGRAM SPENDING, ABSENT BROADER COST-EFFECTIVENESS REFORM.....	4
A. This Application is Not the Appropriate Venue to Make Larger Changes to the Commission’s EE Policy.....	4
1. Cal Advocates’ Request Implicates a Change to the REN Framework.....	5
2. Cal Advocates’ Request Conflicts with the Commission’s Equity and Market Support Segment Guidelines.....	6
B. Cal Advocates’ Recommendation is Not an Effective Means to Address the Remaining EE Needs in the San Diego Region.....	7
III. THE COMMISSION SHOULD REJECT UNFOUNDED ASSERTIONS OF PROGRAM DUPLICATION.....	10
A. The Commission Has Implemented Extensive Protections to Mitigate the Risk of Improper Duplication.....	10
B. SDREN’s Portfolio Was Developed Pursuant to These Protections; Cal Advocates’ Assertions of EE Program Duplication are Baseless.....	12
C. Cal Advocates’ Assertions of Duplication Between EE and ESA Programs Similarly Lack Merit.....	15
IV. THE COMMISSION SHOULD CONSIDER THE RISKS OF OVERRELIANCE ON CODES AND STANDARDS PROGRAMS IN ASSESSING REMAINING REGIONAL NEEDS.....	16
V. IRRESPECTIVE OF SDG&E’S WITHDRAWAL, THE COMMISSION SHOULD CONTINUE TO CONSIDER OPPORTUNITIES FOR INNOVATION IN EE TO ADDRESS EVOLVING CHALLENGES.....	17

1 **I. INTRODUCTION AND SUMMARY OF TESTIMONY**

2 San Diego Community Power (“SDCP”), on behalf of the San Diego Regional  
3 Energy Network (“SDREN”), and Clean Energy Alliance (“CEA”) present this Rebuttal  
4 Testimony in the “SDG&E” (“SDG&E”).  
5 (“Application”).<sup>1</sup> This testimony was prepared on behalf of SDREN and CEA by Craig  
6 Perkins, President and Executive Director, Laurel Rothschild, Vice President of Energy  
7 Programs, and Marc Costa, Director of Policy and Planning, The Energy Coalition  
8 (“TEC”).  
9

10 Although SDREN and CEA do not offer a recommendation on the ultimate  
11 question of whether the Commission should authorize San Diego Gas & Electric Company  
12 (“SDG&E”) to close its regional programs, it is imperative that the California Public  
13 Utilities Commission (“Commission”) evaluate this Application based on the most  
14 accurate information available, as well as assumptions and conclusions that are grounded  
15 in reality. Such an evaluation is needed to determine: 1) whether SDG&E’s withdrawal  
16 from regional program administration is in the best interests of the region, 2) if so, what  
17 the remaining regional needs are, and 3) how to best meet those needs.

18 This testimony first responds to the Public Advocates Office at the California  
19 Public Utilities Commission (“Cal Advocates”), which argues that “the Commission  
20 should apply the condition that all incremental future EE program budgets approved within  
21 SDG&E’s territory must be cost-effective.”<sup>2</sup> This recommendation implicates changes to

---

<sup>1</sup> Application (“A.”) 25-04-014 (filed Apr. 25, 2025).

<sup>2</sup> A.25-04-014, !"#%&'()\*+&,-./' 011%&.' 02.3%34' 5.-%6+37' +3' 8,3' 9%.4+ ' : ,/ ' ; ' <\$.&=%&' >+62,37?/'(22%&,-%+3'++'@.\*/. %-'/ABACDABEF'<3.=47'<11%&.3&7'@+\$\$34' ! +=-1+\$+'G" /%3.//'!\$,3, Chapter 1, p. 1-3:1-2 (Jan. 15, 2026) (“Cal Advocates Direct”).

1 the Commission’s EE framework more broadly, which are inappropriate to address in a  
2 single investor-owned utility’s (“IOU”) application proceeding. Beyond procedural  
3 concerns, this recommendation is a fundamentally ineffective means to balance  
4 affordability concerns with the ongoing need to procure cost-effective EE in the region.  
5 Specifically, this recommendation fails to reach the root of challenges within the  
6 Commission’s current cost-effectiveness framework, and would unreasonably inhibit the  
7 Commission’s ongoing ability to determine and address unique regional needs.

8 This testimony next addresses Cal Advocates’ and SDG&E’s assertions that there  
9 is significant overlap between SDG&E and SDREN’s existing regional portfolios.<sup>3</sup> These  
10 claims ignore significant, documented efforts to coordinate and avoid duplicative efforts  
11 between San Diego regional portfolio administrators (“PAs”) and are contrary to specific  
12 Commission findings otherwise. It is important to clarify the reality of overlap so the  
13 Commission can accurately discern the remaining regional needs should SDG&E  
14 discontinue its portfolio.

15 Further, this testimony emphasizes the important considerations set forth by Bay  
16 Area Regional Energy Network (“BayREN”) and Tri-County Regional Energy Network  
17 (“3C-REN”) witness Steven Moss. Mr. Moss highlights the risks of overreliance on  
18 statewide codes and standards (“C&S”) programming in the EE portfolio, which the  
19 Commission should carefully consider in assessing both the merits of SDG&E’s  
20 withdrawal and the resulting gaps in the region.

---

<sup>3</sup> 8. . Cal Advocates Direct at Chapter 2, 2-12 – 2-15; A.25-04-014, !=.2,=. )'02.3%34'5./-%6+37'+!  
H+\$\$%. 'G%. =6 ,3'+3'G. I, \$l'+l'8,3'9%. 4+': ,/' ; '<\$.&=%&'>+62,37, p. HB-5:7-8 (Jan. 15, 2026) (“Bierman  
Opening Testimony”).

1 Finally, this testimony responds to SDG&E’s assertions that continuation of its  
2 regional EE portfolio may increase electric load and procurement costs.<sup>4</sup> SDREN and CEA  
3 re-emphasize that emerging regional needs present the opportunity for innovation in EE to  
4 deliver effective and locally responsive solutions to load management. The Commission  
5 should continue to foster the development of innovation through Integrated Demand-Side  
6 Management (“IDSM”) programming, which will serve an important role in capturing  
7 increasingly harder-to-reach savings.

8 In addition to the recommendations set forth in their Direct Testimony,<sup>5</sup> SDREN  
9 and CEA recommend:

- 10 ● The Commission should reject Cal Advocates’ proposal to implement cost-  
11 effectiveness requirements for any new program spending in the San Diego region,  
12 absent reform to the larger cost-effectiveness framework.
- 13 ● Consistent with its findings in Decision (“D.”) 24-08-003, the Commission should  
14 find that there is not currently improper overlap or duplication between SDG&E  
15 and SDREN programs. To this end, the Commission should reject Cal Advocates’  
16 recommendation that it discontinue non-cost-effective, overlapping regional  
17 programs and instead evaluate future portfolio proposals on their individual merits.
- 18 ● The Commission should consider the risks of overreliance on statewide C&S  
19 programming in assessing remaining regional needs.

---

<sup>4</sup> Bierman Opening Testimony at HB 15:27-28.

<sup>5</sup> A.25-04-014, !.=.2,=. )' 9%=. &-' 5.-/% 6+37' +1' 8,3' 9%.4+' >+6 6"3%-7' !+J .=' ,3)' >\$. ,3' <3.=47'  
( \$\$ , 3&.' %3'8,3'9%.4+' : ,/' ; '<\$.&-%&'>+62,37?/' ( 22\$%& ,-%+3'-+'@. \*%/. '%-/' ABACDABEF' <3.=47' <11%&% .3&7'  
@+\$\$%34' !+=-1+\$+'G"/%3.//' !\$ ,3, pp. 3:6-20 – 4:1-2 (Jan. 15, 2026).

1 **II.! THE COMMISSION SHOULD REJECT CAL ADVOCATES’ REQUEST TO**  
2 **IMPOSE COST-EFFECTIVENESS REQUIREMENTS ON ALL NEW**  
3 **PROGRAM SPENDING, ABSENT BROADER COST-EFFECTIVENESS**  
4 **REFORM.**

5 If the Commission authorizes SDG&E to discontinue its regional programs, Cal  
6 Advocates encourages the Commission to implement “cost-effectiveness requirements for  
7 *!''#* new program spending in SDG&E’s territory, either as new statewide (SW) program  
8 funding by IOUs or new regional programs by non-IOU PAs...”<sup>6</sup> Cal Advocates’  
9 recommendation appears specifically tailored towards SDREN, generally characterizing  
10 any further expansion of the SDREN portfolio as a negative offset to the alleged benefits  
11 that SDG&E’s withdrawal would provide.<sup>7</sup> Cal Advocates posits this recommendation as  
12 a means by which the Commission may satisfy its ongoing requirement to solicit cost-  
13 effective EE.<sup>8</sup>

14 As explained in SDREN and CEA’s Direct Testimony, SDREN and CEA more  
15 generally dispute the assertion that closure of SDG&E’s regional programs translates into  
16 equal benefits for customers.<sup>9</sup> Putting that issue aside, this section discusses the key  
17 procedural and substantive flaws associated with Cal Advocates’ recommendation.

18 **A.! This Application is Not the Appropriate Venue to Make Larger Changes to**  
19 **the Commission’s EE Policy.**

20 Before discussing the substance of Cal Advocates’ recommendation, it is important  
21 to note that SDG&E’s individual Application proceeding is not an appropriate venue to  
22 pursue larger changes to the Commission’s EE policy framework. Implementation of Cal  
23 Advocates’ recommendation would require broader policy changes with regard to the

---

<sup>6</sup> Cal Advocates Direct at 1-3:7-9 (emphasis added).  
<sup>7</sup> 8. . §). at 1-3:12-15 – 1-4:1-2, 2-18:13-15, 2-20:12-13.  
<sup>8</sup> K). at 2-18:3-15.  
<sup>9</sup> SDREN and CEA Direct at 4-25.

1 regional energy network (“REN”) framework and the Commission’s Equity and Market  
2 Support segment guidance. Should Cal Advocates wish to pursue these policy  
3 recommendations, it should do so in a consolidated proceeding in which all PAs are present  
4 so that impacted PAs and interested stakeholders have sufficient opportunity for  
5 participation and record development.

6 **1.! Cal Advocates’ Request Implicates a Change to the REN Framework.**

7 RENs were first introduced as a concept in D.12-05-015, and are intended to be  
8 supplemental to and operated in conjunction with IOU programs.<sup>10</sup> To ensure that RENs  
9 serve their intended supplemental purpose, the Commission may only approve REN  
10 business plans that propose activities consistent with the following criteria:<sup>11</sup>

- 11 ¥ Activities that utilities or community choice aggregator (“CCA”) PAs cannot or do  
12 not intend to undertake;
- 13 ¥ Pilot activities where there is no current utility or CCA program offering, and where  
14 there is potential for scalability to a broader geographic reach, if successful; and
- 15 ¥ Activities serving hard-to-reach markets, whether or not there is another utility or  
16 CCA program that may overlap.

17 In implementing its REN guidelines, the Commission specifically declined to apply  
18 threshold cost-effectiveness requirements to REN portfolios.<sup>12</sup> The Commission has

---

<sup>10</sup> Decision (“D.”) 12-11-015, pp. 7-8, 13 (Nov. 15, 2012) (explaining that the D.12-05-015 invited REN proposals from local governments separately from utility portfolio proposals, thereby differentiating RENs from utility portfolios at the outset. D.12-11-015 also rejected SDG&E’s proposal to administer its own REN); D.19-12-021, p. 5 (Dec. 5, 2019) (explaining that cost-effectiveness requirements have never been imposed upon RENs as they were intended to augment or supplement existing IOU energy efficiency portfolios).

<sup>11</sup> D.19-12-021 at 32, Ordering Paragraph (“OP”) 4.

<sup>12</sup> 8. . D.12-11-015 at 37 (declining to apply cost-effectiveness requirements to RENs “because the size of the REN portfolios is smaller, and because the RENs are inherently designed to take on filling gaps

1 repeatedly emphasized that this is appropriate because “...many of the REN program plans  
2 address hard to reach market segments that are generally more expensive than average to  
3 deliver. REN proposals should not be punished for that, because, if successful, their pilot  
4 approaches could lead to breakthroughs for more cost-effective solutions in the future.”<sup>13</sup>

5 The imposition of cost-effectiveness requirements on future SDREN programs  
6 necessarily disrupts this larger framework, and is therefore not appropriate for  
7 consideration in an individual utility proceeding in which few impacted PAs are engaged.  
8 The Commission has previously found that substantially similar proposals are better suited  
9 to a rulemaking proceeding, stating that “[w]ith respect to Cal Advocates’ arguments about  
10 the cost-effectiveness of the energy efficiency portfolio overall and the RENs’ place in it,  
11 we find that these raise larger questions about cost-effectiveness policy in general in the  
12 energy efficiency arena... this topic deserves further exploration and vetting within the  
13 rulemaking.”<sup>14</sup>

14 **2.1 Cal Advocates’ Request Conflicts with the Commission’s Equity and**  
15 **Market Support Segment Guidelines.**

16 Although Cal Advocates does not provide specific details as to its recommended  
17 approach for implementing its proposal, it is likely that the imposition of cost-effectiveness  
18 requirements on any new program spending would implicate a change in the Commission’s  
19 policy guidance for the Equity and Market Support segments.

20 The Commission established its current portfolio segmentation guidelines in D.21-  
21 05-031. In that Decision, the Commission found that “[t]he traditional definition of

---

in the other larger portfolios or serving the needs of hard-to-reach customer segments/markets that will be naturally less cost-effective to serve”).

<sup>13</sup> K). at 19.

<sup>14</sup> D.19-12-021 at 38.

1 resource programs, or programs which deliver energy efficiency savings, neglects the  
2 nuance that certain programs that deliver some energy savings have other primary  
3 objectives, such as supporting equity goals or long-term market success.”<sup>15</sup> Accordingly,  
4 the Commission ordered PAs to segment their portfolios into Resource Acquisition,  
5 Equity, and Market Support segments,<sup>16</sup> and declined to apply total resource cost (“TRC“)  
6 cost-effectiveness limitations to the Equity and Market Support segments.<sup>17</sup> Instead, the  
7 performance of Equity and Market Support segment programs are assessed based on  
8 certain metrics and indicators that are not reflected within the TRC calculation.<sup>18</sup>

9 As Cal Advocates recommends imposing cost-effectiveness requirements on “!"/#  
10 new program spending in SDG&E’s territory,”<sup>19</sup> implementation of this recommendation  
11 would either: 1) bar any new Equity and/or Market Support programming altogether, or 2)  
12 implicate a substantive change to the Commission’s segmentation policy. Like changes to  
13 the REN framework, such substantive policy changes should be evaluated in a consolidated  
14 forum in which all PAs are present to allow for thorough record development and  
15 participation from impacted PAs.

16 **B. Cal Advocates’ Recommendation is Not an Effective Means to Address the**  
17 **Remaining EE Needs in the San Diego Region.**

18 Beyond procedural considerations, Cal Advocates’ proposal is also substantively  
19 flawed. This is because the recommendation fails to address the underlying drivers of cost-  
20 effectiveness challenges. The March 2025 State Auditor’s report explained the

---

<sup>15</sup> D.21-05-031, p. 11 (May 26, 2021).

<sup>16</sup> K). at 14-15.

<sup>17</sup> K). at 22-23.

<sup>18</sup> The Commission first established Equity and Market Support indicators in D.23-06-055 (pp. 60-65). The Commission recently refined the Equity and Market Support metrics and indicators through Resolution E-5351 (Jun. 17, 2025).

<sup>19</sup> Cal Advocates Direct at 1-3:6-8 (emphasis added).

1 methodological shortcomings of the TRC, which centered around the exclusion of non-  
2 energy benefits (“NEBs”) to participants.<sup>20</sup> The Report concluded that these shortcoming  
3 ultimately hinder the State’s goal of electrification and greenhouse gas emission  
4 reductions,<sup>21</sup> and prompted the Commission to reform current cost-effectiveness  
5 methodologies.<sup>22</sup> For an additional, more granular description of specific reforms the  
6 Commission should incorporate into its cost-effectiveness framework, SDREN and CEA  
7 encourage the Commission to review the comments that BayREN and 3C-REN submitted  
8 in Rulemaking (“R.”) 22-11-013.<sup>23</sup>

9 SDREN and CEA noted these larger concerns in Direct Testimony, explaining that  
10 a major driver of the challenges PAs have faced in meeting threshold cost-effectiveness  
11 requirements is the known limitations in the Commission’s current TRC cost-effectiveness  
12 screening. Absent reforms to cost-effectiveness analyses, cost-effectiveness constraints  
13 will continue to impact all present and future PAs operating in the region. Cal Advocates’  
14 recommendation fails to address this root cause, and further fails to address other structural  
15 barriers to increased portfolio performance, such as the administrative barriers that  
16 SDG&E described in its Opening Testimony.<sup>24</sup> In short, simply imposing a requirement

---

<sup>20</sup> California State Auditor Report 2023-127, pp. 3, 25, 31-34 (March 2025). Accessible at: <https://www.auditor.ca.gov/wp-content/uploads/2025/03/2023-127-Report.pdf>.

<sup>21</sup> K). at 34.

<sup>22</sup> K). at 44. Note that the Commission has confirmed it will evaluate cost-effectiveness reform in its current EE Rulemaking (“R.”) 25-04-010. 8. .’6-Month Agency Response to Recommendations to the California Public Utilities Commission, Recommendation 11: <https://www.auditor.ca.gov/reports/responses-2023-127-all/>.

<sup>23</sup> R.22-11-013, Comments of the Association of Bay Area Governments and the County of Ventura on Administrative Law Judge’s Ruling (May 12, 2025). Accessible at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M565/K498/565498816.PDF>.

<sup>24</sup> Bierman Opening Testimony at 34-36. SDREN and CEA encourage the Commission to consider administrative barriers in evaluating reforms to its cost-effectiveness screening in R.25-04-010.

1 that all new programs “be cost-effective” does not resolve these structural barriers and does  
2 nothing to improve program design, evaluation accuracy, or long-term outcomes.

3 Further, imposing a categorical prohibition on non-cost-effective programs would  
4 unduly constrain the Commission’s ability to respond flexibly to demonstrated regional  
5 needs – particularly in the event that SDG&E discontinues its regional portfolio. For  
6 example, a PA may submit an application to the Commission post-SDG&E withdrawal  
7 demonstrating evidence of an expanded need for Equity programming in the San Diego  
8 region. Such programs are not subject to TRC cost-effectiveness screening precisely  
9 because they are designed to overcome barriers and achieve equity objectives that may  
10 otherwise hinder portfolio cost-effectiveness. A blanket restriction would prevent PAs  
11 from developing locally responsive solutions, even when the need is supported by  
12 evidence. Instead, the Commission should continue its existing, effective practice of  
13 evaluating new program proposals on their individual merits and their ability to address  
14 demonstrated regional needs.

15 In sum, it is unreasonable and ineffective to require expanded portfolios to meet  
16 cost-effectiveness requirements under a structure that both SDG&E (in an administrative  
17 context) and the State Auditor agree is in need of reform. SDREN and CEA respectfully  
18 request that the Commission undertake reform of its cost-effectiveness methodologies, and  
19 consider addressing SDG&E’s noted structural administrative barriers in its EE  
20 Rulemaking to develop lasting solutions.

1 **III.! THE COMMISSION SHOULD REJECT UNFOUNDED ASSERTIONS OF**  
2 **PROGRAM DUPLICATION.**

3 In its Opening Testimony, SDG&E continues to assert claims of program overlap  
4 with no specific description of duplicative activities.<sup>25</sup> Cal Advocates argues throughout  
5 its Direct Testimony that there is “vast overlap” between SDG&E and SDREN portfolios,  
6 which it claims is “a barrier which prevents SDG&E from achieving targets...”<sup>26</sup> Cal  
7 Advocates further recommends that if the Commission does not grant SDG&E’s  
8 Application, it should disallow overlapping programs that are non-cost-effective in future  
9 portfolio cycles.<sup>27</sup> However, these conclusory assertions miss important nuances in the  
10 Commission’s EE framework, as well as the reality of portfolio coordination in the region.  
11 An inaccurate or overstated characterization of overlap risks obscuring the existence of  
12 programmatic gaps that would arise if SDG&E discontinued its regional portfolio. A clear  
13 and technically correct understanding of how existing portfolios interact is essential to the  
14 Commission’s forward-looking planning and oversight responsibilities.

15 **A.! The Commission Has Implemented Extensive Protections to Mitigate the Risk**  
16 **of Improper Duplication.**

17 With respect to RENs specifically, the Commission’s REN framework and  
18 approval processes serve as an important measure by which the Commission limits  
19 improper overlap on the front-end. As described above, the Commission may only approve  
20 REN business plans that effectuate three criteria.<sup>28</sup> In evaluating whether to authorize a  
21 REN business plan, the Commission specifically evaluates REN proposals for duplicative

---

25 8.. §). at HB-5.

26 8.. Cal Advocates Direct at 2-22:10-13.

27 K). at 2-22:5-7 (emphasis in original).

28 D.19-12-021 at 32, OP 4.

1 programming with their IOU counterparts, and requires a demonstration of “unique  
2 value...to the State’s current and future energy efficiency goals.”<sup>29</sup>

3 More broadly, the Commission has long recognized that multiple PAs may operate  
4 within the same service area and has therefore adopted meaningful safeguards to prevent  
5 improper duplication and mitigate risk to customers. The Commission has clarified its  
6 particular concerns regarding program overlap, stating:<sup>30</sup>

7 “the energy efficiency landscape in California is complex, and we are not  
8 convinced that having any geographic overlap between administrators or  
9 programs must be inherently negative or confusing. What we seek to avoid  
10 with “overlap” concerns, is duplicative administrative costs that may be  
11 associated with multiple administrators operating in one area,  
12 disproportionate funding concentrated on one geographic area, and/or  
13 multiple program administrators conducting similar activities. In addition,  
14 we want to avoid customers receiving confusing or multiple competing  
15 offers for the same type of measure or project.”

16 A key means by which the Commission mitigates the risk of duplication is through  
17 Joint Cooperation Memoranda (“JCMs”), which demonstrate how PAs plan to avoid  
18 duplication for programs addressing a common sector within an overlapping service area.<sup>31</sup>  
19 The Commission has implemented specific requirements for REN-IOU JCMs, and requires  
20 updated JCM submission every two years after the approval of the last of each JCM’s PAs’  
21 true-up advice letters and mid-cycle advice letters.<sup>32</sup>

22 To further evaluate the effectiveness of existing risk mitigation processes, the  
23 Commission ordered PAs in D.23-06-055 to collaborate in the development and  
24 submission of a joint advice letter “to provide information on substantively similar  
25 programs, and steps they have taken and will take to mitigate or minimize ratepayer risk of

---

<sup>29</sup> K). at 30.

<sup>30</sup> K). at 25.

<sup>31</sup> D.18-05-041, p. 122 (Jun. 5, 2018).

<sup>32</sup> D.23-06-055 at OP 35.

1 program overlap and duplication.”<sup>33</sup> The resulting advice letter and associated report,  
2 which the Commission approved in a June 30, 2025 Energy Division Disposition, found  
3 that PAs’ existing coordination strategies were effective in reducing ratepayer risk to a de  
4 minimis percentage of total authorized budgets throughout the state.<sup>34</sup> Upon review of these  
5 findings, Energy Division Staff concluded that it “...agrees that the process for Joint  
6 Cooperation Memos, existing coordination meetings, and implementation plans are places  
7 where PAs will continue to discuss substantially similar programs and ways to avoid risk  
8 to ratepayers from program overlap or duplication.”<sup>35</sup>

9 **B. SDREN’s Portfolio Was Developed Pursuant to These Protections; Cal**  
10 **Advocates’ Assertions of EE Program Duplication are Baseless.**

11 As discussed in SDREN and CEA’s Direct Testimony, SDREN developed its  
12 portfolio squarely within the framework of the Commission’s established guidance on  
13 program overlap and duplication.<sup>36</sup> Specifically, SDREN coordinated extensively with  
14 SDG&E throughout its portfolio development process,<sup>37</sup> and the Commission expressly  
15 evaluated whether SDREN’s proposed activities would improperly duplicate SDG&E  
16 programs in evaluating the merits of SDREN’s portfolio. In authorizing SDREN, the  
17 Commission specifically determined that “[w]e have reviewed the proposed scope of each  
18 program and \$%&%(%)’\$&+\$\*’, \*& !’&/ 0 1 2 3 4 5 6 ’’4&756, !’\*& \*&6(\*8)’’94&6&/ : ; 1 &  
19 %&&’’#&!’\*’<)\$\*&8%08! = .”<sup>38</sup> SDG&E and SDREN have since collaborated to develop and

---

<sup>33</sup> K). at OP 32.

<sup>34</sup> California Public Utilities Commission Energy Division Disposition of Advice Letter 20-E/20-G et al., Attachment A, p. 37 (approved June 30, 2025).

<sup>35</sup> ED Disposition of AL 20-E/20-G et al. at 8-9.

<sup>36</sup> SDREN and CEA Direct at 25:23-27:5.

<sup>37</sup> K). at 26:6-15.

<sup>38</sup> D.24-08-003, p. 11 (Aug. 7, 2024) (emphasis added). In determining that SDREN’s proposed portfolio is not duplicative of SDG&E’s existing portfolio, the Commission also found that “[t]he proposal will satisfy the first criterion, activities that utility or CCA program administrators cannot or do not intend

1 submit a JCM, which includes detailed discussion at the sector-level as to specific tactics  
2 for mitigation of duplicative efforts, customer confusion, and double-dipping.<sup>39</sup>

3 An example helps illustrate the granularity of SDREN and SDG&E’s efforts to  
4 prevent duplication. Consider SDG&E and SDREN’s respective Multifamily programs,  
5 for which Cal Advocates claims there is substantial duplication.<sup>40</sup> While both Multifamily  
6 programs serve the Residential sector, SDREN’s Multifamily program serves the Equity  
7 segment and SDG&E’s Multifamily program serves the Resource Acquisition segment.<sup>41</sup>  
8 As the differing segmentation implies, these programs are intended to serve different  
9 purposes. Indeed, SDREN’s Multifamily program serves multifamily property owners and  
10 tenants to address common area and in-unit upgrades, providing, among other things,  
11 technical assistance and customized engagement strategies for property owners, EE kits  
12 and education opportunities for renters, and a specific focus on incentive-stacking.<sup>42</sup> In  
13 contrast, SDG&E’s Resource Acquisition Multifamily program serves “multifamily and  
14 manufactured housing customers and offers access to an energy advisor and selected  
15 measures at no cost,” but does not reach beyond that to carry out specific equity  
16 objectives.<sup>43</sup> These differing purposes highlight the rationale behind portfolio segmentation

---

to undertake, by coordinating with SDG&E on a joint cooperation memo to avoid overlap and duplication of programs and services” (D.24-08-003 at 10), and “[p]rograms that may overlap will be marketed exclusively to hard-to-reach customers, which satisfies the third REN criterion, activities serving hard-to-reach markets whether or not there is another utility or CCA program that may overlap” (D.24-08-003 at 11). The Commission ultimately concluded that “SDREN’s program proposals, strategic business plan, budgets, and funding authorizations in Table 1 are reasonable, in the public interest, and make a unique contribution to the state’s energy efficiency goals” (D.24-08-003 at Conclusion of Law (“COL”) 1).

<sup>39</sup> 8.. A.25-04-014, !"#%&'()\*+&,-./'011%&.'(22.3)%L'G'8"22+=%34'(--,&I6.3-/, Attachment 11: SDREN and SDG&E 2024 Joint Cooperation Memorandum, Section II.

<sup>40</sup> Cal Advocates Direct at 2-23:12 – 2-26.

<sup>41</sup> 8.. %). at Table 2-4.

<sup>42</sup> SDREN-SDG&E JCM at 9.

<sup>43</sup> K).

1 more broadly, as these programs serve the same sector but are tailored to achieve different  
2 goals.<sup>44</sup>

3 Importantly, the Commission specifically considered SDREN’s Multifamily  
4 program in finding that there was no duplication with SDG&E’s portfolio,<sup>45</sup> and the two  
5 PAs set forth specific findings related to their respective Multifamily programs in their  
6 JCM:<sup>46</sup>

7 “SDREN’s Multifamily program focuses on multifamily buildings of two  
8 of more units in underserved and HTR communities. >- )4&58%08!= &4&  
9 !''), )5!'\*\$&%&\*&+!)@ ?&\*&'&@A@B" &'\$& )6&%08\$)'! '\*& )'- &/ : ; 1 34&  
10 0 C2 1 >58%08!= &%&'478\*&74'%& \*84&8\*&- !'!!!\*6\$&558%58)! '\*@DThis  
11 program will also coordinate with SDG&E’s HEAR program to maximize  
12 benefits to customers. >- )4&58%08!= &%&4&'%&756, !'\*&'#& / : ; 1 &  
13 58%08!= &'\$&!4&#''\*89)\*4& )'- &/ : ; 1 34& 76)(!= )#58%08!= D

14 Ultimately, Cal Advocates’ conclusory claims of duplication between SDREN’s  
15 and SDG&E’s Multifamily programs elucidate its failure to consider nuances in program  
16 segmentation and documented evidence of collaboration in the development and  
17 implementation of these programs. It is imperative that the Commission closely scrutinize  
18 and dispose of inaccurate or misleading claims of duplication, as an accurate understanding  
19 of portfolio overlap is critical to the Commission’s assessment of remaining regional needs  
20 and the continued ability of regional PAs to meet those needs.

---

<sup>44</sup> 8. . ' 4.3.=,\$\$7, SDREN Residential Multifamily Program Implementation Plan (Dec. 2024).  
Accessible at:  
[https://cedars.cpuc.ca.gov/documents/download/3294/mainchange\\_summary%7Cmain%7Credline/](https://cedars.cpuc.ca.gov/documents/download/3294/mainchange_summary%7Cmain%7Credline/) .

<sup>45</sup> D.24-08-003 at 5.

<sup>46</sup> SDREN-SDG&E JCM at 11 (emphasis added).

<sup>47</sup> Note that SDREN’s Multifamily program is now scheduled to launch in 2026.

1 **C. Cal Advocates’ Assertions of Duplication Between EE and ESA Programs**  
2 **Similarly Lack Merit.**

3 In addition to its claims of duplication among SDREN and SDG&E Multifamily  
4 programs in the EE portfolio, Cal Advocates also claims that these programs are  
5 duplicative with the Southern Multifamily Whole Building (“MFWB”) program, which is  
6 part of SDG&E’s Energy Savings Assistance (“ESA”) program offerings.<sup>48</sup> However, Cal  
7 Advocates omits key information as to the purpose and eligibility requirements that  
8 distinguish programs under the market-rate EE portfolio from ESA programs.

9 As an initial matter, the Southern MFWB program is only available to, and  
10 specifically designed to serve, customers that meet specific income-eligibility  
11 requirements.<sup>49</sup> This means that the Southern MFWB program targets distinctly different  
12 customers than SDG&E’s Resource Acquisition segment Multifamily program. While  
13 there may be similarities between the customers eligible for the Southern MFWB program  
14 and SDREN’s Equity segment Multifamily program, the Commission has clarified that:<sup>50</sup>

15 “...the “equity” category is distinct from our separate low-income energy  
16 efficiency Energy Savings Assistance (ESA) programs, which have  
17 separate goals and regulatory treatment. While there is some overlap in  
18 customers within the target segments, the “equity” category is intended to  
19 be defined within the energy efficiency programs covered in this  
20 rulemaking that are not specifically targeting low-income populations with  
21 program offerings that low-income populations could receive at no cost  
22 from the ESA program.”

23 Moreover, RENs specifically focus on hard-to-reach and underserved communities, which  
24 are separate and distinct from ESA.<sup>51</sup> Cal Advocates’ testimony lacks any meaningful  
25 discussion of these differences, indicating again that its analysis of program overlap is

---

<sup>48</sup> Cal Advocates Direct at 2-24:3-10.

<sup>49</sup> 8. W. 14, D.21-06-015, p. 133 (Jun. 7, 2021).

<sup>50</sup> D.21-05-031 at 15.

<sup>51</sup> D.23-06-055 at COLs 31, 32, and 33.

1 conclusory and misses important nuances in the structure and design of the Commission’s  
2 EE and ESA policies.

3 **IV.! THE COMMISSION SHOULD CONSIDER THE RISKS OF OVERRELIANCE**  
4 **ON CODES AND STANDARDS PROGRAMS IN ASSESSING REMAINING**  
5 **REGIONAL NEEDS.**

6 BayREN and 3C-REN witness Moss raises important considerations in evaluating  
7 SDG&E’s request to discontinue nearly all regional EE programs and instead rely more  
8 heavily on C&S programs. As explained in Mr. Moss’s Direct Testimony, the  
9 Commission’s current cost-effectiveness methodologies – particularly the treatment of  
10 “above-code” savings and assumed C&S compliance rates – may no longer reflect real-  
11 world conditions.<sup>52</sup> Mr. Moss’s testimony specifically highlights California Energy  
12 Commission analysis indicating gaps in actual C&S compliance, meaning that the  
13 Commission’s current assumptions may overvalue C&S savings.<sup>53</sup> Ultimately, this creates  
14 a material risk that projected C&S savings will not fully materialize, with downstream  
15 implications for grid planning, affordability, and emissions reductions.

16 SDREN and CEA agree that the statewide C&S programs, while necessary and  
17 important, are not sufficient on their own to deliver reliable and equitable EE outcomes,  
18 particularly in the absence of complementary programs.<sup>54</sup> Regional portfolios play a  
19 critical role in translating codes “on paper” into savings “on the ground” through  
20 enforcement support, workforce development, technical assistance, and targeted  
21 incentives.<sup>55</sup> SDREN and CEA support Mr. Moss’s recommendation that, if the

---

<sup>52</sup> 8.. A.25-04-014, 9%=. &-'5.-/%6+37'+1'8-. \*.3'O+//'+3'G.I, \$1'+1'-I.'G,7' (=., '@.4%+3, \$'<3.=47' P.-J +=Q', 3)'5=%D>+"3-7'@.4%+3, \$'<3.=47'P.-J +=Q, pp. 3:18-21 – 4:1-23 (Jan. 15, 2026).

<sup>53</sup> K). at 4:26-27 – 5:1-13.

<sup>54</sup> K). at 13-16.

<sup>55</sup> 8.. '4.3.=, \$\$7, %).

1 Commission approves SDG&E’s proposed withdrawal, it should do so with appropriate  
2 safeguards in place to ensure continuity of service and avoid over-reliance on C&S  
3 programming. As explained in SDREN and CEA’s Direct Testimony, this should include  
4 Commission consideration of expanded or shared roles among multiple non-IOU PAs in  
5 sustaining the region’s EE efforts, as well as maintaining current levels.<sup>56</sup>

6 Finally, SDREN and CEA provide clarification as to Cal Advocates’ misleading  
7 statement that “[w]hile SDG&E’s C&S programs engage in advocacy, SDREN’s C&S  
8 program does not.”<sup>57</sup> The C&S Advocacy programs refer to the statewide C&S advocacy  
9 program, limited to administration by the IOUs, which advocates for updates to Title 24.  
10 In comparison, regional C&S programs, which any PA may administer, are designed to fill  
11 C&S compliance gaps, assist local governments with adopting reach codes, and educate  
12 building officials and other relevant stakeholders.<sup>58</sup>

13 **V.! IRRESPECTIVE OF SDG&E’S WITHDRAWAL, THE COMMISSION**  
14 **SHOULD CONTINUE TO CONSIDER OPPORTUNITIES FOR INNOVATION**  
15 **IN EE TO ADDRESS EVOLVING CHALLENGES.**

16 In its Opening Testimony, SDG&E asserts that “continuing to administer a regional  
17 EE portfolio, especially one with fuel substitution components, could increase electric load  
18 and procurement costs.”<sup>59</sup> SDG&E also states that the Commission should bypass regional  
19 EE, as demand flexibility, load shifting, and distributed energy resources initiatives cost-  
20 effectively offer both capacity and load shaping benefits.<sup>60</sup> But these arguments improperly  
21 frame the issue. The appropriate response to emerging load dynamics is innovation in EE

---

<sup>56</sup> 8. . SDREN and CEA Direct at 27:9-20 – 28:1-8.

<sup>57</sup> Cal Advocates Opening Testimony at 2-21 (citing SDREN’s Midcycle AL which states SDREN does not implement C&S Advocacy programming).

<sup>58</sup> D.23-04-035, pp. 27, 28 (Apr. 14, 2023).

<sup>59</sup> Bierman Opening Testimony at HB-15:27-28.

<sup>60</sup> K)N at HB-14.

1 program design, not abandonment of EE altogether. Indeed, allowing for further integration  
2 of demand-side management ("DSM") into EE portfolios can improve portfolio  
3 performance.

4 As discussed in SDREN and CEA's Direct Testimony, EE portfolios can and  
5 should incorporate load management strategies through IDSM programming, which can  
6 help shape when and how new load occurs. While PAs are currently allowed to use portions  
7 of their existing budget for IDSM, there remains an opportunity to expand the role of IDSM  
8 in EE portfolios. IDSM tools allow electrification to be aligned with grid conditions, reduce  
9 peak demand, and mitigate procurement costs. Regional programs are effective in  
10 removing or reducing barriers to integrate IDSM with EE for more load flexibility  
11 opportunities and should not be dismissed as a key strategy by which the Commission can  
12 respond to evolving regional needs. Notably, SDG&E did not submit a Tier 3 IDSM  
13 Advice Letter to use EE funding for IDSM activities, suggesting there may be additional  
14 opportunities to more fully leverage existing opportunities to innovate and optimize the  
15 portfolio in response to emerging load dynamics. In short, SDG&E's concerns about load  
16 impacts highlight the need for more sophisticated and flexible EE solutions. Irrespective  
17 of whether the Commission ultimately authorizes SDG&E to discontinue its regional  
18 portfolio, SDREN and CEA urge the Commission to continue pursuing innovation in EE  
19 as an important regional strategy.

20 This concludes our testimony.

**ITEM 6**  
**ATTACHMENT B**



Northern Rural Energy Network  
YOUR LOCAL ENERGY SOLUTIONS



Citizens' Climate Lobby  
Contra Costa



February 10, 2026

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

The Honorable Robert Rivas  
Speaker, California State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

The Honorable Monique Limon  
President pro Tempore, California State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

**RE: Request for Budget Allocation to keep TECH Clean California Afloat**

Dear Governor Newsom, Speaker Rivas, and President pro Tempore Limon,

On behalf of the below signed organizations, we respectfully urge your consideration of a budget allocation in fiscal year 2026-27 to California's flagship building electrification incentive program, TECH Clean California, which continues to offer a solution to a convergence of critical issues by lowering utility bills in the short term and long-term; adding cooling in the face of extreme heat; strengthening the grid; and decarbonizing to mitigate climate change.

Extreme heat has quickly emerged as one of California's most pressing public health problems. Record breaking heat events and temperatures in the triple digits have become the norm, even for historically-temperate regions of the state. California's building stock and energy infrastructure are not equipped to meet the needs of our residents in extreme heat events. Too many homes still lack access to AC, and the old, energy-inefficient AC systems that many homes do have place disproportionate strain on the electrical grid. For others, AC units are simply too expensive to run on hot summer afternoons when electricity demand—and prices—are at their highest. Extreme heat is on track to become the 7th leading cause of death in California, and could kill 11,300 Californians annually by 2050<sup>1</sup>; the state urgently needs a solution that will grant access to cooling, stabilize the electrical grid, and be affordable for Californians to use.

Buildings are responsible for 25% of California's greenhouse gas emissions, primarily resulting from space and water cooling and heating.<sup>2</sup> This number is higher in the densest parts of the state. Buildings make up 43% of emissions in Los Angeles, and in the Bay Area, are

---

<sup>1</sup> ["Policy Recommendations: Recommended Maximum Safe Indoor Air Temperature"](#) California Department of Housing and Community Development, 2025

<sup>2</sup> ["Building Decarbonization"](#) California Air Resources Board

responsible for more NOx emissions than either passenger vehicles or power plants. To achieve our goal of carbon neutrality and building decarbonization by 2045, the state will need to decarbonize approximately 13 million housing units over the next 15 years. Smart climate solutions will reduce emissions and energy bills in addition to mitigating the worst impacts of extreme heat.

Heat pump systems are about 3 times more efficient than their traditional counterparts—meaning that they pose less strain on the grid compared to other AC units, and that installing a heat pump will save many Californians \$260 a year on their energy bills.<sup>3</sup> Smart heating and cooling through demand management capabilities can further reduce energy bills and pressure on the grid.<sup>4</sup> We cannot meet California’s climate resilience or mitigation needs without decarbonizing residential buildings, nor can we protect our communities from extreme heat without also ensuring reliable and affordable access to electricity.

TECH Clean California launched in 2021 and quickly became one of California’s most popular clean-energy incentive programs. TECH helps households transition from fossil-fueled appliances to high-efficiency, all-electric heat pumps, expanding access to clean, affordable cooling and space and water heating. TECH has a proven track record of quickly dispersing funding to Californians of all income levels, including stacking with regional and utility level programs and those targeted towards low-income households. These incentives are also incredibly cost-effective - costing the state less than \$200 per ton of GHG avoided. This impact is magnified by the air conditioning, energy affordability, and clean air benefits experienced directly and immediately by program recipients.

However, as of January 2026, TECH Clean California has exhausted its funding. These popular incentives were oversubscribed as soon as they became available. Without support in the upcoming fiscal year, this landmark program will be forced to shutter. Incentive programs like TECH are financially intensive for California to develop, launch, and scale from scratch. The TECH program has succeeded in installing over 62,900 heat pumps and dramatically increased the visibility and popularity of this technology in California. Maintaining program funding will ensure continued market momentum at a key time and ensure that valuable program structure remains intact while continuing to support Californians in making clean home upgrades.

For these reasons, we respectfully ask for an appropriation to support TECH Clean California in fiscal year 2026-27.

Sincerely,

---

<sup>3</sup> ["Measured Impacts of TECH Heat Pump Installations"](#) Recurve, 2025

<sup>4</sup> ["US building energy efficiency and flexibility as an electric grid resource"](#) ScienceDirect

Leslie Alden  
Executive Director  
Act Now Bay Area

JP Ross  
Vice President, Local Development  
Ava Community Energy

Philip M. Fine, Ph.D.  
Executive Officer/APCO  
Bay Area Air District

Viri Nguyen-Santoyo  
Assistant Policy Director  
BEI Cities

Madison Vander Klay  
Sr Manager, Government Affairs  
Building Decarbonization Action Fund

Joseph Desmond  
Executive Director  
California Efficiency & Demand Management Council

Bruce Hodge  
Chair  
Carbon Free Palo Alto

Andrew McNamara  
Principal & Co-Founder  
Carbon Zero Buildings, Inc.

Bill Olsen, Cynthia Mahoney  
Co-Leaders  
Citizens Climate Lobby - Contra Costa

Janet Cox  
CEO  
Climate Action California

Serena Pelka  
Senior Policy Advocate  
Climate Action Campaign

Glen Garfunkel  
Co-Chair  
Climate Reality - Silicon Valley

Lisa Swanson  
Policy Chair  
Climate Reality Project Orange County

Catherine Stafford  
Director Child Health and Nutrition  
CocoKids

Ada Waelder  
Senior State Legislative Representative  
Earthjustice

Megan Leary  
Community Engagement and Policy Manager  
Emerald Cities Northern California

Tony Sirna  
Senior Policy Lead - Buildings  
Evergreen Action

Stephanie Chen  
Vice President of Legislative Affairs  
MCE

Angela Evans  
Director of Building Electrification  
Menlo Spark

Patricia Terry  
Senior Portfolio Manager  
Northern Rural Energy Network

Ericka Flores  
Clean Energy and Equity Advocate  
NRDC

Steven Halligan  
Regulatory and Legislative Manager  
Orange County Power Authority

Antonio Diaz  
Executive Director  
PODER

Sven Thesen  
Co-Founder  
Project Green Home

Sean Armstrong  
Managing Principal  
Redwood Energy

James Becker  
CEO  
Richmond Community Foundation

Kelly Lyndon  
Co-Chair  
San Diego Building Electrification Coalition

Robert M. Gould, MD  
President  
San Francisco Bay Physicians for Social Responsibility

Alelia Parenteau  
Director  
Santa Barbara Clean Energy

Pauline Seales  
Organizer  
Santa Cruz Climate Action Network

Patrick Welch  
Associate Director of Legislative Affairs  
San Diego Community Power

Zach Struyk  
Assistant Director  
San Jose Clean Energy

Emily Blackmer  
Director of Government and Community Affairs  
Sierra Business Council

Gabriela Facio  
Senior Policy Strategist  
Sierra Club California

Bena Chang  
Director of Government and Legislative Affairs  
Silicon Valley Clean Energy

Adam Smith  
Director Regulatory Relations  
Southern California Edison

Colleen Corrigan  
Sustainability and Resilience Policy Manager  
SPUR

Ben Stapleton  
CEO  
USGBC California

Alejandra Tellez  
Director - Ventura  
3C-REN

Marti Roach  
Co--chair Local Policy Team  
350 Contra Costa Action

Cheryl Weiden  
Steering Committee  
350 Silicon Valley

Cc. Senator John Laird, Senator Eloise Gomez Reyes, Assemblymember Jesse Gabriel,  
Assemblymember Steve Bennett

**ITEM 6**  
**ATTACHMENT C**



# REWIRING AMERICA



## CALPIRG



## Clean Coalition



## santa Cruz





**mrc**  
Microgrid Resources Coalition



**350 HUMBOLDT**  
Grassroots Climate Action



LOCAL GOVERNMENT  
**SUSTAINABLE  
ENERGY COALITION**

**Ava** Community Energy

**DEPLOY  
ACTION.**

**SILICON VALLEY  
CLEAN ENERGY**

**SAN DIEGO  
COMMUNITY  
POWER**



**FOREFRONT  
POWER**

**Community  
Renewable  
Solutions LLC**  
Reducing emissions. Saving money.

**Fermata Energy**  
A NUVVE COMPANY

**SEIA** Solar Energy Industries Association®

**voltus**

**derapi**  
**VGIC**

**Renew Home**

VEHICLE-GRID INTEGRATION COUNCIL

**FLIP**

**CALIFORNIA SOLAR +  
STORAGE ASSOCIATION**  
smart local energy



February 12, 2026

The Honorable Jesse Gabriel  
 Assembly Budget Committee, Chair  
 1021 O Street, Suite 8230  
 Sacramento, CA 95814

The Honorable Steve Bennett  
 Assembly Budget Subcommittee No. 4 on  
 Climate Crisis, Resources, Energy, and  
 Transportation, Chair  
 1021 O Street, Suite 4710  
 Sacramento, CA 95814

**RE: Restore Funding for the Demand Side Grid Support (DSGS) Program**

Dear Chairs Gabriel and Bennett,

We respectfully urge you and your colleagues in the Legislature to appropriate at least \$75 million for the Demand Side Grid Support (DSGS) program in your finalized 2026 budget. As the nation's largest virtual power plant (VPP) program, DSGS provides significant clean emergency capacity, enabling California's transition away from fossil-fueled peaker plants and generating significant savings for Californians. **This program is especially critical as contracts for aging peaker plants expire at the end of 2026.**

DSGS is the only clean, dispatchable emergency capacity ready to replace fossil units and create a more reliable and affordable grid. Since its launch in 2022, the program has proven to be one of **California's most effective clean reliability programs, growing to more than 1,000 MW of dispatchable capacity,**<sup>1</sup> enough to power the peak electricity demand for all of San Francisco. In addition, if funded and structured properly, the program's distributed storage capacity could double by 2028 while generating an **estimated \$206 million in net savings for Californians.**<sup>2</sup> This program is especially important as California faces rising energy demand and delays to renewable energy projects. California cannot afford to leave any solution on the table in the transition to a clean energy economy, especially given our position as a technology leader, and the rising importance of energy as an input to technological development.

<sup>1</sup> <https://dsgs.olivineinc.com/faq/#program>

<sup>2</sup> The Brattle Group, *The Demand Side Grid Support Program: An Assessment of Scale and Value.*

However, without timely funding, DSGS providers will lack the certainty needed to maintain and expand these VPP resources, resulting in lost investment, customer attrition, and reduced reliability heading into the peak summer months. Many providers have already begun reallocating resources to other states due to uncertainty around California's commitment to DSGS, and a further funding delay would leave California with few alternatives, risking both reliability and higher costs for ratepayers. **Our power supply is still at risk of extreme weather events such as heatwaves, floods, and wildfires, and the DSGS program provides a low-cost, risk-free insurance policy to keep the lights on during the highest demand hours of the year. Furthermore, it is the largest and most accessible in-state option that can respond day-of.**

California has invested years of effort and hundreds of millions of private dollars in building DSGS into a national model for clean reliability. **Securing at least \$75 million before the peak summer months is the minimum step needed to keep the program viable, sustain private investment, and protect Californians from higher bills and unnecessary emissions.** This short-term funding commitment is an important bridge to the evolution of VPP participation in the California capacity and energy markets. We will look to leadership from the Governor's Office to support a process for VPPs to be integrated into those markets, **but it is vital that the existing DSGS program endures long enough for that process to materialize.**

We respectfully urge you to make DSGS funding an early and top priority for the 2026 legislative session to ensure California continues leading with clean, reliable, and cost-saving innovation.

Thank you for your leadership and attention to this urgent matter. We are available to provide any additional information or analysis you may need.

Sincerely,

**Laura Deehan**  
State Director  
**Environment California**

**Merrian Borgeson**  
Director, California Climate & Energy  
**Natural Resources Defense Council**

**Ellie Cohen**  
State Director  
**The Climate Center**

**Rebecca Curry**  
Senior Manager, Western Regional Policy  
**Rewiring America**

**Katelyn Roedner Sutter**  
State Director, California  
**Environmental Defense Fund**

**Ardi Arian**  
Founder & CEO  
**Renewable America**

**Chloe Ames**  
Climate Policy Advisor  
**NextGen California**

**Gracyna Mohabir**  
Clean Air & Energy Regulatory Advocate  
**California Environmental Voters**

**Derek Chernow**  
Executive Director  
**Californians for Local Affordable Solar & Storage (CLASS)**

**Arnab Pal**  
Co-Founder & Executive Director  
**Deploy Action**

**Pauline Seales**  
Organizer  
**Santa Cruz Climate Action Network**

**Roger Lin**  
Senior Attorney  
**Center for Biological Diversity**

**Anthony Dang**  
Policy and Community Outreach Manager  
**Climate Action Campaign**

**Kerry Skemp**  
Policy Advisor  
**ev.energy**

**Josh Cohen**  
Head of Policy  
**SWTCH**

**Jared Satrom**  
Director of Energy Markets  
**Voltus, Inc.**

**Ruben Fontes**  
CEO  
**Forefront Power**

**Daniel Chandler**  
Steering Committee  
**350 Humboldt**

**Ryan Barnett**  
SVP, Policy & Market Development  
**Palmetto Solar, LLC**

**Ben Larralde**  
CEO  
**Flip Energy**

**Tam Hunt**  
Owner  
**Community Renewable Solutions LLC**

**Raghav Murali**  
Head of Policy & Compliance  
**PowerFlex**

**Zach Woogen**  
Executive Director  
**Vehicle-Grid Integration Council**

**Brendan O'Donnell**  
President & CEO  
**bodeEV Inc.**

**Anna Bella Korbatov**  
VP, Regulatory Affairs  
**Fermata Energy**

**Ali Chehrebsaz**  
CEO  
**TerraVerde Energy**

**Stephen Rosenblum**  
Energy Policy Team Lead  
**Climate Action California**

**Jenn Engstrom**  
State Director  
**CALPIRG**

**Patrick Welch**  
Associate Director of Legislative Affairs  
**San Diego Community Power**

**Demian Hardman**  
Board Chair  
**Local Government Sustainable Energy Coalition**

**Erik Lyon**  
Energy Regulatory Manager  
**Renew Home**

**Thomas Lee**  
Founder & President  
**Derapi**

**Frances Bell**  
CEO  
**Bidirectional Energy**

**Bernadette Del Chiaro**  
Senior Vice President, California  
**Environmental Working Group**

**Ben Stapleton**  
CEO  
**U.S. Green Building Council California**

**Bena Chang**  
Director of Government and Legislative Affairs  
**Silicon Valley Clean Energy**

**Tekira Briscoe**  
Alliance Operations Coordinator  
**California Alliance for Community Energy**

**Ben Schwartz**  
Policy Director  
**Clean Coalition**

**Stephanie Doyle**  
California Director  
**Solar Energy Industries Association**

**Allie Detrio**  
Chief Strategist  
**Microgrid Resources Coalition**

**Sam Sadle**  
Principal Legislative Manager  
**Ava Community Energy**

**Kate Unger**  
Senior Policy Advisor  
**California Solar & Storage Association**

**Meredith Roberts**  
Director, Policy and Regulatory Affairs  
**Generac Power Systems, Inc.**

**Tamara Dzubay**  
Senior Director, Energy  
**Ecobee**

**Yara Marin**  
Deputy Program Director, West  
**Vote Solar**

**Brandon Garcia**  
California Director  
**Advanced Energy United**

Cc: The Honorable Robert Rivas, Speaker of the Assembly



# SAN DIEGO COMMUNITY POWER

## Staff Report – Item 7

---

To: Community Advisory Committee

From: Gordon Samuel, Chief Commercial Officer  
Andrea Torres, Director of Origination

Via: Karin Burns, Chief Executive Officer

Subject: Inclusive and Sustainable Workforce Policy Amendments and Updates to Energy Proposal Evaluation Criteria

Date: March 12, 2026

---

### Recommendation

Receive and file the Inclusive and Sustainable Workforce Policy Amendments and Updates to Energy Proposal Evaluation Criteria.

### Background

On November 19, 2020, the Community Power Board of Directors (“Board”) first adopted an Inclusive and Sustainable Workforce Policy (“ISWP”) with the expectation this Policy would be updated as the organization grows and becomes more established. The purpose of the ISWP is to “(1) demonstrate quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) support a stable, skilled, and trained workforce; and (3) promote supplier and workforce diversity including returning veterans” as well as from communities of concern.

The ISWP is an organization-wide document that includes policies that apply to promoting inclusion in hiring practices, outreach, business practices, non-energy procurement supply chains for goods and services, and energy procurement. It encouraged the inclusion of workforce commitments and worker protections from developers who bid into solicitations for Power Purchase Agreements (“PPAs”). These commitments could include local hire, apprenticeship positions/program support, and prevailing wages.

On January 8, 2021, the ISWP was amended to incorporate a Feed-In Tariff section to encourage hiring of local businesses, local apprenticeship programs, payment of prevailing wages, and fair compensation practices.

Community Power staff utilizes an Energy Proposal Evaluation Criteria (EPEC) matrix to evaluate and select proposals from open solicitations and measure against the standards in the ISWP. The EPEC includes six categories of evaluation: 1) Quantitative Value; 2) Project Location; 3) Project Development; 4) Community Benefits, 5) Workforce Development, and 6) Environmental Stewardship.

Updates were made to the EPEC and approved by the board in November 2023, including the following Workforce Development criterion: a. Adjust the high (A) rating to only include projects that have executed, or have committed to executing, a Project Labor Agreement (PLA). b. Adjust the medium+ (B) rating to include projects without a PLA, but that have local hire commitments and commitments to 50% or more union labor. c. Adjust the medium- (C) rating to include projects that can demonstrate they meet the requirements of the Inflation Reduction Act (“IRA”) d. Adjust the low (F) rating to include projects that do not meet one or all of prevailing wage, skilled and trained workforce, and local hire commitments instead of demonstrating they will not meet all three.

On November 20, 2025, the Board, upon the recommendation of Board Chair, Terra Lawson-Remer and Board Director, Sean Elo-Rivera, directed staff to revisit and enhance Community Power’s policies and evaluation of long-term contracts for new build resources to further incentivize and codify higher workforce standards.

Staff were directed to evaluate the inclusion or adoption of:

1. A quantitative scoring system for workforce commitments.
2. Prevailing wage or the federal Davis-Bacon wage in states without a prevailing wage law.
3. Use of a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.
4. Local hire for projects based in San Diego County.
5. Use of union maintenance agreements in operations.
6. Additional or modified Project Labor Agreements (PLA) standards, including a PLA requirement on all utility-scale developments that are contracted by Community Power.
7. Staff will negotiate a PLA for all projects developed directly by Community Power to be returned to the Board for review and final approval.
8. The use of best value procurement where appropriate.

Staff recommendations should consider market feasibility, ratepayer affordability, and the attainment of renewable energy goals.

Staff conducted research and consulted with stakeholders to inform and align these updates with best practices, as well as legislative, regulatory, and programmatic requirements. These included peer community choice aggregators, regional public agencies and municipalities, developers in both traditional renewables and in emerging sectors, the Community Advisory Committee ad-hoc DER committee, Climate Action Campaign, the San Diego Building and Construction Trades Council, the California Unions for Reliable Energy, and IBEW 569.

## **Analysis and Discussion**

After assessing the market landscape and analyzing feedback from external stakeholders, staff prepared modifications to the ISWP and EPEC, which were approved and adopted by the Board of Directors on February 2, 2026

### **Board-approved updates to the Inclusive and Sustainable Workforce Policy:**

- General revisions for accuracy/clarity with a focus on updates to workforce policies for energy procurement.
- Increase emphasis on workforce standards in solicitations and the enhanced collection of workforce commitments when collecting proposal details.
- Codify utilization of Energy Proposal Evaluation Criteria tool to evaluate project prioritization for new-build long-term energy procurement contracts. In addition to requirements for prevailing wages or the federal Davis-Bacon wage in states without a prevailing wage law; higher scores are given to proposals that meet or exceed targeted workforce standards including:
  - Utilize a skilled and trained workforce or joint labor-management partnership/apprenticeship/and training committees in states without skilled and trained workforce legislation as well as local apprentices, and graduates of San Diego and Imperial County pre-apprenticeship programs;
  - Utilize union maintenance agreements in operations;
  - Provide workers compensation coverage to on-site workers;
  - Are proposed by contractors certified as disabled veteran business enterprises (“DVBE”) or businesses of Persons with Disabilities by the Supplier Clearinghouse, or certified as a small business by the California Department of General Services, or commits to including subcontracts with businesses meeting these criteria; and Feed-In-Tariff and Program RFO's to also encourage local hire and apprenticeships.
- A PLA requirement for all Utility-Scale (10MW+) solar photovoltaic, wind and battery storage project construction.
- Commit to engaging San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other stakeholders, to develop workforce standards, including standards for PLA commitments prior to contracting owned and/or operated assets.

Notwithstanding the foregoing, staff proposed that the Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines that approval is warranted based on the particular facts and circumstances.

### **Board-approved updates to the Energy Proposal Evaluation Criteria:**

Under this board directive, staff reviewed workforce commitments within the existing portfolio, standards in place by regulatory and other state agencies, as well as sector peers to determine an appropriate threshold to define “Utility-Scale”. Projects that are sized 10 MW and greater, are deemed “Utility-scale,” and projects that are sized under 10 MW, are “Community-Scale”. For the purposes of long-term procurement, scale is defined by capacity at the point of interconnection (to account for co-located renewable and storage facilities).

Both the Utility-Scale and Community-Scale workforce criteria include more specificity on what thresholds must be met to earn each score, with higher scores awarded to proposals that meet or exceed standards outlined in the ISWP.

Staff recommend applying a PLA requirement for Utility-Scale projects in mature sectors in the renewable and storage market, which includes solar photovoltaic, wind, and battery storage. Proposals receive the highest score if they commit to executing a Project Labor Agreement (PLA) and the use of union maintenance agreements. These technologies represent the bulk of renewables currently offered in the market.

Community-scale projects are smaller in scope with shorter construction timelines. As such, they create opportunities for local small business contractors who may not be unionized. Staff want to boost this sector’s participation in our pursuit of a robust Community-Scale portfolio that achieves local procurement goals while boosting the economy. Therefore, Community-Scale proposals receive an “A” score through a commitment to a PLA or by committing to paying prevailing wages and hiring a skilled and trained workforce AND at least two of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operation. These additional pathways keep the door open for small business while maintaining our commitments to skilled and trained labor and local hire.

## **Fiscal Impact**

N/A

## Strategic Plan

This activity supports the strategic plan section on “Energy Portfolio Development” a goal to provide sufficient, reasonably priced, clean electricity to our customers. Tactics to achieve this goal include:

- Develop a clean and renewable energy portfolio of 100% no later than 2035
- Support development of 1 Gigawatt of local renewable and clean energy capacity by 2035
- Prudently manage the power portfolio to minimize risk and customer costs
- Create high quality local jobs in renewable energy that support healthy families and vibrant communities

## Attachments

A: Resolution No. 2026-05, Amending Inclusive and Sustainable Workforce Policy

Exhibit A: Inclusive and Sustainable Workforce Policy (redlined version)

B: Energy Proposal Evaluation Criteria Workforce Update

**ITEM 7**  
**ATTACHMENT A**

**RESOLUTION NO. 2026-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
SAN DIEGO COMMUNITY POWER, AMENDING THE  
INCLUSIVE AND SUSTAINABLE WORKFORCE  
POLICY.**

A. San Diego Community Power (Community Power) is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov. Code § 6500 *et seq.*), California Public Utilities Code § 366.2, and a Joint Powers Agreement effective on October 1, 2019, and amended and restated December 16, 2021 (JPA Agreement).

B. The Community Power Board of Directors first adopted an Inclusive and Sustainable Workforce on November 19, 2020, and later amended it on January 28, 2021.

C. The Community Power Board of Directors desires to amend the Inclusive and Sustainable Workforce Policy.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of San Diego Community Power as follows:

Section 1. The Board of Directors hereby amends the Inclusive and Sustainable Workforce, as provided in Exhibit A, attached hereto and incorporated herein.

Section 2. If any provision of this resolution, the attached policy, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution or policy which can be given effect without the invalid provision or application, and to this end the provisions of this resolution and the policy are severable. The Board of Directors hereby declares that it would have adopted this resolution and the attached policy irrespective of the invalidity of any particular portion thereof.

Section 3. This resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of San Diego Community Power held on February 26, 2026.

**AYES:** CHAIR LAWSON-REMER, VICE CHAIR YAMANE, DIRECTORS ELO-RIVERA, FISHER, INZUNZA, SAN ANTONIO AND SUZUKI

**NOES:**

**ABSENT:**

**ABSTAIN:**



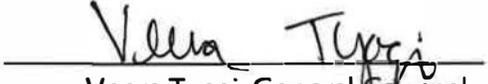
Terra Lawson-Remer, Chair  
San Diego Community Power

**ATTEST:**

**APPROVED AS TO FORM:**



Maricela Hernandez, MMC, CPMC  
Clerk of the Board/Board Secretary  
San Diego Community Power



Veera Tyagi, General Counsel  
San Diego Community Power

<b>POLICY</b>	<b>INCLUSIVE AND SUSTAINABLE WORKFORCE</b>	<b>ORIGINAL ADOPTION DATE</b>	<b>NOVEMBER 19, 2020</b>
<b>APPROVAL DATE</b>	<b>FEBRUARY 26, 2026</b>	<b>RESOLUTION NO.</b>	<b>2026-05</b>

**PURPOSE AND SCOPE**

The purpose of this Policy is to further the purposes of San Diego Community Power (“Community Power”) Joint Powers Agreement, including: (1) demonstrating quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) supporting a stable, skilled, and trained workforce; and (3) promoting supplier and workforce diversity including returning veterans and those from communities of concern. Community Power intends that this Policy will be updated as Community Power grows and becomes more established.

**POLICY STATEMENT**

1. Inclusive Workforce
  - a. Community Power Staff – To help enable a diverse and inclusive staff, SDCP will:
    - i. Engage in broad outreach in communities of concern, while adhering to Community Power’s Non-Discrimination Pledge, to ensure a diverse pool of candidates for open positions;
    - ii. Provide fair compensation and benefits that align with regional market indicators for compensation levels for each position;
    - iii. Be transparent about these practices and lessons learned; and
    - iv. Provide contact information for staff who can answer questions about this Policy.
  - b. Supply Chain (Goods and Services) – Community Power’s commitment to inclusion also extends to its supply chain. Where and from whom Community Power purchase goods and services have important consequences for businesses, customers, and their communities. Where appropriate, an inclusive supply chain is an important driver for successful delivery of Community Power’s services to its customers, and of fair and equitable economic development generally. Where appropriate, and consistent with applicable law and other Community Power policies, including but not limited to its Procurement Policy, to support a diverse and inclusive supply chain, Community Power will strive to:
    - i. Use local businesses and provide fair compensation in the purchases of services and supplies;

- ii. Proactively seek services from local businesses and from businesses that are taking steps to protect the environment;
    - iii. Engage in efforts to reach communities of concern, to ensure an inclusive pool of potential suppliers;
    - iv. Collect information from vendors and project developers on their status as a women, minority, disabled veteran, and/or LGBT business enterprise (see Section 3 below; Cal. Pub. Util. Code § 366.2(m));
    - v. Encourage reporting from project developers and vendors on inclusivity in business staff (see Section 3 below);
    - vi. Be transparent about these practices and lessons learned; and
    - vii. Provide contact information for staff who can answer questions about this Policy.
  - c. Inclusive Business Practices – In representing the communities that make up San Diego Community Power, Community Power will endeavor to ensure that its services and information are accessible to everyone. Therefore, Community Power will strive to:
    - i. Provide information on Community Power’s services in multiple languages commonly spoken in Community Power’s service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);
    - ii. Conduct marketing and outreach in diverse communities to increase awareness of Community Power’s services and programs;
    - iii. Attend multi-cultural community events with multi-lingual materials and speakers; and
    - iv. Share information about activities and initiatives that promote
    - v. inclusion, access, and diverse engagement in the community.
    - vi. Non-Discrimination Pledge – Community Power will not discriminate, and will require its contractors to not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities.
- 2. Sustainable Workforce
  - a. Power Purchase Agreements and other offtake contracts–
    - i. Community Power will utilize an Energy Proposal Evaluation Criteria (EPEC) evaluation tool to assess and prioritize Workforce Standards among other criteria in all solicitations for all new-build long-term energy procurement contracts.

- ii. Community Power will require the submission of information from solicitation respondents to assess the proposal's level of commitment to the Workforce Standards identified in that procurement.
- iii. Community Power will grant higher scores to proposals that meet or exceed the targeted EPEC Workforce Standards criteria. In particular, Community Power seeks proposals for projects that:
  - 1. Employ workers and use businesses from San Diego and Imperial County;
  - 2. Utilize a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.
  - 3. Utilize local apprentices, particularly graduates of San Diego and Imperial County pre-apprenticeship programs;
  - 4. Pay workers the prevailing wage rates for each craft, classification and type of work performed, or the federal Davis-Bacon wage in states without a prevailing wage law, displaying a poster at jobsites informing workers of prevailing wage requirements;
  - 5. Utilize union maintenance agreements in operations; and
  - 6. Provide workers compensation coverage to on-site workers.
  - 7. Are proposed by contractors certified as disabled veteran business enterprises ("DVBE") or businesses of Persons with Disabilities by the Supplier Clearinghouse or certified as a small business by the California Department of General Services, or commits to including subcontracts with businesses meeting these criteria.
- iv. Community Power will require a Project Labor Agreement (PLA) for the construction of all Utility-Scale solar photovoltaic, wind and battery storage projects. For the purposes of this provision, "Utility-Scale" means a proposal for a renewable generating and/or storage project that has a capacity of at least 10 MW at the point of interconnection.
- v. If a High (A) Level Workforce Standard is not feasible for emerging technologies (e.g. geothermal, pumped storage), Community Power will strive to secure the highest workforce commitments for the project, as outlined in the EPEC.
- vi. Notwithstanding the foregoing, Community Power Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines that approval is warranted based on the particular facts and circumstances.

- b. Owned Photovoltaic and Storage Assets – Community Power will include Workforce Standards for facilities owned by Community Power and constructed in San Diego or Imperial County. Community Power will include Workforce Standards in any solicitation. Prior to contracting for the construction of any Community Power owned generation projects, Community Power commits to engaging with the San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other stakeholders, to seek input on Workforce Standards, including PLA commitments that may apply to the project.
    - c. Feed-in-Tariffs – SDCP will encourage construction contractors or subcontractors to its Feed-In Tariff program to utilize local businesses, local apprenticeship programs and fair compensation practices including proper assignment of work to crafts that traditionally perform the work. Moreover, SDCP will further encourage contractors and subcontractors performing work on any SDCP Feed-In Tariff project to pay at least the prevailing rate of wages and use a skilled and trained workforce. To the extent these items are required by applicable law, SDCP shall include such requirements in its applications, agreements, and other applicable documents.
    - d. Energy Efficiency/Programs – *[Reserved – section will be updated to support the purposes described in this Policy once programs are further developed. This will include similar components as 2.a above including prevailing wage and inclusion of a licensed and trained workforce.]*
    - e. Union Neutrality - SDCP will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors' and suppliers' employees about whether to join or support labor unions.
  3. Reporting on Diverse Business Enterprises and Inclusive and Sustainable Workforces – Pursuant to California Public Utilities Code section 366.2(m), vendors and project developers under contract with SDCP shall be required to report on their status as women, minority, disabled veteran, and/or LGBT business enterprises, as defined in Public Utilities Code section 8282. Reporting shall occur within one (1) month of contract execution and every January during the term of the contract, or as otherwise required by the California Public Utilities Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.

4. Legal Compliance – In the event that the application of this Policy to a specific SDCP project or program is limited or proscribed pursuant to applicable state or federal law, or as a condition of the receipt of state or federal funds, such law or funding condition shall control. In addition, any information collected or received under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

**PRIOR VERSIONS**

<b>DATE</b>	<b>ACTION</b>	<b>RESOLUTION NO.</b>	<b>POLICY NO.</b>
<b>NOVEMBER 19, 2020</b>	<b>ADOPTION</b>	<b>N/A</b>	<b>2020-06</b>
<b>JANUARY 28, 2021</b>	<b>AMENDMENT</b>	<b>N/A</b>	<b>2021-02</b>

# ITEM 7

# EXHIBIT A



<u>POLICY</u>	<u>INCLUSIVE AND SUSTAINABLE WORKFORCE</u>	<u>ORIGINAL ADOPTION DATE</u>	<u>NOVEMBER 19, 2020</u>
<u>APPROVAL DATE</u>	<u>FEBRUARY 26, 2026</u>	<u>RESOLUTION NO.</u>	<u>2026-05</u>

**Inclusive and Sustainable Workforce Policy**

**PURPOSE AND SCOPE**

**Purpose**

The purpose of this Policy is to further the purposes of San Diego Community Power (“SDCP Community Power”) Joint Powers Agreement, including: (1) demonstrating quantifiable economic benefits to the region, including prevailing wage jobs and local workforce development; (2) supporting a stable, skilled, and trained workforce; and (3) promoting supplier and workforce diversity including returning veterans and those from communities of concern.

SDCP Community Power intends that this Policy will be updated as SDCP Community Power grows and becomes more established.

**POLICY STATEMENT**

**Policy**

1. ~~1.~~ Inclusive Workforce

a. ~~a.~~ SDCP Community Power Staff – To help enable a diverse and inclusive staff, SDCP will:

~~i.~~ Engage in broad outreach in communities of concern, while

adhering to SDCP’s Community Power’s Non-Discrimination Pledge, to ensure a diverse

i. pool of candidates for open positions;

~~ii.~~

~~ii.~~ Provide fair compensation and benefits that aligns with regional market indicators for compensation levels for each position;

~~market indicators for compensation levels for each position;~~

~~iii. iii.~~ Be transparent about these practices and lessons learned; and

~~iv.~~ Provide contact information for staff who can answer questions

~~iv.~~ about this Policy.

~~b.~~ Supply Chain (Goods and Services) – SDCP's Community Power's commitment to inclusion

also extends to its supply chain. Where and from whom SDCP purchases

Community Power purchase goods and services have important consequences for businesses,

customers, and their communities. Where appropriate, an inclusive supply

chain is an important driver for successful delivery of SDCP's Community Power's services to

its customers, and of fair and equitable economic development generally.

Where appropriate, and consistent with applicable law and other SDCP

Community Power policies, including but not limited to its Procurement Policy, to support a

b. diverse and inclusive supply chain, SDCP Community Power will strive to:

~~i.~~ Use local businesses and provide fair compensation in the

~~i.~~ purchases of services and supplies;

~~ii.~~ Proactively seek services from local businesses and from

~~ii.~~ businesses that are taking steps to protect the environment;

~~iii.~~ Engage in efforts to reach communities of concern, to ensure an

~~iii.~~ inclusive pool of potential suppliers;

~~iv.~~ Collect information from vendors and project developers on their

status as a women, minority, disabled veteran, and/or LGBT

~~b.~~ business enterprise (see Section 3 below; Cal. Pub. Util. Code §

~~iv.~~ iv. 366.2(m));

~~v.~~ Encourage reporting from project developers and vendors on

~~v.~~ v. inclusivity in business staff (see Section 3 below);

~~vi.~~ vi. Be transparent about these practices and lessons learned; and

~~vii.~~ Provide contact information for staff who can answer questions

~~vii.~~ vii. about this Policy.

~~e.~~ Inclusive Business Practices – In representing the communities that make

up San Diego Community Power, SDCPCommunity Power will endeavor to ensure that its services and information are accessible to everyone. Therefore, SDCPCommunity Power will

~~c.~~ c. strive to:

~~i.~~ Provide information on SDCP'sCommunity Power's services in multiple languages

~~commonly spoken in SDCP'sCommunity Power's service area (including mailers,~~

~~tabling materials, customer service, call center, workshops and~~

~~outreach events, advertisements, and other means of customer~~

~~i.~~ i. engagement);

~~ii.~~ Conduct marketing and outreach in diverse communities to

~~ii.~~ ii. increase awareness of SDCP'sCommunity Power's services and programs;

~~iii.~~ Attend multi-cultural community events with multi-lingual materials

~~iii.~~ iii. and speakers; and

~~iv.~~ iv. Share information about activities and initiatives that promote

~~v.~~ v. inclusion, access, and diverse engagement in the community.

~~d.~~ Non-Discrimination Pledge – SDCPCommunity Power will not discriminate, and will require

~~its contractors to not discriminate on the basis of race, gender, gender~~

expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in

vi. subcontracting opportunities.

2.

2. Sustainable Workforce

a. PPA's – San Diego Community Power will encourage Power Purchase Agreements and other offtake contracts–

i. Community Power will utilize an Energy Proposal Evaluation Criteria (EPEC) evaluation tool to assess and prioritize Workforce Standards among other criteria in all solicitations for all new-build long-term energy procurement contracts.

Community Power will require the submission of

ii. information from solicitation respondents to any bidding and/or RFP/RFQ process assess the proposal's level of commitment to the Workforce Standards identified in that procurement.

regarding planned efforts by project developers and their contractors to:

iii. i- Community Power will grant higher scores to proposals that meet or exceed the targeted EPEC Workforce Standards criteria. In particular, Community Power seeks proposals for projects that:

Employ workers and use businesses from San Diego and Imperial

1. County;

ii. Employ properly licensed contractors and California certified electricians;

2. iii- Utilize a skilled and trained workforce under California law, or joint labor-management partnerships or joint apprenticeship and training committees in states without skilled and trained workforce legislation.

Utilize local apprentices, particularly graduates of San Diego and

3. Imperial County pre-apprenticeship programs;

~~3~~

~~iv.~~ Pay workers the prevailing wage rates for each craft, classification and type of work performed;

~~v.~~ Display, or the federal Davis-Bacon wage in states without a prevailing wage law, displaying a poster at jobsites informing workers of prevailing wage

4. requirements;

5. ~~vi.~~ Utilize union maintenance agreements in operations; and

6. Provide workers compensation coverage to on-site workers; and.

~~vii.~~ Support and use of State of California approved apprenticeship programs:

~~To the extent the above items are required by applicable law, SDGP shall include such requirements in its bid invitations, RFPs/RFQs, agreements, and other applicable documents.~~

~~b. Owned Generation – [Reserved – section will be updated to support the purposes described in this Policy once programs are further developed.~~

~~This will include similar components as 2.a above including prevailing wage and inclusion of a licensed and trained workforce.]~~

~~c.~~

~~iv.~~ Community Power will require a Project Labor Agreement (PLA) for the construction of all Utility-Scale solar photovoltaic, wind and battery storage projects. For the purposes of this provision, “Utility-Scale” means a proposal for a renewable generating and/or storage project that has a capacity of at least 10 MW at the point of interconnection.

~~v.~~ If a High (A) Level Workforce Standard is not feasible for emerging technologies (e.g. geothermal, pumped storage), Community Power

will strive to secure the highest workforce commitments for the project, as outlined in the EPEC.

vi. Notwithstanding the foregoing, Community Power Board retains the discretion to approve a contract that does not meet any or all of the Workforce Standards, where the Community Power Board determines

that approval is warranted based on the particular facts and circumstances.

b. Owned Photovoltaic and Storage Assets – Community Power will include Workforce

c. Standards for facilities owned by Community Power and constructed in San Diego or Imperial County. Community Power will include Workforce Standards in any solicitation. Prior to contracting for the construction of any Community Power owned generation projects, Community Power commits to engaging with the San Diego Building and Construction Trades Council, California Unions for Reliable Energy, and other stakeholders, to seek input on Workforce Standards, including PLA commitments that may apply to the project.

Feed-in-Tariffs – SDCP will encourage construction contractors or subcontractors to its Feed-In Tariff program to utilize local businesses, local apprenticeship programs and fair compensation practices including proper assignment of work to crafts that traditionally perform the work. Moreover, SDCP will further encourage contractors and subcontractors performing work on any SDCP Feed-In Tariff project to pay at least the prevailing rate of wages and use a skilled and trained workforce. To the extent these items are required by applicable law, SDCP shall include

d. such requirements in its applications, agreements, and other applicable documents.

documents:

d. Energy Efficiency/Programs – [Reserved – section will be updated to

support the purposes described in this Policy once programs are further developed. This will include similar components as 2.a above including

e. prevailing wage and inclusion of a licensed and trained workforce.]

~~e. Union Neutrality - SDCP will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors' and suppliers' employees about whether~~

~~f. to join or support labor unions.~~

3.

3. Reporting on Diverse Business Enterprises and Inclusive and Sustainable Workforces – Pursuant to California Public Utilities Code section 366.2(m), vendors and project developers under contract with SDCP shall be required to report on their status as women, minority, disabled veteran, and/or LGBT business enterprises, as defined in Public Utilities Code section 8282. Reporting shall occur within one (1) month of contract execution and every January during the term of the contract, or as otherwise required by the California Public Utilities Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.

~~Commission. In addition, vendors and project developers shall report on the number of women, minority, disabled veteran employees performing work for SDCP and the workforce level of these groups which may include administrative assistants, technicians, and executive staff.~~

4.

4. Legal Compliance – In the event that the application of this Policy to a specific SDCP project or program is limited or proscribed pursuant to applicable state or federal law, or as a condition of the receipt of state or federal funds, such law or funding condition shall control. In addition, any information collected or received

under this Policy shall be used only in a manner consistent with applicable law and SDCP policies.

**PRIOR VERSIONS**

<b>DATE</b>	<b>ACTION</b>	<b>RESOLUTION NO.</b>	<b>POLICY NO.</b>
<b>NOVEMBER 19, 2020</b>	<b>ADOPTION</b>	<b>N/A</b>	<b>2020-06</b>
<b>JANUARY 28, 2021</b>	<b>AMENDMENT</b>	<b>N/A</b>	<b>2021-02</b>

**ITEM 7**  
**ATTACHMENT B**



# Energy Proposal Evaluation Criteria

## Workforce Development

February 2026



# Workforce Development<sup>1</sup>

LEVEL	CURRENT	PROPOSED: UTILITY-SCALE (10MW +)	PROPOSED: COMMUNITY-SCALE (<10 MW)
HIGH (A)	The project will meet all objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commits to executing a Project Labor Agreement (PLA).	The proposal will meet the objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commit to executing a Project Labor Agreement (PLA). Proposals that additionally commit to the use of union maintenance agreements during operations will rank highest. Note: a PLA is a requirement for Utility-Scale solar, wind and battery storage facilities. <sup>2</sup>	The proposal will meet the objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs and commits to either a) executing a PLA or b) prevailing wages and hiring a skilled and trained workforce <sup>3</sup> and at least 2 of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.
MEDIUM + (B)	The project will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy with respect to PPAs, but will not have a PLA. Project commits to local hire commitments near the site of the project and 50% or more union labor.	The proposal does not commit to a PLA, but will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including, prevailing wages, hiring a skilled and trained workforce <sup>3</sup> and at least 2 of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.	The proposal does not meet the criteria for A, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage, hiring a skilled and trained workforce and at least 1 of the following: i) hiring at least 80% local labor, ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.
MEDIUM- (C)	The project does not meet all objectives of SDCP's ISWF Policy but can demonstrate prevailing wage, skilled and trained workforce, and local hire commitments or demonstrates it meets the requirements of the Inflation Reduction Act ("IRA")	The proposal does not meet the criteria for A or B above, but the proposal will meet most objectives of SDCP's Inclusive and Sustainable Workforce Policy, including prevailing wages, hiring a skilled and trained workforce and at least 1 of the following: i) hiring at least 80% local labor and ii) hiring at least 50% union labor, and iii) use of union maintenance agreements during operations.	The proposal does not meet the criteria for A or B, but will meet other objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage and apprenticeship programs.
NEUTRAL (D)	The project has not yet determined its plan for workforce development	The proposal does not meet the criteria for A, B or C above, but will meet many objectives of SDCP's Inclusive and Sustainable Workforce Policy including commitments to prevailing wage and apprenticeship programs.	The proposal does not make any of the above commitments, however the offeror is a company with an office sited in San Diego County.
LOW (F)	The project is not pursuing one or all of the following: prevailing wage, skilled and trained workforce, and local hire commitments	The proposal does not make any of the above commitments.	The proposal does not make any of the above commitments, and the offeror is a company with no staff presence in San Diego County.

\*Footnotes on following page

# Workforce Development Footnotes

<sup>1</sup> This EPEC is for non-Community Power-owned projects.

<sup>2</sup> For the purposes of this provision, “Utility-Scale” means a facility having a maximum nameplate output at the point of interconnection of no less than 10 MWac.

<sup>3</sup> Prevailing wage commitments means paying workers the prevailing wage rates for each craft, classification and type of work performed, or the federal Davis-Bacon wage in states without a prevailing wage law. A skilled and trained workforce means a skilled and trained workforce under California Law, specifically California Public Contract Code Section 2601(d).

<sup>4</sup> Subject to Community Power’s Inclusive and Sustainable Workforce Policy



# SAN DIEGO COMMUNITY POWER

## Staff Report – Item 8

---

To: Community Advisory Committee

From: Jack Clark, Chief Operating Officer  
Jen Lebron, Senior Director of Public Affairs  
Xiomalys Crespo, Senior Community Engagement Manager

Via: Karin Burns, Chief Executive Officer

Subject: Community Benefits Framework

Date: March 12, 2026

---

### Recommendation

Staff recommend that the Community Advisory Committee (CAC) and the Board of Directors (Board) receive this informational item and provide policy direction to inform the development of a Community Benefits Fund Framework. This feedback will guide staff in drafting a formal Community Benefits Fund Framework for Board consideration and approval later this summer.

### Background

This item provides an overview of Community Power’s Community Benefits Fund anticipated funding levels and contractual language governing its use. It is intended to support Community Power’s CAC and its Board in providing direction to inform the development of a Community Benefit Fund Framework, which will determine the funding priorities, governance structure, and community engagement needed to expend all associated funding,

Over the next three years, Community Power anticipates receiving an estimated \$2.8 million in Community Benefit Funds through provisions negotiated in Power Purchase Agreements (PPAs). Per Community Power’s Joint Powers Agreement, Section 3.2.14, Community Power may “enter into neutrality agreements where SDGP has a proprietary or significant financial interest, negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties.” Community Power has entered into contracts providing for community benefits funds:

*Figure 1: Anticipated Community Benefit Funds per Project through CY 2028 (updated February 2025)*

Vendor	Project	County	Contractual Cash-on-Delivery	Expected Cash-on-Delivery	Amount	Estimated Funding Availability Date
Middle River Power	Enterprise	San Diego	1/1/2026	N/A	\$125,000	3/2/2026
Aypa	Vidal	San Bernardino	3/1/2026	12/31/2026	\$500,000	1/30/2027
SB Energy	Athos	Riverside	1/1/2027	1/1/2027	\$200,000*	3/1/2027
Middle River Power	Border	San Diego	1/1/2026	N/A	\$125,000	3/1/2026
NextEra	YellowPine III	Riverside	6/1/2027	9/1/2027	\$250,000	6/1/2027
Noble Solar	Purple Sage	Clark	6/1/2028	6/30/2027	\$1,000,000**	See footnote.
Aypa	Euismod	Kern	6/1/2028	N/A	\$100,000	7/31/2028
SB Energy	Pelican's Jaw	Kern	4/1/2027	N/A	\$500,000	9/1/2025
Intersect Power	Darden	Fresno	6/1/2028	6/1/2028	\$100,000	Within first 5 contract years.

\* Seller shall make this payment within sixty (60) days of the Commercial Operation Date upon Seller's review of the scope of the initiatives to be funded by Buyer.

\*\* Seller shall make this payment in two parts: (a) Five Hundred Thousand Dollars (\$500,000.00) within sixty (60) days of the commencement of Contract Year 2, and (b) Five Hundred Thousand Dollars (\$500,000.00) within sixty (60) days of the commencement of Contract Year 3

Contractual language governing the use of these funds varies by project but consistently provides broad authority for Community Power and project developers to mutually identify initiatives of community benefit. Allowable uses include housing, education, workforce training, environmental stewardship, and habitat improvement. Certain agreements contain geographic requirements, including language that funds benefit communities within Community Power's service area or adjacent to project sites. General Counsel will interpret permissible uses on a project-by-project basis prior to allocation.

Because these funds are tied to a limited number of PPAs , the funds should be considered one-time funds.

## Analysis and Discussion

Community Benefit Funds present an opportunity for Community Power to make investments consistent with its goals and values to advance clean energy, community resilience, and workforce development. Because these are one-time funds, staff is recommending a structure that maximizes long-term community impact without creating ongoing financial obligations and that are consistent with Community Power's strategic goals.

To support receiving feedback from the CAC and direction from the Board, staff has identified initiatives that reflect alignment with contractual allowable uses, feasibility within available funding levels, administrative capacity considerations, and potential for measurable impact.

As part of this process, staff recommends prioritizing community grantmaking, with a focus on advancing targeted Distributed Energy Resources (DER) investments for nonprofits, small businesses, or community-serving facilities in Communities of Concern. This approach could generate long-term energy savings, enhance resilience during outages, and contribute toward Community Power's 150 MW local development goal.

Staff recommends leveraging and refining the existing Community Clean Energy Grants infrastructure to deploy funds. This recommendation offers administrative efficiency, established partnerships, and flexibility to incorporate further DER and/or workforce priorities through the criteria. Other complementary initiatives may include equitable building decarbonization, workforce development partnerships, community solar support, and other comparable models.

The Board's guidance will inform whether the Framework:

- Concentrates funding in one or two strategic initiatives;
- Integrates Community Benefits Funds into existing Community Power programs; and/or
- Establishes a new standalone program

After receiving feedback from the CAC and Board direction, Staff anticipates returning in summer 2026 with a proposed Community Benefit Fund Framework on funding priorities, governance structure, and community engagement, specifically.

### Funding Usage Considerations

The following considerations require Board direction and will shape the structure of the Framework:

1. **Geographic Scope:** The Board has an opportunity to consider prioritizing Community Power's service territory, communities adjacent to project sites, or an approach that includes both. Additionally, some contracts contain geographic provisions that may require targeted allocations. Expanding funding beyond San Diego County lines may require a program administrator with broader regional capacity and experience.
2. **Permissible Uses and Stakeholder Review:** While Community Power seems to have sole discretion in selecting the initiatives this funding will support, the General Counsel would need to interpret these terms before moving forward. Additionally, some contracts require a review by the developer of the scope of the initiatives to be funded prior to the release of funds.
3. **Governance and Approval Authority:** General Counsel will need to determine what delegation of authority and approval levels associated to this funding may be needed,

which may also include the appropriate role of the developer and a program administrator.

4. **Community Engagement:** While staff will solicit feedback from the CAC and the Board in the development of the Framework, the Board may determine whether additional public engagement is necessary, particularly for projects impacting communities outside of Community Power's service area.
5. **One-Time Funding:** Community Benefits funds area non-reoccurring sum of money provided for a specific purpose and without a commitment for future funding. The chosen initiatives should reflect this.

## **Fiscal Impact**

N/A

## **Strategic Plan**

This item supports establishing Community Power as a trusted public agency that collaborates and engages with other local governments and stakeholders; building community relationships and reinvesting in the communities we serve; increasing brand awareness through outreach, education, and strategic communications to help customers understand their energy usage, save money, and utilize customer offerings; and developing and executing effective communications & marketing plans to encourage San Diego residents to take advantage of programs they qualify for to enhance their energy efficiency.

## **Attachments**

N/A

## Glossary

**AB – Assembly Bill:** An Assembly Bill is a piece of legislation that is introduced in the Assembly. In other words, the Assembly (rather than the Senate) is the bill's house of origin in the Legislature. In California, it is common for legislation to be referred to by its house of origin number even after it becomes law. However, because bill numbers “reset” and start again from 1 in each legislative session, it is less confusing to include chapter and statute information when referring to a bill that has become law; for example, SB 350 (Chapter 547, Statutes of 2015).

**AL - Advice Letter:** An Advice Letter is a request by a California Public Utilities Commission (CPUC) jurisdictional entity for Commission approval, authorization or other relief.

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

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

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

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

**CAISO – California Independent System Operator:** CAISO is a nonprofit public benefit corporation that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (approximately 80% of California's electric flow). Its stated mission is to “operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development.” CAISO is regulated by the Federal Energy Regulatory Commission (FERC) and governed by a five-member governing board appointed by the governor.

**CalCCA – California Community Choice Association:** CalCCA is a statewide association, made up of Community Choice Aggregators (CCAs), that represents the interests of California's community choice electricity providers.



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

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

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

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

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

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

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

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

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

**CEE – Coalition for Energy Efficiency:** CEE is a nonprofit composed of U.S. and Canadian energy-efficiency administrators working together to accelerate the development and availability of energy-efficient products and services.

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

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

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

**CP – Compliance Period:** A Compliance Period is the time period to become Renewables Portfolio Standard (RPS) compliant, set by the California Public Utilities Commission (CPUC).

**DA – Direct Access:** Direct Access is an option that allows eligible customers to purchase their electricity directly from third-party providers known as Electric Service Providers (ESPs).

**DA Cap:** The DA Cap is the maximum amount of electric usage that may be allocated to Direct Access customers in California or, more specifically, within an investor-owned utility service territory.

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

**DA Lottery:** The DA Lottery is a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently applicable Direct Access Cap.

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

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

**DASR – Direct Access Service Request:** DASR is a request submitted by C&I customers to become direct access eligible.



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

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

**Distribution:** Distribution refers to the delivery of electricity to the retail customer’s home or business through low-voltage distribution lines.

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

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

**DRP – Distributed Resource Plans:** Distributed Resource Plans are required by statute and intended to identify optimal locations for the deployment of distributed resources.

**DWR – Department of Water Resources:** DWR is the state agency charged with managing California’s water resources, systems and infrastructure in a responsible, sustainable way.

**ECR – Enhanced Community Renewable:** ECR is an IOU (Investor-Owned Utility) program that reflects the “Community Solar” model of renewable energy purchasing. Customers sign up to purchase a portion of a local solar project directly from a developer at a level that meets at least 25% and up to 100% of their monthly electricity demand. The customer pays the developer for the subscribed output and receives a credit on their utility bill that reflects their enrollment level.

**ED – Energy Division:** The CPUC’s Energy Division develops and administers energy policy and programs to serve the public interest, advise the Commission and ensure compliance with Commission decisions and statutory Mandates.

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

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

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

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

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

**ESA – Energy Storage Agreement:** An ESA refers to a battery services contract, a capacity contract, demand response contract or similar agreement.

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

**EV – Electric Vehicle:** An EV is a vehicle that uses one or more electric motors for propulsion.

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

**GHG – Greenhouse gas:** Water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane and chlorofluorocarbons (CFCs) are gases that cause the atmosphere to trap heat radiating from the earth. The most common GHG is carbon dioxide.

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

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

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

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

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

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

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

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

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

**IRP – Integrated Resource Plan:** An Integrated Resource Plan outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

**kW – Kilowatt:** This is a measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1,000 watts.

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

**LCE – Lancaster Choice Energy:** LCE is the CCA that serves the City of Lancaster, California.

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

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



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

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

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

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

**LTTP – Long-Term Procurement Rulemaking:** This is an “umbrella” proceeding to consider, in an integrated fashion, all of the CPUC’s electric procurement policies and Programs.

**MCE – Marin Clean Energy:** MCE was the first CCA in California and began serving customers in 2010. It serves customers in Contra Costa, Marin, Napa and Solano counties in Northern California.

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

**MW – Megawatt:** A megawatt hour (Mwh) is equal to 1,000 Kilowatt hours (Kwh) or 1,000 kilowatts of electricity used continuously for one hour.

**MWH – Megawatt-hour:** This is a measure of energy.

**NAESCO – National Association of Energy Service Companies:** NAESCO is an advocacy and accreditation organization for energy service companies (ESCOs). Energy service companies contract with private and public-sector energy users to provide cost-effective energy efficiency retrofits across a wide spectrum of client facilities.

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

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



**NEM – Net Energy Metering:** NEM is a program in which solar customers receive credit for excess electricity generated by solar panels.

**NRDC – Natural Resources Defense Council:** NRDC is a nonprofit international environmental advocacy group.

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

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

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

**ORA – Office of Ratepayer Advocates:** The ORA is an independent consumer advocate within the CPUC, now called the Public Advocates Office.

**PA – Program Administrator (for EE Business Plans):** IOUs and local government agencies can be authorized to implement CPUC-directed energy efficiency programs.

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

**PCC1 – RPS Portfolio Content Category 1:** RPS Portfolio Content Category 1 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO, also known as “in-state” renewables.

**PCC2 – RPS Portfolio Content Category 2:** RPS Portfolio Content Category 2 includes bundled renewables where the energy and Renewable Energy Certificate (REC) are from out of state and not dynamically scheduled to a CBA.

**PCC3 – RPS Portfolio Content Category 3:** RPS Portfolio Content Category 3 includes Unbundled Renewable Energy Certificate (REC).

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

**PCL – Power Content Label:** The PCL is a user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Chapter 313, Statutes of 2009) and SB 1305 (Chapter 796, Statutes of 1997).



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

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

**PHC – Prehearing Conference:** A PHC is a CPUC hearing to discuss the scope of a proceeding, among other matters. Interested stakeholders can request party status during these conferences.

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

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

**PRP – Priority Review Project:** These are transportation electrification pilot projects approved by the CPUC pursuant to SB 350 (Chapter 547, Statutes of 2015).

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

**PUC – Public Utilities Code:** The PUC is a California statute that contains 33 divisions; the range of topics within this code includes natural gas restructuring, private energy producers, telecommunication services, and specific municipal utility districts and transit authorities; the primary statute for governance of utilities as well as CCAs in California.

**PURPA – Public Utilities Regulatory Policy Act:** The PURPA is a federal statute passed in 1978 by Congress in response to the 1973 energy crisis to encourage fuel diversity via alternative energy sources and to introduce competition into the electric sector. It was intended to promote energy conservation (reduce demand) and promote greater use of domestic energy and renewable energy (increase supply).

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

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



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

**REC - Renewable Energy Certificate:** A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every megawatt-hour of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

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

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

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

**SB – Senate Bill:** A Senate Bill is a piece of legislation that is introduced in the Senate. In other words, the Senate, rather than the Assembly, is the house of origin in the Legislature for the Legislation.

**SBP – Solar Billing Plan:** The Solar Billing Plan, also known as the Net Billing Tariff or NEM 3.0, is the new method of compensating customer-sited renewable energy self-generation, intended to promote grid reliability and incentivize solar and battery storage.

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

**SCP – Sonoma Clean Power Authority:** SCP is the CCA serving Sonoma County and surrounding areas in Northern California.

**SDG&E – San Diego Gas & Electric:** SDG&E is the IOU that serves San Diego County and owns the infrastructure that delivers Community Power energy to our customers.

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

**SUE – Super User Electric:** This is an electric surcharge intended to penalize consumers for excessive energy use.

**SVCE – Silicon Valley Clean Energy:** SVCE is the CCA serving the communities in Santa Clara County.

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

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

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

**TM – Tree Mortality:** This is a term that refers to the death of forest trees and provides a measure of forest health. In the context of energy, as part of the Governor’s Tree Mortality Emergency Proclamation, the CPUC is tasked with utilizing its authority to extend contracts and take actions to authorize new contracts on bioenergy facilities that receive feedstock from high hazard zones.

**TURN – The Utility Reform Network:** TURN is a ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

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

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

**VAMO – Voluntary Allocation, Market Offer:** VAMO is the process for SDG&E to allocate a proportional share of its renewable portfolio to Community Power and other LSEs within the service territory.