AGENDA

Regular Meeting
Community Advisory Committee

Thursday, April 9, 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. 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, 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 March 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. **Finance Department Updates**

Recommendation: Receive and File Finance Department Updates.

8. **Review Draft Local Development Strategy**

Recommendation: Receive and File Informational Update on Draft of San Diego Community Power's Proposed Local Development Strategy.

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 agendized 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, June 11, 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. 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. 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 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 to arrange an appointment.

SAN DIEGO COMMUNITY POWER

COMMUNITY ADVISORY COMMITTEE
Regular Meeting Minutes
March 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 Member Gonzalez, City of Chula Vista; Committee Member Vasilakis, City of San Diego; Committee Members Santos and Emerson; City of National City; Committee Member Sumner, City of La Mesa; Committee Member Hammond, City of Encinitas (via Teams Teleconference); and Committee Member Hoyt, City of Imperial Beach
ABSENT:	Committee Member Sclafani, City of Chula Vista
VACANT:	Seat 7, City of Encinitas and Seat 10, City of Imperial Beach
Staff Present:	Chief Operating Officer Clark; Assistant General Counsel Laity; Director of Origination Torres (via Teams Teleconference); Senior Manager Community Engagement Crespo; Clerk of the Board Hernandez 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.

SPECIAL PRESENTATIONS AND INTRODUCTIONS

- **Introduction of new Community Advisory Committee Member**

Chair Harris welcomed new Community Advisory Committee Member Sorayda Santos, representing the City of National City, to introduce herself.

- **Introduction of new Community Power Staff**

Chair Harris welcomed new employees Kaily Wakefield, Paralegal; Paige Spounias-Flynn, Procurement Analyst; and Michele Phillips, Senior Financial Analyst to introduce themselves.

ITEMS TO BE ADDED, WITHDRAWN OR REORDERED ON THE AGENDA

There were no items added, withdrawn, or reordered on the agenda.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

There were no public comments.

CONSENT CALENDAR

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**

There were no public comments on Item Nos. 1-6.

Motioned by Secretary Pike and seconded by Vice Chair Montero-Adams to approve Consent Item Nos. 1-6. The motion carried with 10 affirmative votes and 1 abstention 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: Committee Member Santos
ABSENT: Committee Member Sclafani

REGULAR AGENDA

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

Ms. Torres presented the Board approved amendments to the Inclusive and Sustainable Workforce Policy and updates to the Energy Proposal Evaluation Criteria.

There were no public comments on Item No. 7.

After Committee Member questions, discussion and comments, the Inclusive and Sustainable Workforce Policy Amendments and Updates to Energy Proposal Evaluation Criteria was received and filed.

8. Community Benefits Framework

Ms. Crespo provided an overview of the Community Benefits Framework.

There were no public comments on Item No. 8.

After Committee Member questions, discussion and comments, the Community Benefits Framework was received and filed.

DISCUSSION OF POTENTIAL AGENDA ITEMS FOR BOARD OF DIRECTORS MEETINGS

None.

CHIEF OPERATING OFFICER REPORT

Mr. Clark announced that on February 17, the Coronado City Council unanimously voted to become the newest member of San Diego Community Power. He stated that more details will be shared in the upcoming months and shared that San Diego Community Power earned its first public stable credit rating from S&P Global Ratings, receiving an investment-grade "A" issuer credit rating.

COMMITTEE MEMBER ANNOUNCEMENTS

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

ADJOURNMENT

The Community Advisory Committee meeting adjourned at 6:52 p.m. to a regular meeting scheduled for Thursday, April 9, 2026, at 5:30 p.m.

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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:	April 9, 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

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
Enphase Prospective Customer Event

Chula Vista Community Collaborative
National City Collaborative
National City Library
Kroc Senior Center Resource Fair
Spring Fling Business Expo
Cultivating Impact Mixer
Jackie Robinson YMCA Resource Fair
Center for Excellence in Aging & Longevity
Day of the Child
Intertribal Earth Day
Transportation Justice Expo
California Clean Energy Summit
San Ysidro STEM Fair
Lakeside Earth Day Celebration
La Mesa Earth Day Fair
South Bay Earth Day
Nature Day at El Toyon Elementary
Qualcomm Earth Day Fair
UC San Diego's Earth Day Festival
City of San Diego Arbor Day
Dia de los Niños
Ramona Earth Day Festival

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. Leadership met with the City of Coronado in March to further discuss the process by which Coronado could become a new member agency of Community Power.

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: April 9, 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 March 23, 2026, Community Power is serving a cumulative total count of **968,681** active accounts.

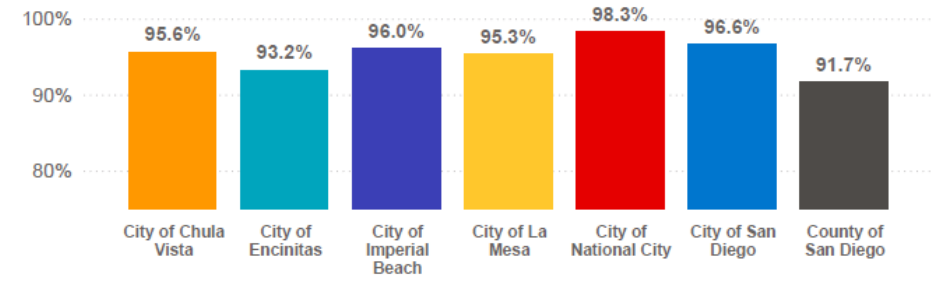
Customers with newly established accounts or who have moved into a new service address within any and all of our member jurisdictions receive two post-enrollment notices through the mail at their mailing address on file within 60 days of their account start date, notifying them that they have defaulted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

B) Customer Participation Tracking

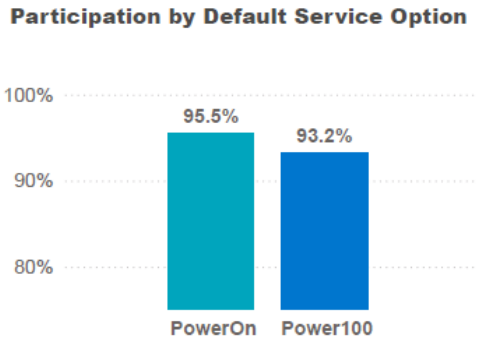
The below charts summarize customer participation by member agency as well as metrics for their elections into San Diego Community Power's four (4) available service options.

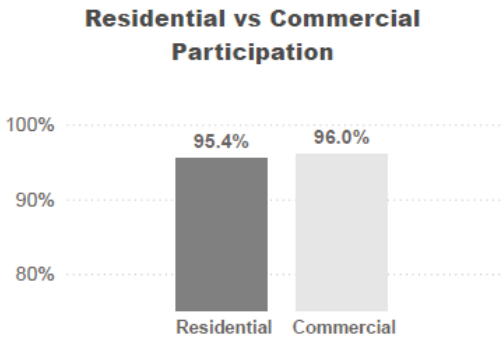
Please note that Re-Enrollment metrics are captured and displayed through February 28, 2026.

Enrolled Accounts	Participation Rate
968,681	95.5%



Jurisdiction	Service Option Default	Eligible Accounts	Enrolled Accounts	Participation Rate
City of Chula Vista	PowerOn	100,239	95,864	95.6%
City of Encinitas	Power100	28,966	27,009	93.2%
City of Imperial Beach	PowerOn	10,821	10,392	96.0%
City of La Mesa	PowerOn	29,641	28,252	95.3%
City of National City	PowerOn	19,683	19,339	98.3%
City of San Diego	PowerOn	633,871	612,467	96.6%
County of San Diego	PowerOn	191,294	175,358	91.7%
Total		**1,014,515**	**968,681**	**95.5%**



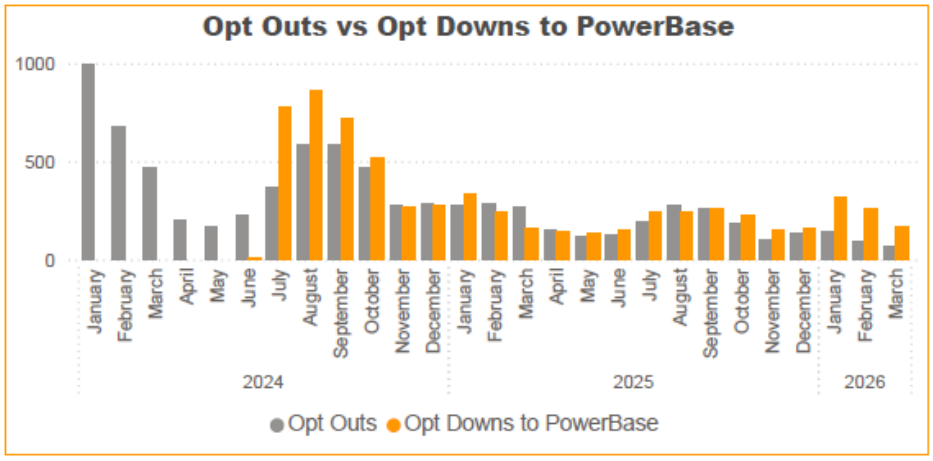


Service Option

PowerBase		PowerOn		Power100		Power100 Green+	
Enrolled	5,673	Enrolled	928,632	Enrolled	34,353	Enrolled	23
Participation	0.6%	Participation	95.9%	Participation	3.5%	Participation	0.0%

Service Option Enrollment Summary

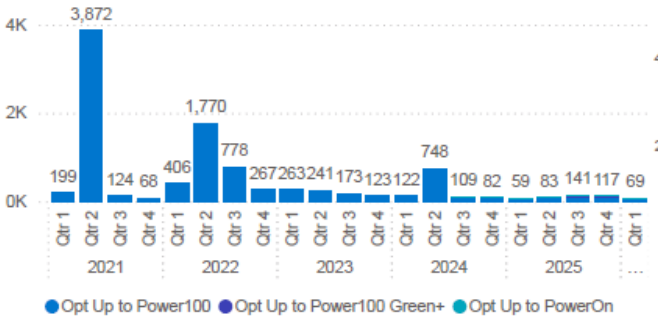
Jurisdiction	Service Option Default	Enrolled Accounts	Power Base Enrolled	Power Base %	PowerOn Enrolled	PowerOn %	Power 100 Enrolled	Power 100%	Power100 Green+ Enrolled	Power100 Green+%
City of Chula Vista	PowerOn	95,864	504	0.5%	94,450	98.5%	910	0.9%		
City of Encinitas	Power100	27,009	236	0.9%	388	1.4%	26,385	97.7%		
City of Imperial Beach	PowerOn	10,392	42	0.4%	10,267	98.8%	83	0.8%		
City of La Mesa	PowerOn	28,252	156	0.6%	27,833	98.5%	263	0.9%		
City of National City	PowerOn	19,339	69	0.4%	19,239	99.5%	31	0.2%		
City of San Diego	PowerOn	612,467	3,115	0.5%	603,459	98.5%	5,870	1.0%	23	0.0%
County of San Diego	PowerOn	175,358	1,551	0.9%	172,996	98.7%	811	0.5%		
Total		**968,681**	**5,673**	**0.6%**	**928,632**	**95.9%**	**34,353**	**3.5%**	**23**	**0.0%**



Opt Up History

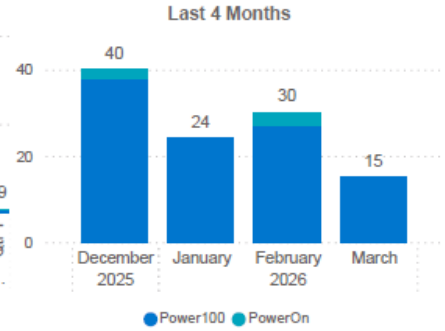
Total Opt Ups	Opt Ups Current*
9,814	8,058

Opt Ups Quarterly



Opt Ups Monthly

Last 4 Months



Opt Ups by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista	710	175	61	49	31	3	1,029
City of Encinitas	18	1	1	3	1	1	25
City of Imperial Beach	60	29	11	6	6	3	115
City of La Mesa	155	120	19	12	8		314
City of National City			12	24	2	1	39
City of San Diego	3,316	2,896	489	340	309	48	7,398
County of San Diego	4		207	627	43	13	894
Total	4,263	3,221	800	1,061	400	69	9,814

Opt Ups by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	4,256	296	232	701	159	14	5,658
Residential	7	2,925	568	360	241	55	4,156
Total	4,263	3,221	800	1,061	400	69	9,814

Opt Ups by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	4,232	1,372	301	817	213	24	6,959
IVR	4	85	84	42	29	4	248
Web	27	1,764	415	202	158	41	2,607
Total	4,263	3,221	800	1,061	400	69	9,814

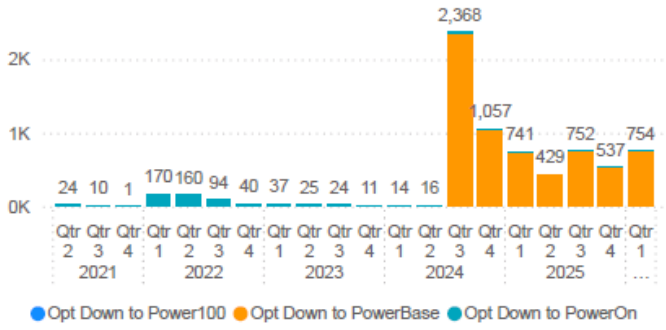
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of March 21, 2026

Opt Down History

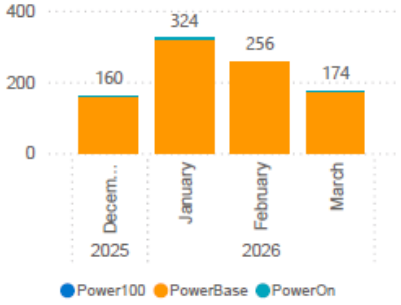
Total Opt Downs	Opt Downs Current*
7,264	6,100

Opt Downs Quarterly



Opt Downs Monthly

Last 4 Months



Opt Downs by Jurisdiction

Jurisdiction	2021	2022	2023	2024	2025	2026 YTD	Total
City of Chula Vista		2	4	287	246	56	595
City of Encinitas	35	429	74	150	109	40	837
City of Imperial Beach		1		31	18	5	55
City of La Mesa		4		106	66	22	198
City of National City				36	39	11	86
City of San Diego		28	13	1,793	1,390	487	3,711
County of San Diego			6	1,052	591	133	1,782
Total	35	464	97	3,455	2,459	754	7,264

Opt Downs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	34	23	9	508	171	26	771
Residential	1	441	88	2,947	2,288	728	6,493
Total	35	464	97	3,455	2,459	754	7,264

Opt Downs by Method

Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	31	311	65	2,562	1,531	362	4,862
IVR	4	26	3	309	274	64	680
Web		127	29	584	654	328	1,722
Total	35	464	97	3,455	2,459	754	7,264

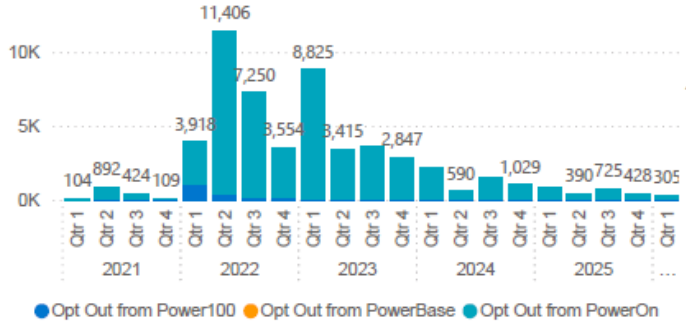
*Current indicates the account is open with SDG&E and this opt action is their latest opt action

2026 YTD as of March 21, 2026

Opt Out History

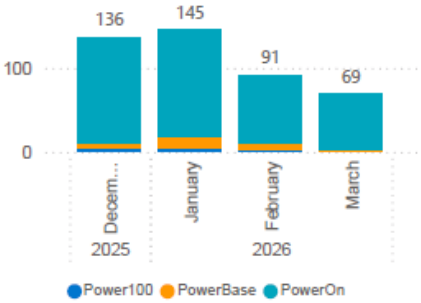
Total Opt Outs	Opt Outs Current*
54,313	44,552

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	28	5,119
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	4	397
City of San Diego	1,078	19,180	3,185	1,836	1,065	156	26,500
County of San Diego	2	1	13,899	2,669	944	100	17,615
Total	1,529	26,128	18,680	5,297	2,374	305	54,313

Opt Outs by Customer Class

Customer Class	2021	2022	2023	2024	2025	2026 YTD	Total
Commercial	1,492	535	1,684	344	141	17	4,213
Residential	37	25,593	16,996	4,953	2,233	288	50,100
Total	1,529	26,128	18,680	5,297	2,374	305	54,313

Opt Outs by Method

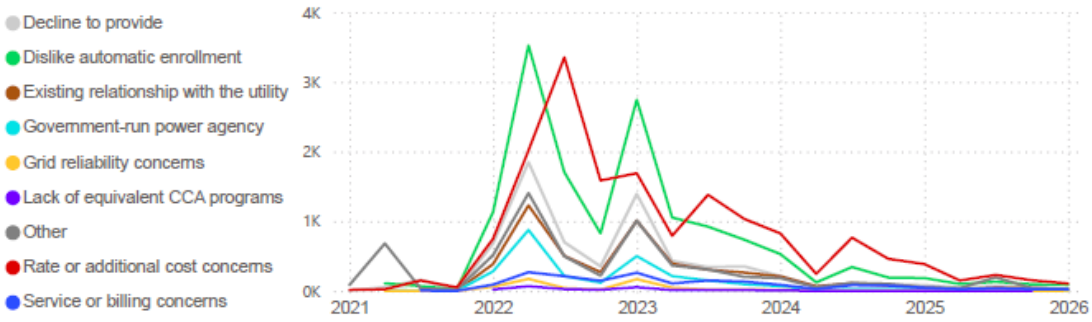
Opt Method	2021	2022	2023	2024	2025	2026 YTD	Total
CSR	1,104	6,963	4,706	1,653	703	112	15,241
IVR	102	4,885	3,788	1,284	445	43	10,547
Web	323	14,280	10,186	2,360	1,226	150	28,525
Total	1,529	26,128	18,680	5,297	2,374	305	54,313

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

2026 YTD as of March 21, 2026

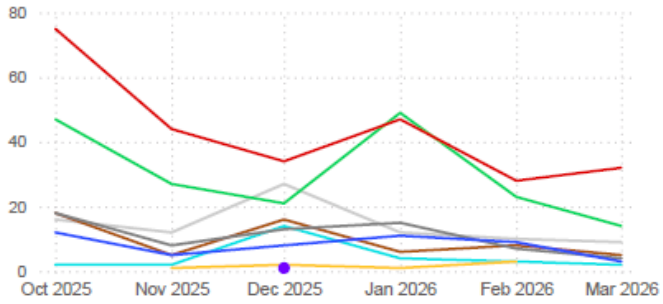
Opt Out Reason Summary

Opt Outs by Reason Quarterly



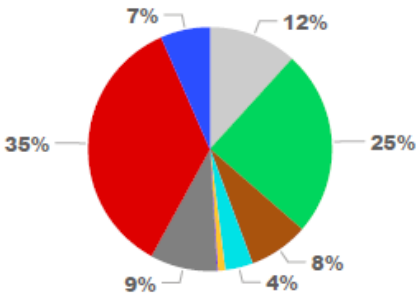
Opt Outs by Reason Monthly

Last 6 Calendar Months



Opt Out Reason Distribution

Last 6 Calendar Months



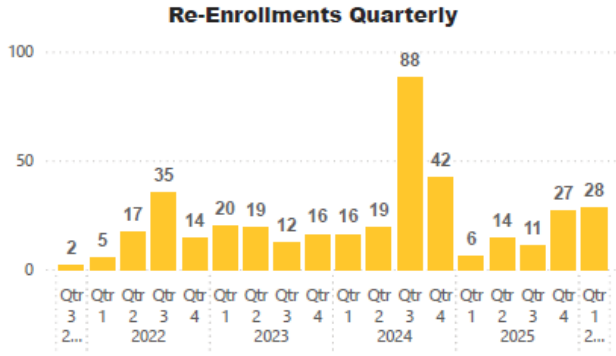
Opt Outs by Reason Table

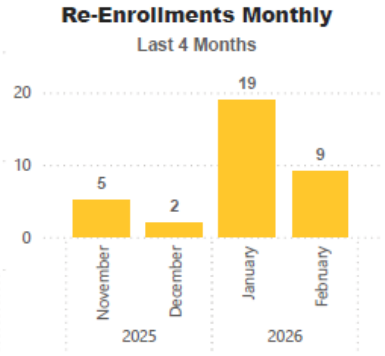
Opt Out Reason	2021	2022	2023	2024	2025	2026 YTD	Total
Decline to provide	228	3,581	2,518	465	256	31	7,079
Dislike automatic enrollment	203	7,187	5,458	1,188	511	86	14,633
Existing relationship with the utility	2	2,388	1,968	462	153	19	4,992
Government-run power agency	24	1,489	960	129	66	9	2,677
Grid 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	26	6,142
Rate or additional cost concerns	240	7,705	4,897	2,296	918	107	16,163
Service or billing concerns	6	718	654	272	132	23	1,805
Total	1,529	26,128	18,680	5,297	2,374	305	54,313

2026 YTD as of March 20, 2026

Re-Enrollment Requests

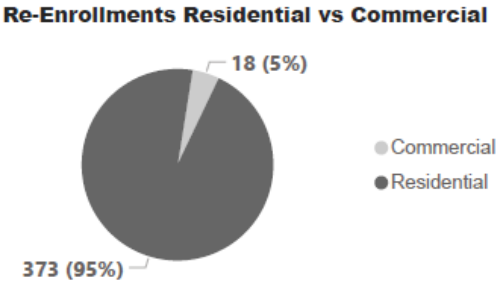
Excludes closed accounts





Re-Enrollments by Jurisdiction

Jurisdiction	Accounts
City of Chula Vista	26
City of Encinitas	35
City of Imperial Beach	5
City of La Mesa	8
City of National City	1
City of San Diego	234
County of San Diego	82
Total	391



2026 YTD through the end of February, 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 Q3 2025, the majority of re-enrollments were attributed to customers joining a Community Power program. After Community Power's rate adjustment in Q1 2026, the majority of customers have re-enrolled to receive lower rates.

C) Contact Center Metrics

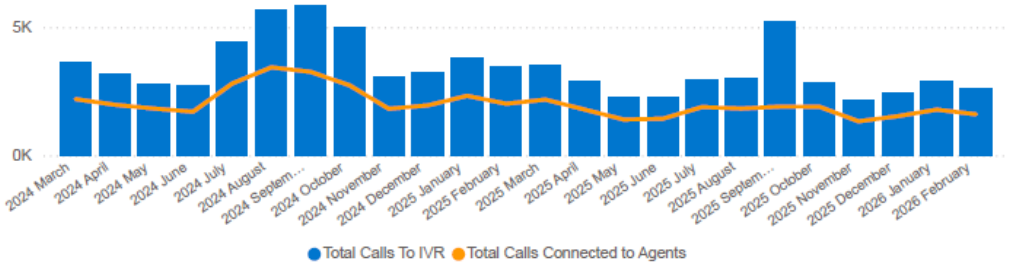
As expected, calls to our Contact Center have decreased following the warm summer months that resulted in higher electric bills and have remained steady in the winter months.

The chart below summarizes contact made by customers into the Contact Center broken down by month. Contact Center Metrics are captured and displayed through February 28, 2026.

Contact Center Metrics

Contact Center Call Volume Trends

Last 24 Calendar Months



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	5,502	192,788
Total Calls Connected to Agents	1,401	30,174	34,173	29,332	21,556	3,398	120,034
Avg Seconds to Answer	20.00	11.50	6.75	18.08	9.33	7.50	12.59
Avg Call Duration (Minutes)	8.5	9.8	9.6	9.6	9.0	8.9	9.3
Calls Answered Within 60 Seconds (75% SLA)	96.23%	95.50%	97.57%	91.74%	95.85%	96.85%	95.38%
Abandon Rate	0.57%	0.36%	0.19%	0.72%	0.43%	0.24%	0.44%

Customer Service Email Volume Trends

Last 24 Calendar Months

Customer Service Emails

	2021	2022	2023	2024	2025	2026 YTD	Total
Emails Received	272	2,894	2,116	1,271	1,170	169	7,892
Emails Answered or Escalated Within 24 Hours	257	2,821	2,107	1,270	1,170	169	7,794
Completion%	94%	96%	100%	100%	100%	100%	98%

2026 YTD through the end of February, 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 nine Dedicated Customer Service Representatives staffed at the Contact Center and one 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:	April 9, 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: The Efficient Refrigeration Pilot Project, funded by the California Department of Food and Agriculture (CDFA), is now complete as the CDFA grant period ended on March 31, 2026. Staff will remove this Pilot Project from future Update on Programs staff reports.

Residential Programs

California Energy Commission ("CEC") Equitable Building Decarbonization Direct Install ("EBD DI") Program

Status & Next Steps: Please refer to Item 4 on the March 2026 CAC agenda packet for the most recent update on this program.

Flexible Load Programs

Smart Home Flex Pilot Project
Status & Next Steps: Please refer to Item 4 on the March 2026 CAC agenda packet for the most recent update on this program.

EV Flex Connect Pilot Project
Status: Staff are working with their V1G pilot implementer, OpConnect, to implement updates to the EV Flex Connect pilot that will enable more customers to participate. On March 11, the eligible vehicle list was revised to include additional vehicle models from a variety of auto manufacturers. Customers are also now able to enroll more than one eligible vehicle per household, with an enrollment incentive of $50 and monthly participation incentive of $5 for each eligible vehicle.

Staff continue to collaborate with their partners on the research project funded by California Energy Commission grant agreement EPC-25-015. This project will analyze and quantify the value of managed charging/V1G using data from the EV Flex Connect pilot.

Next Steps: Staff will continue to implement the EV Flex Connect pilot changes, promote the changes to existing and potential participants, and monitor the impact on enrollment. Staff will also continue working with their partners on the EPC-25-015 research project.

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 738 applications, 467 have been approved, 239 of which have been installed and activated. Of the 54 contractors approved to participate in the program, 45 have submitted applications. Sixty-nine percent of applicants are from market rate customers.

Sixty-nine percent of projects are for new solar and storage systems (as compared to storage being added to existing solar systems).

In February 2026, Community Power posted an invitation to support a bill impact analysis study for pilot SBS participants. Community Power staff also held quarterly contractor training for newly interested contractors to participate.

In March 2026, staff participated in outreach events intended to target potential program participants, including events hosted by program-approved battery manufacturers and contractors. Program-approved battery manufacturers or contractors are encouraged to notify program staff of any upcoming outreach opportunities; Community Power will evaluate and participate in outreach events, pending available resources.

Lastly, in March, annual performance incentives for 2025 were processed for 1,416 pilot participants. Participants are paid 10 cents per kWh of energy that was either offset or provided back to the grid during peak hours through the program. The average annual performance incentive for participants who were enrolled for the entire year was $255. Participants who were enrolled for less than 12 months received a lower performance incentive. In total, $264,314 in performance incentives was paid to participants.

Next Steps: 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 procurement activities for the remaining SDREN contract from the phased solicitations for third party implementers. For programs with executed contracts, staff continue to focus on pre-launch deliverables to begin participant enrollment. Future program launch updates will be published on the sdren.org website, which went live on March 16, 2026.

As programs begin enrollment, the SDREN Advisory Committee will be key in providing advisement on program implementation activities (e.g., effective outreach and engagement strategies to connect with underserved and hard-to-reach communities across the region), serving as an advocate for SDREN (e.g., providing letters of support if/when necessary) and spreading awareness of program benefits through community and regional networks.

The application period to join the SDREN Advisory Committee closed in February 2026, and staff have completed reviewing applications.

In compliance with the CPUC Rolling Portfolio process for reviewing and approving portfolio administrators' programs, SDREN submitted its 2028-2035 Strategic Business Plan and 2028-2031 Portfolio Plan Application on March 16, 2026, following approved CPUC templates and guidance. SDREN Application Materials can be found at sdren.org/regulatory-documents.

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 April 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 CPUC 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). Staff report program expenditures monthly to the CPUC and these amounts are publicly available on the California Energy Data and Reporting System (CEDARS) website at https://cedars.cpuc.ca.gov/.

Regarding the SDREN Advisory Committee formation and meetings, selected organizations were notified in March 2026, and regular meetings will commence in Q2 2026.

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:	April 9, 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 and we are currently recruiting a new Compliance and Contract Management Analyst.

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 Q2 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 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 California's 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 have been on a slight decline due to mild winter temperatures in the West. Some price volatility has been observed due to uncertainty in the Middle

East and potential impacts from the conflict in Iran. Overall, markets are watching and reacting to seasonal weather changes and Middle East tensions 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:	April 9, 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

Resource Adequacy (RA)

Track 1 Proposals

On March 20, 2026, parties filed reply comments on proposals filed in Track 1 of the California Public Utilities Commission's (CPUC) Resource Adequacy (RA) proceeding (R.25-10-003), which is focused on highest-priority refinements to the RA program. Proposals were filed on January 23, 2026, and workshops were held to review proposals on February 10 and 11. Community Power's trade association, the California Community Choice Association (CalCCA), made several recommendations in its reply comments, including but not limited to: addressing the significant forthcoming impacts of data center loads on RA requirements and

adopting CalCCA's proposal for energy only resources. A Proposed Decision on Track 1 is expected in May 2026.

Slice-of- Day Transactability

On March 18, 2026, six parties filed opening comments on CPUC Energy Division's Report on Slice-of-Day Transactability as well as the proposals filed by CalCCA and the Western Power Trading Forum (WPTF) filed on March 3.

- CalCCA's opening comments reiterated support for its hourly load obligation trading proposal and provided additional clarifications and guardrails, which was supported by Ava Community Power's opening comments.
- The California Environmental Justice Alliance/Sierra Club asked the commission to study the environmental impacts of the slice-of-day framework and trading (i.e., how it impacts gas usage).
- Vistra and Middle River Power agreed with CPUC Energy Division that trading is unnecessary and CalCCA's proposal should be rejected.
- Forward Market Design (FMD) is a research and consulting group that supported transactability through an intermediary.

Reply comments on transactability proposals were due March 30, 2026.

Power Charge Indifference Adjustment (PCIA)

On March 23, 2026, parties filed rebuttal testimony in Track 2 of the *Rulemaking to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes* (R.25-02-005). Track 2 addresses the valuation of banked pre-2019 renewable energy credits (RECs) and how that valuation is applied to investor-owned utility (IOU) bundled customers and departed load customers, like those of community choice aggregators (CCAs), such as Community Power.

Brian Dickman of NewGen Strategies prepared direct testimony on behalf of CalCCA laying out the case for why pre-2019 RECs must be properly valued to ensure there is no cost shifting onto unbundled CCA customers and rebutting claims made in the investor-owned utilities joint opening testimony. The CPUC Public Advocates Office also filed rebuttal testimony in support of CalCCA's valuation proposal with modifications, while the IOUs reiterated their opening testimony arguments. A CPUC staff report was issued on March 27, 2026, and opening comments are due concurrently with the filing of opening briefs on May 22, 2026. Reply comments concurrently with the filing of reply briefs on June 5, 2026.

California Energy Commission Integrated Energy Policy Report

On March 10, 2026, the California Energy Commission (CEC) filed a notice of request for comments on the Draft Scoping Order for the 2026 Integrated Energy Policy Report (IEPR)

Update, which is the biennially report that broadly assesses California's energy system and puts forward recommendations to advance California's clean energy future for all. The proposed scope includes the following:

- California Electricity Demand Forecast: an updated 15-year electricity demand forecast.
- California Geothermal Resources: an assessment of the challenges and opportunities for geothermal development in California.
- Energy Equity and Environmental Justice: CEC progress toward its commitment to embed equity and environmental justice in its policies, programs, and activities, as described in recommendations included in the 2022 IEPR Update and draft Justice, Access, Equity, Diversity, and Inclusion (JAEDI) framework.

CalCCA filed opening comments recommending ways the CEC should improve the load forecast process given uncertainty around data center growth, among other recommendations. Community Power also signed onto comments led by the solar and storage industry stakeholders regarding the treatment of distributed front-of-the-meter projects, like community solar, in the load forecasting process. A final scoping order will be released in April 2026.

Protest of SDG&E Advice Letter 4791-E

On March 23, 2026, Community Power and Clean Energy Alliance (CEA) jointly protested SDG&E's Advice Letter 4791-E (see Attachment A). The Advice Letter seeks Commission approval to implement several changes to rates, tariffs, and rate design adopted in its General Rate Case (GRC) Phase 2 proceeding, as well as recovery of certain wildfire mitigation plan memorandum account costs addressed in Track 2 of its 2024 GRC Phase 1. Community Power and CEA do not oppose the establishment of a new Medium Commercial customer class as approved in Decision 25-09-006, but contest that SDG&E's proposed Power Charge Indifference Adjustment (PCIA) rates reflecting this change contain material error by failing to appropriately adjust sales volumes between customer classes. The Protest asks the CPUC to instruct SDG&E to file an amended Advice Letter containing corrected PCIA rates that reflect the sales expected to move into the Medium Commercial class and make clear that there will be a timeline of at least one month between that filing and the effective date of the rate changes proposed therein.

Rulemaking to Improve California Climate Credit

On March 17, 2026, the CPUC adopted the Decision temporarily pausing the distribution of the 2026 Climate Credit by SDG&E, PG&E, and SCE so the CPUC can determine when later in 2026 it should be applied to maximize affordability. The utilities must file implementation

advice letters within 15 days to update customer-facing messaging to clarify customers will receive the credit later in 2026 and that the change is intended to reduce bills when they are the highest.

Rulemaking on Customer-Generated Renewables for Priority Communities

On February 25, 2026, parties filed comments on the Ruling requesting comments on proposed modifications to the Disadvantaged Communities-Single Family Solar Homes Program (DAC-SASH). Community Power's comments support targeted updates to the DAC-SASH program that preserve its core equity mission while modernizing program design, including incentivizing solar-paired storage at a reasonable level and enabling dual enrollment with complementary local programs. Community Power recommends strengthening project-level load review and transparency requirements for storage sizing and bill impacts, while opposing prescriptive thresholds or eligibility restrictions that could limit customer access or local flexibility. Community Power further supports expanding program eligibility by aligning DAC-SASH with broader state definitions of priority populations to increase equitable access. Other parties' comments largely focus on program funding continuity, the appropriate use of accrued interest to cover administrative costs, and whether annual spending caps should remain fixed or flexible. There is broad agreement on preventing incentive over-collection beyond project costs, but disagreement over administrative cost allocation, external funding reporting, workforce requirements, and the scope of eligibility and storage participation.

Rulemaking to Update Distribution Level Interconnection Rules and Regulations

On March 3, 2026, the CPUC issued a Scoping Memo and Ruling establishing that the issues in the Rulemaking to Update Distribution Level Interconnection Rules (Rule 21) and Regulations. The proceeding will be addressed in multiple phases and set up the issues to be addressed in Phase 1. It also sets forth various questions for parties to address in Appendix A related to Phase 1, which broadly concern (1) Modifications to Screens Q and R, (2) Interconnection Timelines Established for IOUs, and (3) Interconnection Fees for Non-NEM Resources. Opening comments on these questions are due April 30 and reply comments are due May 29. The CPUC Energy Division will also hold workshops, as needed, to discuss priority of remaining issues.

Order Instituting Rulemaking to Establish Energization Timelines

On March 19, 2026, the CPUC issued an Assigned Commissioner Ruling amending the scope of Phase 2 of the proceeding to refine the Commission's approach to meeting and enforcing

energization targets established by legislation. It adds new scoped issues focused on (1) how the Commission will determine and enforce remedial actions for utilities that miss energization targets, including whether and how to use the existing Enforcement Policy, and (2) whether to take steps to implement new legislative reporting requirements. (3) improvement to the energization process. Comments on the Ruling are due April 16 and reply comments are due April 30.

Application of San Diego Community Power for Approval of the San Diego Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan (Application 26-03-19)

On March 16, 2026, all Energy Efficiency Portfolio Administrators – including San Diego Regional Energy Network – filed their Business Plan Portfolio Applications (BPAs) with the CPUC. The Application consists of two parts: the 4-year Portfolio Plan and 8-year Business Plan. The Portfolio Plan is a more granular document detailing programs and budgets, whereas the Business Plan serves as a long-term strategic planning document. SDREN's BPA can be found here: https://sdcommunitypower.org/sdren/.

The CPUC is expected to consolidate all BPAs into a single proceeding (consolidated proceeding), whereby interested parties can weigh-in on proposed programs, budgets, and broader policy recommendations. Of elevated importance will be party comments on the 4-Year Portfolio Plan programs and budgets; party comments will help the CPUC determine whether any reductions to 2028-2031 programs and associated budgets are warranted.

In the meantime, parties may file responses (termed "protest" if the response seeks to deny relief requested by any Portfolio Administrator) to the BPAs on May 1. Replies to responses will be due May 18. Community Power, on behalf of SDREN, anticipates filing a response on May 1 detailing which policy issues should be addressed in the consolidated proceeding. If parties file protests to the SDREN BPA, Community Power accordingly plans on filing a response on May 18.

B) State Legislative Activities Update

CalCCA Sponsored Legislation on the Power Charge Indifference Adjustment (PCIA) AB 1761 Approved by Assembly Committee on Utilities & Energy

On March 18 the committee voted 15-3 to approve AB 1761 (Rogers) and sent it to be considered by the Assembly Committee on Appropriations. The bill would bring improved transparency to the way the PCIA is calculated. 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. At the hearing, Community Power's Sacramento representative testified in support of the bill. SDG&E's Regional Vice President testified in opposition, arguing the bill would lead to the disclosure of market sensitive data. However, the author of AB 1761 (Rogers) accepted amendments to the bill to create tighter guardrails around the data, which the SDG&E representative said will go a long way in addressing their opposition. Additionally, Assembly Members Chris Ward and Tasha Boerner were added as coauthors of the legislation.

Community Power Supports Legislation on Portable Solar Devices at Committee Hearing

Community Power voiced its support of SB 868 (Wiener) at a hearing of the Senate Committee on Energy, Utilities, and Communications on March 17. The bill would help accelerate deep decarbonization, promote local development, and strengthen community resilience—while keeping affordability and equity at the center of the clean energy transition by reducing barriers to portable solar, which may prove to be a useful technology in San Diego, where a significant share of households are renters and face structural barriers to participating in rooftop solar programs. The committee approved the legislation 14-3. It will next be heard by the Senate Committee on Appropriations.

Community Power Files Two Additional Support Letters for Legislation on Natural Gas Alternatives and Transmission Planning

Since the last CAC meeting, Community Power has adopted support positions on two additional pieces of state legislation. The two letters are attached to this report. All of Community Power's bill positions and associated position letters can be found on our Legislative Priorities webpage: https://sdcommunitypower.org/legislative-priorities/.

Community Power is now supporting AB 2313 (Berman) (see Attachment B), which would fill a gap in the current SB 1221 (Chapter 602, Statutes of 2024) implementation process underway at the CPUC. SB 1221, a forward-looking law focused on transitioning away from household use of natural gas, allows a gas corporation to cease providing natural gas service in an area if the CPUC determines that adequate substitute energy service is available. The CPUC hasn't determined how to fund the gas alternatives – such as replacement of gas appliances with electric ones – in selected priority neighborhood decarbonization pilot zones. AB 2313 (Berman) fills this gap by creating a Gas Distribution Service Line Replacement Alternatives Program to offer monetary incentives to adopt alternatives that do not require connection to the gas system, such as switching to electric appliances. Funding would come from costs approved for gas line replacement, with cost recovery over ten years. The legislation provides a prudent safeguard measure in the event the CPUC takes a long time to determine how to fund alternatives in pilot neighborhood decarbonization zones that will be converted from gas

to electric service. It aligns with Community Power's mission and support for policies that enable building electrification, equity, and acceleration of deep decarbonization.

AB 2493 (Petrie-Norris) would help ensure timely project delivery, guard against unnecessary ratepayer costs and will help optimize California's resource market by ensuring there is sufficient transmission capacity in a timely manner (see Attachment C). The bill would empower the CPUC to order remedial actions for priority transmission projects. This is important because transmission capacity is essential to meet both our Board established 100% renewable goal and the state's standards.

Community Power's market experience suggests that completion of transmission network upgrades – projects that generally increase the capacity of existing transmission facilities – are a significant barrier to both the deliverability of projects and timely commercial operation of generating and energy storage projects. Likewise, the timely completion of new transmission facilities approved in the California Independent System Operator (CAISO) transmission planning process (TPP) is also vital to accessing new, diverse generating and energy storage projects. The most recent statistics from the Public Advocates Office Transmission Data Dashboard demonstrate the problem: fifty-nine percent of transmission projects approved since 2012 are still being built; nearly half of all transmission projects approved in the TPP since 2000 have seen delays beyond their original in service date; and the average delay is just over two years, with the longest delay reaching 15 years.

C) Federal Activities Update

Community Power Joins Other CCAs to Oppose Federal Legislation That Would Roll Back Energy Efficiency Standards

The letter (see Attachment D), addressed to U.S. Senators Alex Padilla and Adam Schiff, opposes H.R. 4626 (the Home Appliance Protection and Affordability Act) and H.R. 4758 (the Homeowner Energy Freedom Act). Both bills were recently approved by the U.S. House of Representatives.

H.R. 4626 would give the Department of Energy (DOE) new authority to weaken or revoke existing appliance efficiency standards and create significant roadblocks to future updates, including through imposing arbitrary payback and energy savings thresholds that would block cost-effective standards. Crucially, it would also prohibit states from setting their own standards if a federal standard is eliminated, making it more difficult for California to fill the void.

H.R. 4758 would repeal rebates and training programs that help consumers adopt cost-saving technologies and help contractors deliver those savings. The bill specifically targets the High-Efficiency Electric Home Rebate (HEEHRA) Program and State-Based Home Energy

Efficiency Contractor Training Grants, which provided income-qualified California households with a total of $290 million to replace outdated gas-fired appliances with new, all-electric heat pump water heater and HVAC systems, and another $10.3 million to support residential energy contractor training. These are critical programs that support California families, including many CCA customers, by lowering upfront costs for energy-saving upgrades and reducing their monthly bills.

Local Member of Congress Introduces new Energy Bills Relief Act

The legislation, announced on March 18, is co-sponsored by 120 members of the House of Representatives and is being promoted by the House Sustainable Energy and Environment Coalition. Congress Member Mike Levin is Vice Chair of the Coalition and one of the lead legislative authors. The 419-page Energy Bills Relief Act contains the provisions from numerous bills previously introduced by various members of Congress. At a high level, the bill would restore clean energy tax credits that were repealed or reduced by H.R. 1, which was signed into law on July 1, 2025. Among many other things, it would also boost funding for low-income programs, reform project permitting, and make various changes to laws that govern the development of the electric grid. A schedule hasn't been announced to have the bill heard and voted on in a committee.

Senators Launch Inquiry into Data Center Development Plans

One of the most prominent energy-related policy discussions right now is on the development of data centers being built to support the deployment of artificial intelligence. The sudden construction of large data centers raises numerous policy questions, such as how to manage the sudden load growth without impacting other customers, how to power the new load, and how to timely interconnect data centers to the grid.

On March 13, U.S. Senators Sheldon Whitehouse (D-RI), Martin Heinrich (D-NM), and Chris Van Hollen (D-MD) opened an investigation into nine companies planning data center projects that will be powered by new natural gas plants. The Senators, highlighting concerns regarding the health and environmental impacts of these new natural gas plants, sent letters to Meta, OpenAI, xAI, Fermi America, American Intelligence & Power Corporation, Joule, Crusoe, Fundamental Data, and Pacifico Energy requesting information about how they chose their power generation sources and what emissions analysis was performed prior to that decision, which emphasizes congressional concerns over the environmental impacts of data center development. The projects led by the companies appear to be in states other than California. Several of these companies have signed onto the President's "Ratepayer Protection Pledge" – announced on March 4 – in which the companies promised to "build, bring, or buy" new generation to support their power needs. The companies have until March 27 to respond to the Senators' inquiries.

Fiscal Impact

N/A

Attachments

A: Protest of San Diego Community Power and Clean Energy Alliance to SDG&E Advice Letter 4791-E
B: AB 2313 (Berman) Support Letter
C: AB 2493 (Petrie-Norris) Support Letter
D: Joint CCA Letter Opposing H.R. 4626 and H.R. 4758

ITEM 6
ATTACHMENT A

KEYES&FOX LLP

March 23, 2026

Via E-Mail (EDTariffUnit@cpuc.ca.gov)

Energy Division, Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Subject: Protest of San Diego Community Power and Clean Energy Alliance to San Diego Gas & Electric Company Advice Letter 4791-E

Dear Energy Division Tariff Unit:

San Diego Community Power ("SDCP")[1] and Clean Energy Alliance ("CEA")[2] (together, the "SD CCAs") hereby protest San Diego Gas & Electric Company ("SDG&E") Advice Letter ("AL") 4791-E, *Implementation of 2024 General Rate Case Phase 2 and Track 2 Wildfire Mitigation Costs for Electric Rates Effective April 1, 2026*. Through AL 4791-E, SDG&E seeks Commission approval to implement several changes to rates, tariffs, and rate design adopted in its General Rate Case ("GRC") Phase 2 proceeding, as well as recovery of certain wildfire mitigation plan memorandum account costs addressed in Track 2 of its 2024 GRC Phase 1.[3]

While the SD CCAs do not oppose the establishment of a new Medium Commercial customer class as approved in Decision ("D.") 25-09-006,[4] SDG&E's proposed Power Charge Indifference Adjustment ("PCIA") rates reflecting this change contain material error. Specifically, in calculating updated PCIA rates, SDG&E failed to appropriately adjust sales volumes between

[1] SDCP is the Community Choice Aggregator ("CCA") for the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, National City, and San Diego, as well as the unincorporated areas of San Diego County.
[2] CEA is the CCA for the cities of Carlsbad, Del Mar, Solana Beach, Escondido, San Marcos, Oceanside, and Vista.
[3] San Diego Gas & Electric Company ("SDG&E") Advice Letter ("AL") 4791-E: *Implementation of 2024 General Rate Case Phase 2 and Track 2 Wildfire Mitigation Costs for Electric Rates Effective April 1, 2026* (March 2, 2026).
[4] Decision ("D.") 25-09-006, Attachment B, Section 3.2.4.1 (Sept. 22, 2025).

customer classes, despite adjusting revenues to reflect this new class structure. This inconsistency results in distorted PCIA rates, understating rates for the Small Commercial class and overstating rates for the Medium and Large Commercial classes.

Accordingly, the SD CCAs protest this Advice Letter pursuant to General Order ("GO") 96-B, Section 7.4.2(3). The SD CCAs respectfully request that Energy Division reject AL 4791-E and direct SDG&E to submit an amended Advice Letter proposing corrected PCIA rates that properly reflect the sales expected to move into the Medium Commercial class. The SD CCAs further request that in directing the filing of an amended Advice Letter, the Commission make clear that there will be a timeline of at least one month between that filing and the effective date of the rate changes proposed therein, commensurate with the timing contemplated in AL 4791-E.

I. BACKGROUND

In its most recent GRC Phase 2, SDG&E received Commission approval for the implementation of a new Medium Commercial customer class.[5] Previously, SDG&E had a Small Commercial customer class, encompassing customers with demand less that 20 kW, as well as a Medium/Large Commercial & Industrial ("C&I") customer class, which encompassed customers with demand over 20 kW.[6] The new Medium Commercial class will be available to customers with demand at or above 20 kW and less than 200 kW.[7] To implement this change, SDG&E recategorized several rate schedules as Medium Commercial for the purposes of revenue allocation and marginal cost studies, and bifurcated two existing Large C&I schedules into Medium Commercial and Large C&I versions.[8]

In AL 4791-E, SDG&E proposes updated rates, tariffs, and rate design reflective of this new class structure. These updated rates and tariffs include changes to PCIA rates as reflected in Attachment D, Schedule CCA-CRS: Community Choice Aggregation Cost Responsibility Surcharge.[9] The PCIA is a non-bypassable charge which both bundled and unbundled customers

5 *Id*. at Attachment B, Section 3.2.4.1
6 *See* SDG&E AL 4791-E at 3.
7 *Id*.
8 *Id*.
9 *See id*. at Attachment D, Schedule CCA-CRS.

are responsible for.[10] Whereas CCA customers pay CCA-specific generation charges, plus a PCIA rate, SDG&E currently embeds bundled PCIA rates in its bundled generation rates.[11] Accordingly, inaccuracies in proposed PCIA rates impact both bundled and unbundled customers.

II. PROTEST

A. SDG&E's PCIA Rate Calculations Reflect a Mismatch in the Alignment of Revenues and Sales Volumes Associated with its Commercial Classes.

In separating out its new Medium Commercial class, SDG&E notes that it did not develop Medium Commercial-specific PCIA rates, and instead proposes to use existing Medium/Large C&I rates for this purpose until SDG&E has standalone PCIA rate filings, at which point SDG&E plans to develop Medium Commercial PCIA rates.[12] The SD CCAs do not object to this approach as an interim methodology.

Although SDG&E does not propose a Medium Commercial class-specific PCIA rate, SDG&E's existing PCIA rates are necessarily impacted by its updated revenue allocations associated with the new Medium Commercial class. At a high level, where revenues are reallocated among customer classes, the associated sales volumes must also be updated to maintain consistency and ensure that the resulting rates appropriately reflect cost responsibility. In evaluating the workpapers underlying SDG&E's updated PCIA rates, the SD CCAs discovered that SDG&E adjusted revenue allocations to reflect the new Medium Commercial class, but did not update the underlying sales volumes.

As a result of this error, SDG&E's proposed PCIA rates are distorted among customer classes. Specifically, SDG&E's proposed PCIA rates decreased for Small Commercial customers and increased for Medium and Large Commercial customers, materially departing from the PCIA rates previously approved and effective as of January 1, 2026.[13] To illustrate this error, the SD CCAs calculated an impact based on a best estimate of corrected sales volumes attributable to the Medium Commercial class. Correcting the sales volumes underlying SDG&E's proposed PCIA

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10 *See* D.25-09-006 at 64.
11 *Id*. at 65.
12 SDG&E AL 4791-E at Footnote 7.
13 *See, e.g.*, SDG&E AL 4757-E, Attachment H, Schedule CCA-CRS (Dec. 31, 2025).

rates increased the Small Commercial PCIA rates by approximately $0.01359 and decreased the Medium/Large C&I PCIA rates by as much as $0.00579. After this correction, the PCIA rates proposed in AL 4791-E align more closely with the PCIA rates effective January 1, 2026.

The SD CCAs do not have the detailed data necessary to conduct a similar analysis of SDG&E's proposed Commodity and Delivery rates. However, a high-level review of Attachment A indicates that SDG&E *did* adjust sales volumes when calculating the Commodity and Delivery Rates.

B. Accurate PCIA Rates are Critical to Ensure Just and Reasonable Rates, and to Mitigate Unreasonable Impacts on CCA Operations.

Because PCIA rates are incorporated into CCA customers' total bills and inform CCA ratesetting, even small distortions in PCIA rates can translate into meaningful customer bill impacts and impair CCAs' ability to set accurate and reasonably stable rates. As described above, PCIA rates are non-bypassable for both bundled and unbundled customers. To the extent PCIA rates are erroneously calculated and fail to reflect cost responsibility, both bundled and unbundled customers will be subject to unjust and unreasonable bill impacts. In the instant case and absent correction, both bundled and unbundled Medium/Large C&I customers would be responsible for an unreasonable portion of PCIA cost responsibility and subject to an unexpected PCIA rate increase outside of the typical ERRA cycle.

Beyond customer bill impacts more broadly, inaccuracies in PCIA rate calculations impact CCAs' ability to set their own generation rates in a manner reflecting underlying cost structures. For example, the SD CCAs rely on SDG&E's rate calculations as inputs to their own rate models and analyses and are thereby constrained in developing updated and accurate rates for their customers when these inputs contain inaccuracies. Moreover, the SD CCAs adjust rates in a cadence aligned with material updates to SDG&E's PCIA rates, meaning that the SD CCAs will be delayed in their ability to update customer rates pending resolution of this error. Accordingly, it is imperative that the Commission act quickly to reject AL 4791-E and provide SDG&E with direction to correct its PCIA rate calculations.

C. In Ordering this Correction, the Commission Should Make Clear the Timeline Between Refiling and Rate Implementation.

SDG&E submitted AL 4791-E on March 2, 2026, with a proposed effective date of April 1, 2026.[14] This approximately one-month window between filing and implementation of the proposed rate updates is critical to the SD CCAs' ability to review and analyze both the accuracy of those proposed rates and to incorporate changes into potential CCA rate adjustments. The SD CCAs therefore respectfully request that in directing SDG&E to re-submit an amended Advice Letter, the Commission clarify that there will be at least a one-month period between that filing and the effective date of the rate changes described therein, commensurate with the timing contemplated in the instant Advice Letter.

III. CONCLUSION

For the reasons set forth above, the SD CCAs request that Energy Division reject Advice Letter 4791-E, instruct SDG&E to file an amended Advice Letter containing corrected PCIA rates that reflect the sales expected to move into the Medium Commercial class, and make clear that there will be a timeline of at least one month between that filing and the effective date of the rate changes proposed therein.

Respectfully submitted,

March 23, 2026

/s/ Alissa Greenwald
Alissa Greenwald
Tim Lindl
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (913) 302-5567
E-mail: agreenwald@keyesfox.com
tlindl@keyesfox.com

On behalf of San Diego Community Power and Clean Energy Alliance

cc: Ganderson@sdge.com
SDGETariffs@sdge.com
Service Lists: A.22-05-015 et al., A.23-01-008

[14] *See* SDG&E AL 4791-E at 1.

ITEM 6
ATTACHMENT B

SAN DIEGO COMMUNITY POWER

PO Box 12716
San Diego, CA 92112
SDCommunityPower.org

March 16, 2026

The Honorable Cottie Petrie Norris
Assembly Committee on Utilities & Energy
1020 N Street, Room 408A
Sacramento, CA 95814

Subject: AB 2313 (Berman) Gas corporations: gas distribution service line replacements: alternatives– **SUPPORT**

Dear Assemblymember Petrie Norris,

On behalf of San Diego Community Power (SDCP), I write in support of AB 2313 (Berman). SDCP is a not-for-profit public agency that offers competitive, renewable, and community-focused electricity service to more than 965,000 customers across the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa, National City, as well as the unincorporated areas in the County of San Diego. The agency's mission is to deliver affordable, 100% renewable energy by 2035 or earlier and invest in the community to ensure an equitable and sustainable future for San Diego.

AB 2313 (Berman) would fill a gap in the current SB 1221 (Chapter 602, Statutes of 2024) implementation process underway at the CPUC. SB 1221, a forward-looking law focused on transitioning away from household use of natural gas, allows a gas corporation to cease providing natural gas service in an area if the CPUC determines that adequate substitute energy service is available. The CPUC hasn't determined how to fund the gas alternatives – such as replacement of gas appliances with electric ones – in selected priority neighborhood decarbonization pilot zones. AB 2313 (Berman) fills this gap by creating a Gas Distribution Service Line Replacement Alternatives Program to offer monetary incentives to adopt alternatives that do not require connection to the gas system, such as switching to electric appliances. Funding would come from costs approved for gas line replacement, with cost recovery over 10 years.

The legislation provides a prudent safeguard measure in the event the CPUC takes a long time to determine how to fund alternatives in pilot neighborhood decarbonization zones that will be converted from gas to electric service. It aligns with SDCP's mission and support for policies that enable building electrification, equity, and acceleration of deep decarbonization.

Thank you for considering our position. Please contact me or our representative, Amy Costa (amy@fullmoonstrategies.com), with any questions.

Sincerely,

Patrick Welch

Patrick Welch
Associate Director of Legislative Affairs

Cc: The Honorable Marc Berman, 23rd Assembly District

PWelch@SDCommunityPower.org
619-208-2897

ITEM 6
ATTACHMENT C

SAN DIEGO COMMUNITY POWER

PO Box 12716
San Diego, CA 92112
SDCommunityPower.org

March 19, 2026

The Honorable Cottie Petrie Norris
Assembly Committee on Utilities & Energy
1020 N Street, Room 408A
Sacramento, CA 95814

Subject: AB 2493 (Petrie-Norris) Electrical corporations: interconnection: transmission: auditor – **SUPPORT**

Dear Assembly Member Petrie Norris,

On behalf of San Diego Community Power (SDCP), I write in support of AB 2493 (Petrie-Norris). SDCP is a not-for-profit public agency that offers competitive, renewable, and community-focused electricity service to more than 965,000 customers across the cities of San Diego, Chula Vista, Encinitas, Imperial Beach, La Mesa, National City, as well as the unincorporated areas in the County of San Diego. The agency's mission is to deliver affordable, 100% renewable energy by 2035 or earlier and invest in the community to ensure an equitable and sustainable future for San Diego. SDCP has contracted for 3.4 gigawatts (GWs) of renewable and storage capacity from local and geographically diverse solar, wind, and battery storage projects. We expect over 1.5 GWs of these resources to come online this year, marking a significant achievement for SDCP since first serving customers in 2021.

Transmission capacity is essential to meet both our Board established 100% renewable goal and the state's standards. Our market experience suggests that completion of transmission network upgrades – projects that generally increase the capacity of existing transmission facilities – are a significant barrier to both the deliverability of projects and timely commercial operation of generating and energy storage projects. Likewise, the timely completion of new transmission facilities approved in the California Independent System Operator (CAISO) transmission planning process (TPP) is also vital to accessing new, diverse generating and energy storage projects. The most recent statistics from the Public Advocates Office Transmission Data Dashboard demonstrate the problem. Fifty-nine percent of transmission projects approved since 2012 are still being built. Nearly half of all transmission projects approved in the TPP since 2000 have seen delays beyond their original in service date. The average delay is just over two years, with the longest delay reaching 15 years.

Delays in transmission projects can result in new costs to ratepayers in the form of increased project costs and payments for expensive bridge capacity contracts to replace the capacity that was expected to come online by a specific date. Empowering the California Public Utilities Commission (CPUC) to order remedial actions for priority transmission projects is an important step to fix the problem. AB 2493 (Petrie-Norris) will help ensure timely project delivery, guard against unnecessary ratepayer costs and will help optimize California's resource market by ensuring there is sufficient transmission capacity in a timely manner.

To ensure the bill appropriately aligns with the scope of the problem, we respectfully offer two suggestions for consideration:

1. The audit process should be appropriately staffed so it does not become a new administrative roadblock itself, especially given the relatively low 100-megawatt threshold definition for priority projects. Adequate staffing will ensure audits are efficient and do not inadvertently delay critical projects, allowing the intended benefits of the bill to be realized without creating additional obstacles.

2. It may be prudent to authorize the CPUC to order remedial actions regardless of an audit under certain conditions, with specific focus given to generators procuring equipment or self-building on behalf of the electrical corporation using consistent labor and safety standards, as there is market willingness to engage in these activities. This flexibility could enable the CPUC to respond quickly to market opportunities and address urgent needs, ensuring that projects are not stalled when stakeholders are prepared and capable of advancing them responsibly.

Thank you for your leadership on this important issue. Please contact me or our representative, Amy Costa (amy@fullmoonstrategies.com), with any questions.

Sincerely,

Patrick Welch

Patrick Welch
Associate Director of Legislative Affairs

ITEM 6
ATTACHMENT D

March 25, 2026

The Honorable Alex Padilla
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Adam Schiff
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

Dear Senator Padilla and Senator Schiff,

We, the undersigned California Community Choice Aggregators (CCAs), write to express our strong opposition to the Home Appliance Protection and Affordability Act (H.R. 4626) and the Homeowner Energy Freedom Act (H.R. 4758) — two bills that would undermine critical federal policies that reduce energy waste and save money for American families.

Formed and led by local governments in more than 200 towns, cities, and counties throughout the state, California's 25 CCAs collectively serve over 14 million residents and businesses with electric service options that support local energy priorities. Our organizations support lowering energy costs and creating good jobs, including through programs that incentivize building electrification and energy efficiency upgrades.

At a time of rising electricity demand and affordability concerns, improving the energy efficiency of our homes, businesses, and communities is one of the most effective ways to combat rising energy costs and reduce strain on our electric grid. Without national efficiency standards for appliances, the average California household would have paid $8,000 more on utility bills over the last decade, and electricity consumption in the state would have been 19% higher in 2025.[1] For these reasons, we respectfully urge you to reject H.R. 4626 and H.R. 4758, each of which would raise energy bills, increase grid strain, and jeopardize bipartisan consumer protections.

Home Appliance Protection and Affordability Act (H.R. 4626)

H.R. 4626 would give the Department of Energy (DOE) new authority to weaken or revoke existing appliance efficiency standards and create significant roadblocks to future updates, including through imposing arbitrary payback and energy savings thresholds that would block cost-effective standards. Crucially, it would also prohibit states from setting their own standards if a federal standard is eliminated, making it more difficult for California to fill the void.

1 – Appliance Standards Awareness Project (ASAP) Analysis: "Appliance Efficiency Standards Lower Utility Bills and Cut Electricity Demand in Every State" (January 2026)

Existing law already requires that DOE set standards that are "technologically feasible and economically justified" and ensure that consumers continue to have access to product features they value. Instead of safeguarding affordability and consumer choice, H.R. 4626 would impose unnecessary additional restrictions on adopting proven standards that are already designed to consider those exact concerns. Further, energy efficiency, alongside load flexibility, will remain a critical tool to promote ratepayer affordability and offset emerging load growth from data centers. For more on this, we recommend reviewing the American Council for an Energy Efficient Economy (ACEEE) February report titled "Faster and Cheaper: Demand-Side Solutions for Rapid Load Growth."

Homeowner Energy Freedom Act (H.R. 4758)

H.R. 4758 would repeal rebates and training programs that help consumers adopt cost-saving technologies and help contractors deliver those savings. The bill specifically targets the High-Efficiency Electric Home Rebate (HEEHRA) Program and State-Based Home Energy Efficiency Contractor Training Grants, which provided income-qualified California households a total of $290 million to replace outdated gas-fired appliances with new, all-electric heat pump water heater and HVAC systems, and another $10.3 million to support residential energy contractor training. These are critical programs that support California families, including many CCA customers, by lowering upfront costs for energy-saving upgrades and reducing their monthly bills.

At a time when electricity demand is rising and Californians are feeling the crunch of high energy prices, we urge you to oppose legislation that would drive up costs, increase grid strain, and undermine bipartisan consumer protections. Thank you for leadership and we look forward to continuing to work together to strengthen community choice and expand energy savings for all our customers. Please reach out to Dominic Faria at dfaria@avaenergy.org with any questions or to discuss further.

Sincerely,

Patrick Welch

Patrick Welch
Associate Director of Legislative Affairs
San Diego Community Power

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

Sam Sadle
Principal Legislative Manager
Ava Community Energy

Mike Mielke
Legislative Policy + Government Affairs
Peninsula Clean Energy

Scott Green

Scott Green
Senior Government Affairs Manager
San Jose Clean Energy

Faith Carlson

Faith Carlson
Regulatory and Legislative Policy Manager
Redwood Coast Energy Authority

Stephanie Chen
Vice President of Legislative Affairs
MCE

CC: Senator Mike Lee, Chairman, Senate Committee on Energy & Natural Resources

Senator Martin Heinrich, Ranking Member, Senate Committee on Energy & Natural Resources

SAN DIEGO COMMUNITY POWER
Staff Report – Item 7

To:	Community Advisory Committee
From:	Tim Manglicmot, Director of Finance Jeb Spengler, Senior Strategic Finance Manager/Interim Treasurer
Via:	Karin Burns, Chief Executive Officer
Subject:	Finance Department Updates
Date:	April 9, 2026

Recommendation

Receive and file the Finance Department Updates.

Background

This report provides the Community Advisory Committee with a consolidated update on five key finance area updates: (1) the status of San Diego Community Power's recent clean energy prepay bond transaction activities, (2) the organization's public credit rating, (3) current reserve levels as reflected in the most recent Treasurer's Report, (4) the recently adopted Rate Stabilization Reserve (RSR) policy, and (5) the FY2027 Budgetary Process. Together, these items reflect continued advancement of Community Power's long-term financial resilience and rate stability objectives.

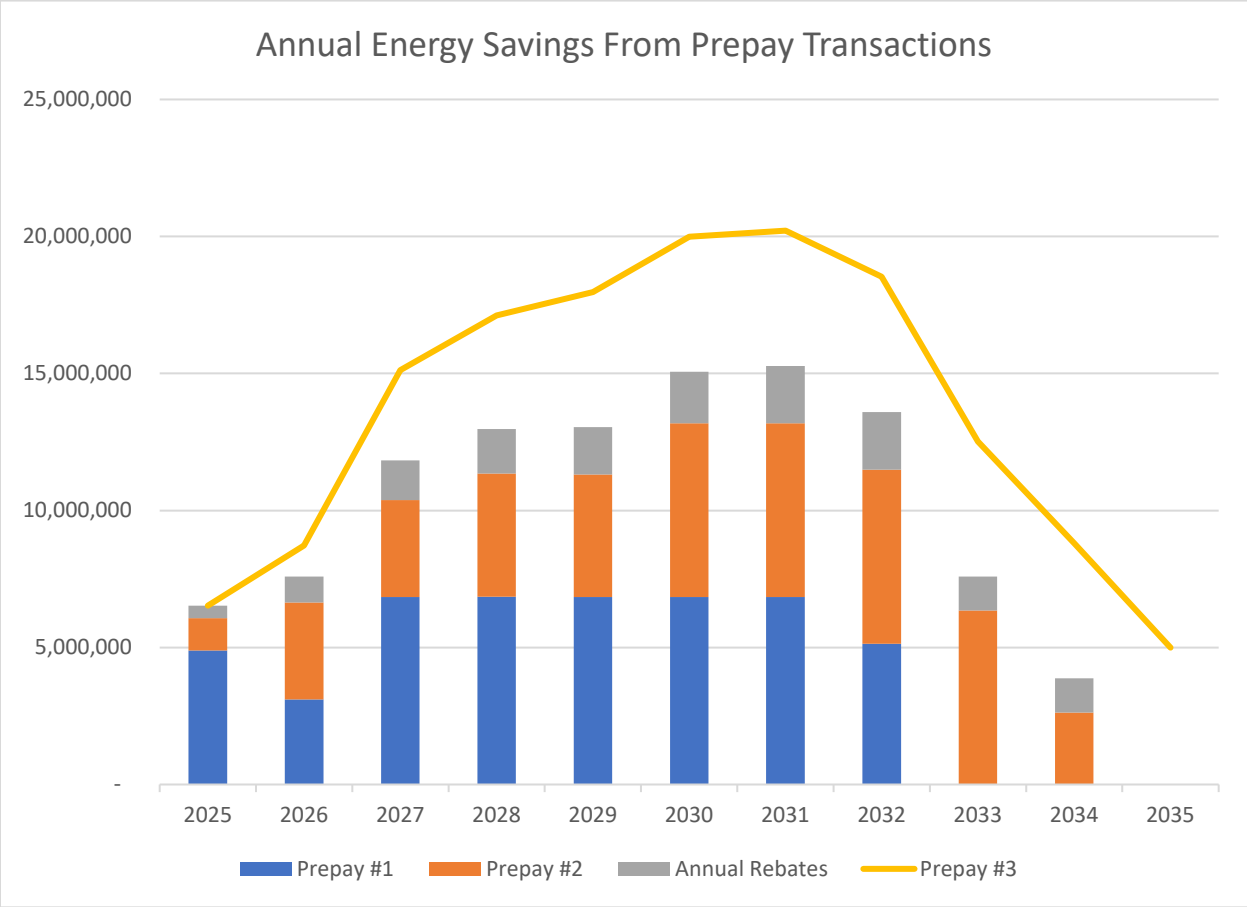
Analysis and Discussion

1. Clean Energy Prepay Bond Transaction No. 3 Update

Community Power continues to utilize clean energy prepay bond transactions as a strategic financing tool to reduce long-term energy procurement costs and support rate stability. Prepay transactions are issued through the California Community Choice Financing Authority (CCCFA), with Community Power participating as an energy offtaker rather than as a debt obligor. Under this structure, bond debt is nonrecourse to Community Power, and repayment is supported by long-term energy delivery contracts rather than Community Power's balance sheet.

In March 2026, Community Power executed its third clean energy prepay bond transaction through CCCFA—a $687 million tax-exempt bond issuance. The transaction provides energy deliveries starting September 1, 2026, with an initial pricing period of approximately ten years. Over that period, it is expected to generate average annual savings of about $4.3 million, totaling roughly $43 million. These savings result from an $8.54 per MWh discount to market pricing and may be used to support customer rate stability and/or reserve maintenance, consistent with Board-approved financial policies.

Projected savings from prepay transactions inclusive of the recently closed transaction are shown in the graph below:



2. Public Credit Rating Update

Community Power successfully obtained a public investment grade credit rating from S&P Global ("S&P"). S&P assigned an "A" rating with a stable outlook, reflecting the agency's growing operational scale, financial governance framework, and liquidity profile. Public ratings

are an important component of Community Power's broader financial strategy, supporting market credibility, transparency, and future financing flexibility. The rating agency analysis emphasized Community Power's reserve policies, rate setting discipline, power supply risk management, and conservative approach to long-term obligations. These factors collectively contribute to stronger external confidence, improved access to financing structures, and more favorable negotiation terms for procurement activities.

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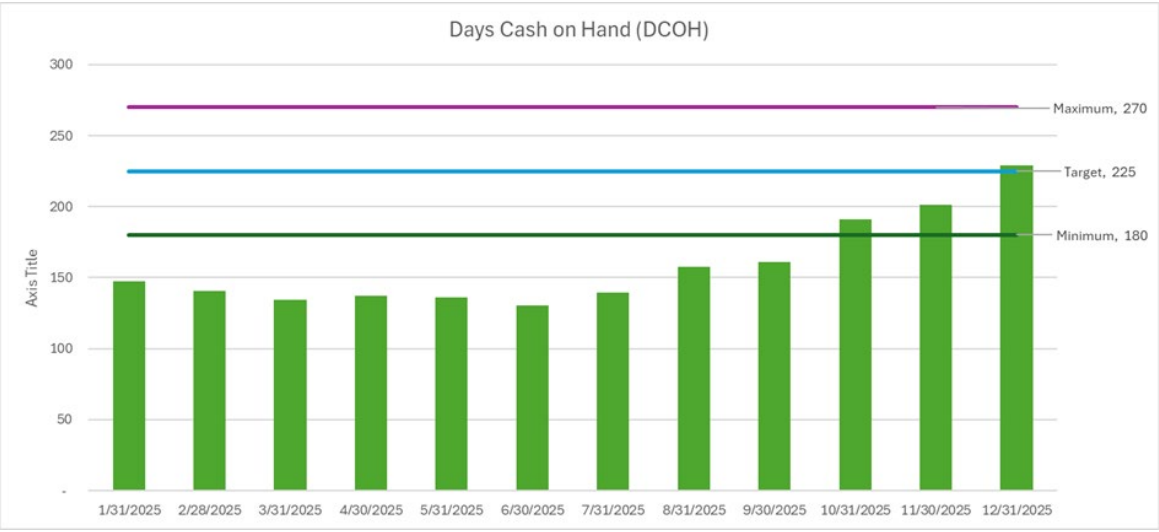
3. Financial Reserves Update

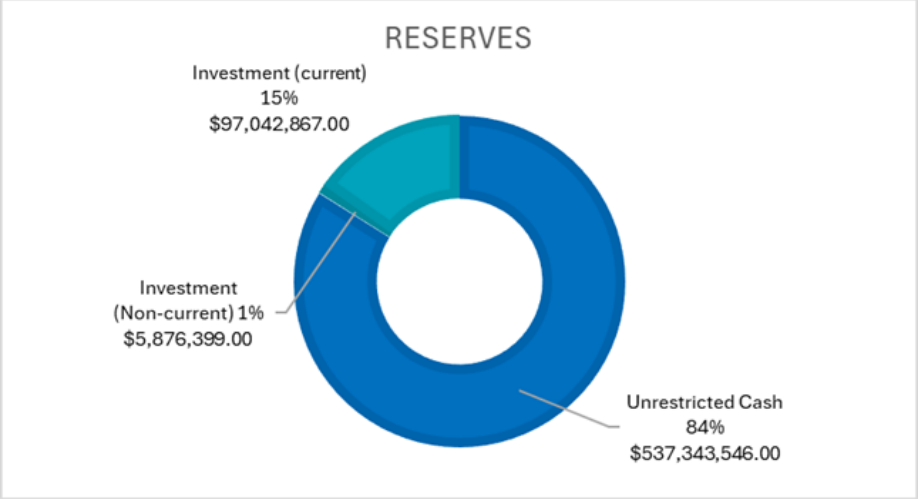
Under Resolution 2025-23 approved by the Board on December 11, 2025, Community Power's revised Financial Reserves Policy established the following reserve thresholds:

- A **Minimum Reserve Balance** of 180 days cash on hand
- A **Target Reserve Balance** of 225 days cash on hand
- A **Maximum Reserve Balance** of 270 days cash on hand

For Fiscal Year 2025-26, the Target Reserve Balance equates to approximately $623 million, based on projected operating expenses. Reserves in excess of the target, up to the maximum threshold, may be designated for specific strategic purposes, including rate stabilization. Funds designated for rate stabilization remain included in total reserves for liquidity and credit evaluation purposes.

Community Power reserves at the end of December 31, 2025, totaled $640.3 million-, or 229-days cash on hand, including $537.3 million in unrestricted cash and $102.9 million in investment holdings. Presented below are charts showing Community Power's rolling 12-month financial reserves relative to Reserve Policy thresholds, along with the composition of reserves between unrestricted cash and investments.





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4. Rate Stabilization Reserve (RSR) Policy

On March 26, 2026, the Board adopted the Rate Stabilization Reserve (RSR) Policy. The policy establishes a structured mechanism to help smooth year-over-year rate changes by setting aside resources in strong financial years for use in weaker years, consistent with applicable accounting guidance. In practice, the RSR supports customer affordability and rate stability goals while helping preserve key financial metrics—such as days cash on hand, liquidity, and compliance with financial covenants—that are important to overall fiscal resilience and external credit assessment.

Ensuring rate stability has been a priority for Community Power since inception and is codified in the agency's Board-approved Rate Development Policy. The analysis for rates, reserves, and related financial metrics in 2026 and beyond indicates that Community Power should establish and maintain an RSR for use towards rate stability. Affordability and rate stability are major issues for Community Power's customers, and the funding of an RSR can help mitigate these issues in the long term by smoothing out rate changes. Several other Community Choice Aggregators (CCAs) have established and funded RSRs over the past decade, with many utilizing funds in their RSRs to mitigate their potential year-over-year rate increases in 2026.

Target RSR Balance

Consistent with the Financial Reserves Policy, an amount up to and including 45 days cash on hand is allotted as eligible for recognition from the total Reserves Balance, for the Target RSR Balance, which corresponds to approximately $125 million per analysis from the most recent revision to the Financial Reserves Policy. This amount would cover approximately 30% of the full risk of the Market Price Benchmark (MPB) volatility corresponds to roughly 10% of

Operating Revenues or 12% of Operating Expenses, per Community Power's FY 26 adopted budget. These coverages track with general trends of RSR coverage at other CCAs.

Rate-Setting

On January 15, 2026, the Board approved Community Power's 2026 rates, which included the largest discount ever for customers on the default PowerOn and more affordable PowerBase service options, at 4% and 10%, respectively. Staff noted that this approach would help maintain reserves and set Community Power on its path towards achieving total Reserves between 225- to 270-days cash on hand and establishing an RSR.

Staff will make a determination before the end of FY2026 if there are sufficient reserves above the target reserve balance to designate funds as Rate Stabilization Reserves. If there are funds that are designated as Rate Stabilization Reserves, staff will determine the potential for recognizing those reserves during the next rate setting cycle.

5. FY2027 Budgetary Process

The FY2027 budget process is designed to be disciplined, transparent, and closely aligned with San Diego Community Power's strategic priorities, emphasizing customer affordability, fiscal responsibility, and organizational sustainability. The process begins with Finance establishing the overall timeline and budget principles, followed by department-level development of operating and capital requests using standardized budget forms that require clear methodologies, justifications, and alignment with the Board-approved Strategic Plan. Departments submit proposals to Finance for consolidation and review, after which the Executive Team conducts a structured evaluation and provides direction and adjustments. The resulting preliminary budget will be presented to the Finance and Risk Management Committee for review on June 18, 2026, followed by final consideration by the Board of Directors on June 25, 2026. Upon Board approval, the FY2027 Operating Budget, Capital Budget, and multi-year Capital Investment Plan are finalized and published to guide the organization's financial operations for the fiscal year beginning July 1.

Fiscal Impact

N/A

Attachments

A. S&P Credit Analysis
B. Financial Reserves Policy
C. Rate Stabilization Reserve Policy

ITEM 7
ATTACHMENT A

San Diego Community Power, CA Assigned 'A' Issuer Credit Rating; Outlook Stable

March 9, 2026

- S&P Global Ratings assigned its 'A' issuer credit rating (ICR) to San Diego Community Power (SDCP), Calif.
- The outlook is stable.

ENGLEWOOD (S&P Global Ratings) March 9, 2026--S&P Global Ratings today took the rating actions listed above.

We believe SDCP's climate transition risk exposure is low, based on its predominantly carbon-free resource portfolio. In calendar 2024, the fuel mix of the CCA's standard offering was 53% eligible renewables (34% solar, 12% wind, and 7% biomass and biowaste), 2% large hydroelectric, and 45% unspecified. SDCP plans for its fuel mix to be 100% from renewable resources by 2035. In our view, SDCP has limited direct exposure to wildfires through California's strict liability standard and inverse condemnation given the absence of ownership of transmission and distribution assets. However, if the infrastructure of the incumbent IOU that provides transmission and distribution service to the CCA is implicated in contributing to a wildfire, we anticipate that liability costs will be socialized across the IOU's and the CCA's customers, which could impair ratemaking flexibility.

We believe SDCP has exposure to social capital factors. The CCA's weighted-average rate of about 150% of the state average is elevated, reducing rate-raising flexibility, particularly given the CCA's elevated percentage of delinquent accounts. Because of the high unpredictability of federal policy--along with the economy's stressors and the associated financial pressures consumers are facing--we are monitoring the strength and stability of utilities' revenue streams for evidence of delinquent payments or other revenue erosion (see: "Economic Outlook U.S. Q1 2026: Steady As She Goes But On A Narrow Path," Nov. 24, 2025).

We view SDCP's governance structure and risk management as credit-supportive, given the CCA has robust JPA member agreements, full rate-setting autonomy, comprehensive policies and planning, and a sophisticated management team. SDCP has an energy risk management policy, which includes scenario and stress testing, and conservative power supply planning practices, being largely hedged for its forecast load for the next several months. In the next few years, most of SDCP's power supply will be sourced from long-term, fixed-price power supply contracts.

The stable outlook reflects our expectation that SDCP's rates will remain competitive with the incumbent IOU, which will enable the CCA to sustain its large customer base. We also believe that SDCP's significant available reserves will remain healthy, providing flexibility to meet financial obligations.

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We could lower the rating if SDCP's power supply costs increase, potentially either pressuring the CCA's rate competitiveness and/or reducing unrestricted reserves, depending on management's actions. In case of material customer defection away from the CCA, SDCP could be forced to sell surplus contracted power to the market. In the event market prices decrease to a level significantly below that of the CCA's portfolio, SDCP could face significant financial pressure, which may lead us to lower the rating. In addition, if the CCA's FCC is near 1x on a sustained basis, there would be pressure on the rating. We could also lower the rating if delinquent accounts impair cash flow and liquidity.

We do not expect to raise the rating in the next two years given the inherent risks posed by the direct competition for SDCP's entire retail customer base and the elevated delinquencies at the CCA. However, if the CCA's operations result in significant competitive advantages relative to the incumbent IOU over the next several years, while SDCP's FCC materially exceeds forecasts on a sustained basis, we could raise the rating.

ITEM 7
ATTACHMENT B

RESOLUTION NO. 2025-23

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A REVISED FINANCIAL RESERVES POLICY.

WHEREAS, San Diego Community Power (Community Power) is a joint powers authority 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 on December 16, 2021, ("JPA Agreement"); and

WHEREAS, on June 24, 2021, the Board of Directors (the "Board") approved a Financial Reserves Policy to provide a policy framework for accumulating and maintaining reserves as part of Community Power's annual budget and rate setting processes, and was subsequently amended on February 22, 2022 and on June 27, 2024 to provide for and then to increase the financial reserve goal, and most recently amended on October 23, 2025 to make certain definitional changes; and

WHEREAS, the Board finds it necessary and prudent to continue to ensure long-term financial stability of Community Power by maintaining adequate financial reserves; and

WHEREAS, this fourth revision to the Financial Reserves Policy establishes specific threshold levels for reserve accumulation and introduces a risk-based analysis framework to ensure that reserve targets are aligned with the financial risks and operational needs of Community Power, thereby strengthening the organization's ability to proactively respond to volatile energy markets and to maintain long-term financial stability.

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

Section 1. The Board of Directors hereby approves and adopts a fourth revision to the Reserves Policy, 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, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of San Diego Community Power held on December 11, 2025, by the following vote:

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

Terra Lawson-Remer, Chair
Board of Directors
San Diego Community Power

ATTEST:

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

APPROVED AS TO FORM:

Veera Tyagi, General Counsel
San Diego Community Power

SAN DIEGO COMMUNITY POWER

BOARD POLICY

POLICY	FINANCIAL RESERVES	ORIGINAL ADOPTION DATE:	JUNE 24, 2021
APPROVAL DATE	DECEMBER 11, 2025	RESOLUTION NO.	2025-23

PURPOSE AND SCOPE

San Diego Community Power ("Community Power" or "agency") will maintain Financial Reserves (Reserves) as described in this policy.

DEFINITIONS

- **Days cash on hand:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes x 365 / (budgeted operating expenses for the current fiscal year)

- **Reserves:** Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any Reserves that are designated by the Board of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.

- **Reserve Event:** An occurrence that necessitates the use of Reserves to preserve Community Power's financial stability or to address risk factors. Reserve Events may include, but are not limited to:

    - Volatility in energy costs, market price benchmarks, and energy sales (load)
    - An increase in uncollectable customer accounts due to an unforeseen event
    - Need to stabilize customer rates
    - Ensuring sufficient working capital, including funding for strategic capital projects
    - Covering unanticipated expenditures

- **Rate Stabilization Reserves**: A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations. It is intended to reduce rate shocks while maintaining compliance with financial covenants.

POLICY

A. Reserves Balance Thresholds

Community Power's Reserves policy establishes three key thresholds:

Minimum Reserve Balance: Community Power will strive to ensure a minimum reserve balance sufficient to cover at least 180 days cash on hand. This minimum level provides the agency with the ability to meet essential obligations and maintain financial stability.

Target Reserve Balance: Community Power will strive to maintain a target reserve balance sufficient to cover at least 225 days cash on hand. The Target Reserve Balance provides sufficient reserves for typical fluctuations in market volatility. This target level ensures the agency's ability to absorb unexpected cost increases or revenue shortfalls without immediate negative impacts on operations, credit rating, or customer rates.

Maximum Reserve Balance: Community Power will strive to build reserves sufficient to cover no more than 270 days cash on hand, unless specifically authorized by the Board. The Maximum Reserve Balance provides sufficient reserves for significant fluctuations in market volatility or unforeseen circumstances.

B. Purpose and Intent of Reserves Balance Thresholds:

The Board shall determine the contribution to Reserves at least annually, with the goal of maintaining balances between the Target Reserve Balance and Maximum Reserve Balance. However, to the extent fiscal year end reserves fall between the Minimum and Maximum Reserve Balances, no immediate Board action is required.

If Reserves are below the Minimum Reserve Balance:
The Board should ensure that Reserves do not drop below the Minimum Reserve Balance unless determined by the Board to be necessary to address a Reserve Event. The Minimum Reserves Balance is essential to maintain operational requirements and credit worthiness by providing reserves sufficient to meet basic threats of risk.

Should Community Power's Reserves fall below the Minimum Reserve Balance, a plan to restore Reserves to the Minimum Reserve Balance shall be included in subsequent budget and rate discussions to return to the Minimum Reserve Balance as soon as practicable.

If Reserves are above the Maximum Reserve Balance:
If Fiscal Year End Reserves are above the Maximum Reserve Balance, the Board may evaluate opportunities for strategic investments, programmatic reserves, or other purposes as authorized by the Board.

C. Permissible Use of Reserves:

- The Board may authorize the use of Reserves for any Reserve Event.

- The Board may authorize the use of Reserves between the Target Reserve Balance and Maximum Reserve Balance to be designated as Rate Stabilization Reserves. Rate Stabilization Reserves allows Community Power to defer revenues in years of strong financial results for use in future years when financial results are weaker or stressed. This strategy would enable Community Power to address spikes in energy costs or other variable costs through the use of the Rate Stabilization Reserves and mitigating or avoiding substantial rate increases for customers.

D. Conditions for Use of Reserves

- Temporary reductions in Reserves for cash flow purposes to even out the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected during the fiscal year, and do not constitute a use of reserves. Transfers to and from Reserves to account for such temporary cash flow fluctuations is within the discretion of the Chief Financial Officer.

- The Chief Executive Officer ("CEO") will have the discretion to authorize the use of reserves during the fiscal year up to the lesser of 10% of the year's total budgeted costs, or $100 million, for the following purposes:
  1. Cover increases in power supply expenses due to spikes in costs and/or due to higher customer demand;
  2. Meet any margin or collateral posting requirements under energy supply contracts; and
  3. Provide resources to meet emergency expenditures.

- Any use of the reserves under the CEO's authority shall be reported to the Board at the next regularly scheduled meeting.

- Any further use of reserves as necessary or desirable, must be recommended by the CEO to the Board for approval of such use.

E. Reserve Review and Reporting

Reserves and annual contributions will be reviewed on an annual basis as part of Community Power's budget process. Reserves will also be reviewed at the completion of Community Power's annual audit to reconcile the Reserve balance. The results will be reported to the Board as part of the year-end financial report presentation.

F. **Excess Reserve Distribution**

If Fiscal Year End reserves exceed the Maximum Reserve Balance, the Board may authorize excess reserve distributions at their discretion, including for the following purposes:

- **Strategic Uses**: Use excess funds for capital projects, financing programs, paying down existing debt, rate reductions, or other strategic purposes.

- **Programmatic Reserve**: Use excess funds to establish a contingency for programs and projects. Specifically, this Reserve could fund unforeseen and unexpected needs such as cost overruns, local leveraging or matching for external funds, or other programmatic needs as required.

G. **Policy Review**

Community Power staff will complete a periodic review of this Financial Reserve Policy.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
06/24/21	ADOPTION	N/A	2020-04
02/24/2022	FIRST REVISION	N/A	F21_001
06/27/2024	SECOND REVISION	N/A	F21_001
10/23/2025	THIRD REVISION	2025-20	F21_001

RELATED POLICIES

Investment Policy – Resolution No. 2025-08

ITEM 7
ATTACHMENT C

RESOLUTION NO. 2026-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN DIEGO COMMUNITY POWER, ADOPTING A RATE STABILIZATION RESERVE POLICY.

WHEREAS, San Diego Community Power (Community Power) is a joint powers authority 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 on December 16, 2021, ("JPA Agreement"); and

WHEREAS, on June 24, 2021, the Board of Directors (the "Board") approved a Financial Reserves Policy to provide a policy framework for accumulating and maintaining reserves as part of Community Power's annual budget and rate setting processes, and was subsequently amended on February 22, 2022, and on June 27, 2024, to provide for and then to increase the financial reserve goal, and most recently amended on October 23, 2025, to make certain definitional changes, and further revised on December 11, 2025, to establish specific threshold levels for reserve accumulation and introduces a risk-based analysis framework to ensure that reserve targets are aligned with the financial risks and to introduce the concept of certain Reserves to be designated as Rate Stabilization Reserves; and

WHEREAS, Community Power operates in wholesale energy markets subject to volatility, including but not limited to power and capacity price fluctuations, weather-driven load variability, regulatory and tariff changes, counterparty and credit requirements, and other events that may impact Community Power's costs and revenues; and

WHEREAS, establishing a designated Rate Stabilization Reserve is intended to provide a transparent, Board-adopted framework to (i) mitigate the rate and budget impacts of short-term market and operational variability, (ii) support maintenance of adequate liquidity and financial covenants, and (iii) preserve Community Power's ability to deliver stable and predictable generation rate outcomes for customers over time; and

WHEREAS, the Board desires to formalize a policy that defines the purpose, target level funding approach, permitted uses, approval requirements, and reporting expectations for a Rate Stabilization Reserve consistent with prudent public power and community choice aggregation financial practices.

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

Section 1. The Board of Directors hereby approves and adopts a Rate Stabilization Reserve Policy, 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, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of San Diego Community Power held on March 26, 2026, by the following vote:

AYES: **VICE CHAIR YAMANE, DIRECTORS INZUNZA, SAN ANTONIO AND SUZUKI AND ALTERNATE DIRECTOR LACAVA**
NOES:
ABSTAIN:
ABSENT: **CHAIR LAWSON-REMER AND DIRECTOR FISHER**

Ditas Yamane
Ditas Yamane (Mar 28, 2026 00:08:40 PDT)

Ditas Yamane, Vice Chair
San Diego Community Power

APPROVED AS TO FORM:

ATTEST:

Maricela Hernandez

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

Veera Tyagi

Veera Tyagi, General Counsel
San Diego Community Power

POLICY	**RATE STABILIZATION RESERVE POLICY**	**ORIGINAL ADOPTION DATE**	**MARCH 26, 2026**
APPROVAL DATE	**MARCH 26, 2026**	**RESOLUTION NO.**	**2026-07**

PURPOSE AND SCOPE

San Diego Community Power (Community Power) may maintain a Rate Stabilization Reserve (RSR) as recognized in the Board-adopted Financial Reserves Policy. Any RSR will be maintained and utilized as described in this policy for the intention of providing customer rate stability.

DEFINITIONS

- **Reserves**: Unrestricted cash, cash equivalents, and investments unencumbered by legal agreements and not earmarked for specific purposes. Any Reserves that are designated by the Board of Directors as Rate Stabilization Reserves are included in the total Reserves calculation and reserve thresholds.

- **Rate Stabilization Reserves:** A type of reserve intended to provide budget stabilization for the organization while mitigating financial impacts and cost of energy to customers due to cyclical cost of energy fluctuations. It is intended to reduce rate shocks while maintaining compliance with financial covenants.

- **Rate Stability Metrics:** The change in generation rates experienced by customers due to rate changes approved by the Board of Directors, which may be measured as year-over-year rate change or value proposition change. Regular components of rates that fluctuate independently of changes approved by the Board, such as seasonal or time-differentiated rates or changes to delivery rates may be excluded from rate stability metrics.

- **Fiscal Year (FY):** The consecutive twelve-month period of July through June, identified by the calendar year of the latter half (i.e., July 2025 through June 2026 is FY 26), for use in financial planning, or as otherwise established by the Community Power Board pursuant to Section 7.1 of the Joint Powers Agreement.

- **Calendar Year (CY):** The consecutive twelve-month period of January through December, aligned with the calendar, for use in rate-setting.

- **Revenue Transfer:** A financial decision within a strong FY, defined by expected net position, to allocate a portion of revenues to the RSR. In this scenario, the allocation to the RSR is classified as a negative contribution to net position, so that these funds are not recognized as revenue within that FY.

- **Revenue Recognition:** A financial decision within a weak FY, defined by net position or rate stability metrics, to allocate a portion or all of funds in the RSR to revenues. In this scenario, the allocation from the RSR is classified as a positive contribution to net position, so that these funds are recognized as revenue within that FY.

POLICY

A. Objectives

The RSR allows Community Power to defer revenues in strong fiscal years and to withdraw revenues in weak fiscal years, relative to net position, in order to provide rate stability to customers and avoid substantial rate increases. The primary use case of the RSR is to mitigate rate volatility caused by Market Price Benchmark (MPB) and Power Charge Indifference Adjustment (PCIA) rate fluctuations, or for any other purpose, to reduce year-over-year rate changes and/or maintain Community Power's rate competitiveness between rate setting cycles.

Community Power staff will closely monitor reserves and metrics associated with rate stability and affordability to determine appropriate Revenue Transfers and Revenue Recognitions via the RSR during the fiscal year and the rate-setting process.

B. Target RSR Balance

The Target RSR Balance may be an amount up to or equivalent to 45 Days Cash on Hand, representing the Reserves between the Target Reserve Balance and Maximum Reserve Balance of Community Power's Financial Reserves, as defined in the Financial Reserves Policy. Community Power may reevaluate this Target RSR Balance annually to determine that the RSR is sufficient to cover identified risks and to mitigate rate volatility for customers. Should the balance increase above the amount equivalent to 45 Days Cash on Hand, the Community Power Board may authorize adjustment to the balance consistent with the Financial Reserves Policy.

C. Accounting

The RSR is accounted for under Government Accounting Standards Board Statements 62 which codify deferred outflows and inflows of resources. The balance of the RSR, including annual Revenue Transfers and Recognitions, will be recorded on the statement of net position in

Community Power's Statement of Revenues.

Trigger Mechanism: Revenue Transfers should be considered during fiscal years with positive net position, in which reserves are above the Target Reserve Balance as defined by the Financial Reserves Policy. Revenue Recognitions should be considered during fiscal years with an expected negative net position, or during the rate-setting process to mitigate substantial rate increases for customers. The impacts on financial or bank covenants and other appropriate financial metrics should also be a factor in the decision-making process. Community Power staff shall strive to not negatively impact the agency's financial standing via decisions related to the RSR.

Replenishment Mechanism: When Revenue Recognition decisions from the RSR are approved, Community Power staff must also present a plan to replenish the RSR within 2-4 years by the next regularly scheduled Board meeting, if feasible. Revenue Transfers and Recognitions may be made within the same fiscal year, provided that all other criteria are met.

D. **Reporting and Authorization**

The Chief Executive Officer (CEO) will have the discretion to authorize Revenue Transfer and Recognition decisions related to the RSR during the fiscal year. Any Recognition of the RSR during a fiscal year must be recommended by the CEO to the Board for approval of such use, subject to appropriation approved by the Board.

Revenue Transfer and Recognition decisions will be reported to the Board of Directors by Community Power staff at the next regularly scheduled meeting. The year-end financial report presentation to the Board will also include an update on the status of the RSR.

E. **Policy Review**

Community Power will complete a periodic review of this Rate Stabilization Reserve Policy and recommend updates to the Board, as appropriate.

F. **Miscellaneous**

Nothing in this policy shall supersede any provisions established or updated via Community Power's Financial Reserves Policy and Rate Development Policy.

PRIOR VERSIONS

DATE	ACTION	RESOLUTION NO.	POLICY NO.
N/A	N/A	N/A	N/A

RELATED POLICIES

Financial Reserves Policy – Resolution No. 2025-20
Rate Development Policy – Resolution No. 2022-12

SAN DIEGO COMMUNITY POWER
Staff Report – Item 8

To:	Community Advisory Committee
From:	Lee Friedman, Associate Director Strategic Initiatives
Via:	Karin Burns, Chief Executive Officer
Subject:	Review Draft Local Development Strategy
Date:	April 9, 2026

Recommendation

Receive and File Informational Update on Draft of San Diego Community Power's Proposed Local Development Strategy.

Background

San Diego Community Power's Strategic Plan includes a goal of developing one gigawatt (GW) of local renewable and clean energy capacity by 2035.

As part of this effort, Community Power has established a goal of procuring 300 megawatts (MW) of this local energy capacity through distributed energy resources (DERs).

Of that 300 MW goal, the Power Services Department is responsible for procuring 150 MW through local development of renewable energy projects.

The Local Development Strategy provides a framework to guide Power Services' efforts to achieve this 150 MW goal while balancing feasibility, affordability, and community benefits.

Analysis and Discussion

The Local Development Strategy establishes a framework to guide how the Power Services Department will pursue Community Power's 150 MW distributed energy resource procurement goal through local development efforts. The strategy is not intended to prescribe specific procurements, but rather to provide a holistic and consistent approach for evaluating

opportunities, prioritizing projects, and selecting procurement pathways in a constrained and evolving market.

Vision and Guiding Principles

The strategy defines "local" development as projects sited within San Diego and Imperial Counties (inclusive of Tribal lands located in San Diego County). It identifies guiding principles that inform staff decision-making across all local development activities, including transparency in procurement, workforce development and labor standards, feasibility and deliverability, ratepayer protection, equity and community benefit, and alignment with system reliability needs. These principles are intended to balance project viability and cost competitiveness with broader public and community objectives.

Local Development Opportunity Areas

Drawing on prior solicitations, market engagement, and project development experience, the strategy summarizes where local development opportunities are most likely to emerge and the barriers that currently limit project success. Key challenges identified include grid interconnection limitations, operational constraints, and restricted valuation of distributed resources under existing regulatory and utility frameworks. In response, the strategy emphasizes coordinated policy engagement and collaboration with state and federal agencies, SDG&E, other Community Choice Aggregators, and industry stakeholders to improve long-term conditions for local development.

Sector Analysis and Project Evaluation

The strategy outlines a sector-based approach for assessing local development opportunities, including commercial and industrial sites, member agencies, public agencies, and Tribal Nations. Projects are evaluated using Community Power's Energy Proposal Evaluation Criteria (EPEC), which applies a holistic lens that considers both quantitative and qualitative factors. Key evaluation considerations include, but are not limited to:

- Project price and overall cost competitiveness
- Impacts on customer rates
- Project viability and development readiness, including site control and interconnection status
- Resource adequacy and capacity contributions
- Contribution to system and community resilience
- Workforce development commitments and local economic impacts
- Environmental impacts and siting considerations
- Co-benefits to Community Power and the communities in which projects are located

This framework is intended to support consistent, transparent, and best value-focused comparison across a diverse and evolving project pipeline.

Community and Stakeholder Engagement

Recognizing that local projects vary in size, siting context, and potential community impact, the strategy establishes an approach to stakeholder engagement that is proportional and project-specific. Developers are generally expected to lead engagement efforts where appropriate, while Community Power staff may provide limited support consistent with its role as a public agency. Early coordination with affected communities, member agencies, and internal teams is emphasized to reduce development risk, avoid unnecessary delays, and support alignment with local priorities.

Implementation Through Procurement Pathways

The strategy identifies multiple procurement pathways through which local development projects may advance, each with distinct characteristics, timelines, and risk profiles. These pathways include:

- **Behind-the-Meter (BTM):**
  Projects located on the customer side of the utility meter, typically developed at host sites such as commercial facilities, schools, or public agencies. Community Power contracts for energy and capacity while leveraging lower interconnection risk and potential resilience benefits.

- **Front-of-the-Meter (FTM):**
  Projects interconnected directly to the utility distribution or transmission system that provide energy, capacity, and compliance attributes through standard procurement mechanisms. These projects often involve longer development timelines and greater interconnection complexity.

- **Feed-in Tariff (FIT):**
  A standardized procurement option for eligible small and community-scale front-of-the-meter renewable projects that sell energy to Community Power under predefined pricing and contract terms, without participation in a competitive solicitation.

- **Solar Advantage**
  Supports community-scale renewable development in or near disadvantaged communities and provides bill credits to CARE/FERA customers in select disadvantaged communities.

- **Public-Private Partnerships:**
  Strategic collaborations that leverage private or philanthropic capital to advance projects that may not be feasible through traditional procurement alone, while maintaining public oversight, transparency, and alignment with Community Power's mission.

Fiscal Impact

N/A

Strategic Plan

The Draft Local Development Strategy supports the Community Power strategic goal of development of 1 Gigawatt of local renewable and clean energy capacity by 2035, of which 300 MW will be DERs enabled by Community Power programs, tariffs, and procurement.

Of that 300 MW, Power Services is responsible for the procurement of 150 MW.

Committee Review

N/A

Attachments

A: Draft Local Development Strategy

ITEM 8
ATTACHMENT A

San Diego Community Power Local Development Strategy

Introduction

San Diego Community Power (Community Power) is a Community Choice Aggregator (CCA) formed via a Joint Power's Authority in 2019 by the cities of San Diego, Chula Vista, Encinitas, La Mesa and Imperial Beach. In 2021, National City and the County of San Diego also joined Community Power, which now delivers service to nearly one million customers throughout the San Diego Region.

Formed to help its member agencies meet their respective climate action goals and bring choice in energy to its residents, Community Power's mission is to provide 100% clean and renewable power by 2035 or sooner while supporting good paying local jobs and reinvesting excess revenue back into the communities we serve through innovative programs and projects that address the needs of our customers.

Community Power has set a strategic goal for the procurement of 300 megawatts (MW) through distributed energy resources. Of that 300 MW, 150 MW would be through the deployment of local, distributed renewable energy resources like solar and storage projects managed by the Powers Services department while the other 150 MW is expected to be covered by the implementation of programmatic efforts, such as the Solar Battery Savings program and managed by the Program department.

The purpose of this *Local Development Strategy* is to outline the ways in which Community Power staff intend to accomplish the procurement of the non-programmatic 150 MW goal by 2035 while adhering to our commitments to community benefits, stakeholder engagement, rate competitiveness, affordability, and local workforce development. Central to this strategy is the enhancement of existing and development of new procurement pathways that expand opportunities for contracting with Community Power. Further, Community Power's comprehensive and transparent methodology to assess and value potential projects will help ensure that the agency is making procurement decisions with intentionality and in alignment with Community Power's mission.

Community Power must also understand the systemic and project-specific hurdles to successful project development and viability (e.g. technical, interconnection, regulatory, political) so that Community Power can continue to take an active role in mitigating and reducing such barriers. Key activities for this work include coordination and collaboration with state regulatory agencies like the California Public Utilities Commission (CPUC), California

Energy Commission (CEC) and California Independent System Operator (CAISO), stakeholders, developers, member agencies and internal staff as well as engagement and advocacy at the local, regional, state and national policy level.

Ultimately, Community Power's *Local Development Strategy* will need to remain flexible and iterative to ensure Community Power staff can adapt and adjust to its power portfolio gaps and opportunities, new energy technologies, funding opportunities, workforce requirements, member agency needs or other unknowns as the local development and energy space remains a dynamic one.

Table of Contents:

Vision & Guiding Principles

To accurately capture the vision of local development, it is critical to first define what "local" means. To meet the established 150 MW goal, new projects will have to be sited within the following geographic boundaries:

- San Diego County
    - Inclusive of the 17 federally recognized Tribes located within San Diego County
- Imperial County

Local development efforts are also guided by the following principles:

Transparency
Community Power will adhere to a transparent procurement process for local development Projects, including but not limited to publicly issued Requests for Offers (RFOs) and clearly defined evaluation criteria as currently established through Community Power's standard energy procurement process. Project selections will be presented to the Board of Directors for approval. Community Power will also provide periodic updates on project status and key milestones to the Community Advisory Committee or Board of Directors at their request to maintain accountability and public visibility.

Workforce Development
Projects are expected to create high quality local jobs in this sector that support healthy families and vibrant communities. Therefore, as outlined in Community Power's Inclusive and Sustainable Workforce Policy, projects are incentivized to commit to the highest of workforce standards through the explicit evaluation of workforce commitments in competitive solicitations via the Energy Proposal Evaluation Criteria (EPEC). Developers can secure higher rankings if they commit to executing project labor agreements (PLAs) or meeting certain thresholds of union labor, local hiring, veteran employed/owned, etc.

Energy Capacity
Local development projects should support system reliability and resource adequacy needs while aligning with Community Power's operational, financial, and staffing capacity.

Feasibility
Community Power prioritizes projects that demonstrate higher project viability while also balancing efforts to encourage development of strategic projects that may need additional advocacy, infrastructure investment or funding. Key indicators of project viability include site control status, financing pathways, whether applications for permitting have been submitted, and progress on interconnection & deliverability.

Ratepayer Protection
Local development projects should offer competitive pricing and guarantee certain energy and capacity benefits for Community Power's ratepayers. Additional evaluative consideration

is given for distributed local projects that contribute toward the CPUC's local resource adequacy requirements, displacing the need to procure resource adequacy in the short-term markets.

Equity and Community Benefit
Projects should deliver meaningful benefits to the communities in which they are located, particularly in our Communities of Concern.

Community Scale
Community scale distributed renewable energy projects offer a unique and complementary form of value. Because they are typically sited close to load and within existing developed areas, these projects can be deployed more quickly, create opportunities for a diverse workforce, and strengthen resilience by supporting critical facilities and reducing reliance on distant generation. Their smaller footprint and use of existing infrastructure can also lessen environmental impacts and community disruption relative to larger greenfield development.

Local Development Opportunity Areas

Community Power has spent a considerable amount of time and resources exploring the distributed resource landscape in effort to understand where the best opportunities are likely to present and to identify obstacles that hinder local development opportunities. This was accomplished largely through running solicitations, receiving dozens of offers from a broad spectrum of developers, and running these offers through both our long-term financial models as well as our holistic Energy Proposal Evaluation Criteria.

With the support of Community Power leadership and our Energy Contracts Working Group, staff recommended and advanced a handful of projects through board approval and contract execution. Additionally, through the collection and analysis of market price datapoints staff has identified a number of foundational constraints that warrant immediate attention, as these constraints present a major roadblock to project viability. These vulnerabilities can be broadly categorized as grid interconnection, operational limitations and restricted resource valuation, generally a result of state and investor-owned utility policies and practices that have not prioritized distributed resources. In response to these realities, Community Power has identified several opportunities to increase project viability and value, including engagement on the policy and advocacy front in partnership with other Community Choice Aggregators and industry stakeholders. Having identified many of these challenges as relatively unique to front-of-the-meter resources, Community Power has also started exploring alternative wholesale procurement vehicles that leverage behind-the-meter resources, akin to how Community Power's Programs team invests in behind-the-meter resources to support and provide value to our electrical grid. As a result, staff is engaged on both fronts, actively managing a robust and diverse pipeline of local front-of-the-meter opportunities, while paving the way for alternative pathways of local development that would provide more certainty of project success with currently unrealized value streams. Integral to the front-of-the-meter effort will be continued engagement directly with SDG&E on mitigating cost prohibitive barriers to successful interconnection and deliverability within its territory.

Local development opportunities span a wide range of sectors across San Diego and Imperial Valley. While many potential projects are likely to come from commercial and industrial sites, projects may emerge from Member Agencies, schools (both k-12 and higher education), healthcare facilities, public utilities (e.g. irrigation or water), as well as Tribes, nonprofit organizations, private property, agricultural operations, and housing providers. Each of these sectors has their own unique and varied energy needs and priorities.

Recognizing the diversity of sectors and the opportunities they could present, the *Local Development Strategy* is designed to remain flexible while grounded in operational and

market realities. Cultivating a broad and diverse pipeline of potential projects must also take a long-term view that recognizes the role of future interconnection upgrades, policy advocacy, partnerships, and new funding opportunities for projects that may not yet be fully feasible.

Sector Analysis & Energy Proposal Evaluation Criteria Evaluation

A sector-based analysis provides one way to understand the range of local development opportunities. By examining opportunities by sector, Community Power can better assess differing load profiles, siting constraints, site host eagerness and expediency, development readiness, and potential co-benefits.

The graphic below represents a small selection of sectors Community Power could engage with and general descriptions of opportunities and risks attributes on their partnership potential.

	Commercial & Industrial	Member Agencies	Public Agencies	Tribal Nations
Real Estate Opportunity	Large footprint regionally with diverse range of partnerships	Collectively large, but with potential real estate allocation challenges	Varies with certain agencies (eg airport, port, schools, water districts) offering unique opportunity	Extensive but limited based on proximity and sovereignty sensitivity
Ease and Expediency of Transactions	Relative ease due to general autonomy of corporate decision processes	Likely more complicated and longer term, especially in early stages, due to process and stakeholder engagement	Varies by agency, but likely relative ease with agencies that have energy project experience and/or are highly motivated	Unknown due to relative nascence of engagement with tribal nations on energy projects
Site Turnover Risk	Relatively high risk due to nature of private industry	Very low	Very low	Unknown but likely varies
Resilience and Other Energy Drivers	Depending on industry, likely driven by some combination of energy cost savings and resilience	Large appetite for resilience at certain critical facilities	Varies, but high desire for resilience at sites that can serve as community resilience hubs	Likely high desire for resilience particularly in areas that experience grid disruptions

Further analysis of specific sectors can yield additional information:

	Warehouse Rooftops	REITs / Commercial Real Estate	Data Centers	School Districts, Port of San Diego, Airport, others
Additional Considerations:	• Large, unobstructed rooftop potential • Generally smaller electricity usage if not cold storage • Industrial zoned locations less vulnerable to neighbor protest	• REITs with large portfolios offers scalability • Electricity usage dependent on site • REITs particularly interested in predictable financial benefits	• Very large electricity usage, likely on new or upgraded circuits • Data centers may prefer or be required to provide their own generation resources	• Certain public agencies already have substantial renewable portfolios • These projects that are PV only are prime candidates for added storage which benefit Community Power but wouldn't otherwise pencil

Strategic Evaluation – Energy Proposal Evaluation Criteria

Determining which projects merit investment requires the establishment of clear, measurable criteria that balance project viability with overall value to Community Power and its customers. For this reason, Community Power staff evaluate local development projects utilizing the Energy Proposal Evaluation Criteria (EPEC) framework. The EPEC framework

identifies not only a project's forecasted costs, revenue and compliance value, but also additional co-benefits that extend beyond wholesale markets and regulatory compliance. These benefits may include enhanced grid and community resilience, improved local air quality, job creation, and broader local economic development.

Community Power has established a set of evaluation criteria to guide the review and comparison of local development project opportunities. These criteria are intended to provide a consistent and transparent basis for assessing projects across sectors and development types:

- Co-benefits to Community Power and its customers
- Contribution to system and community resilience
- Impacts on customer rates
- Project price and cost competitiveness
- Viability and overall project readiness
- Environmental impacts
- Workforce development and local economic impacts
- Resource adequacy and capacity contributions

As a result, projects are rated through a holistic lens which recognizes the best and total value projects may bring to Community Power and ratepayers.

Community and Stakeholder Engagement

To meet the 150 MW goal, Community Power staff is expecting to procure energy from numerous projects located throughout San Diego and Imperial County. These projects could range in size from small behind-the-meter storage projects located at a neighborhood community center to larger front-of-meter solar and storage projects that span across multiple large commercial rooftops, parking lots, or open land.

Community Power is committed through its procurement decisions to be thoughtful of the surrounding communities. As future procurement pathways are developed and implemented, Community Power will work to create specific community and stakeholder engagement strategies based on the level of impact on interested stakeholders. These community and stakeholder strategies may assess the proximity to sensitive receptors for any proposed project and may require that the developer educate and inform the immediately surrounding businesses and residents on the proposed project to mitigate or avoid adverse effects on the community. The purpose of this engagement will be twofold - ensure that proposed projects are meeting the needs of the communities they are in while preventing unnecessary delays to project construction.

While the specific engagement strategies will be developed to satisfy the uniqueness of each potential procurement pathway, below are recommendations for outreach that could be required of a project developer:

Stakeholder Identification and Analysis

- Identify affected and interested stakeholders, including nearby residents, businesses, community-based organizations, local governments, and Tribal entities (if applicable).
- Assess stakeholder interests, potential concerns, and appropriate engagement methods.

Early and Ongoing Engagement

- When appropriate, initiate outreach early in the project development process, prior to key permitting or construction milestones.
- Maintain regular communication as the project advances to address questions, concerns, and changes.

Targeted Community Presentations

- Conduct informational presentations or briefings for local civic groups, neighborhood associations, business organizations, and other community leaders.
- Provide clear, accessible information on project scope, timeline, benefits, and potential impacts.

This outreach and engagement is also critical for the municipal staff members in development services, permitting departments and the elected officials they report to. The alignment of decarbonization and Climate Action Plan initiatives with Community Power's local development and programmatic goals prevents duplicative efforts and wasted resources.

While developers remain primarily responsible for conducting stakeholder engagement, Community Power will provide limited support consistent with its role as a public agency.

Community Power support may include:

Responsiveness and Role Clarity

- Serve as a point of contact for questions related to Community Power policies, procurement processes, and program objectives.

Public Information

- Maintain current, publicly accessible information on Community Power's website regarding local development priorities, procurement processes, and solicitation FAQs.

Facilitating Appropriate Connections

- Assist in facilitating introductions to and between relevant Member Agency staff, local government representatives, or other appropriate stakeholders, where appropriate and consistent with public agency requirements.

In addition to external stakeholder engagement, Community Power will ensure its internal processes support effective coordination and decision making as local development projects advance. Community Power staff will maintain alignment and information sharing across teams to ensure that as projects enter the development or procurement queue, all relevant staff are informed early and equipped to assess any potential project implications.

Implementation through Procurement Pathways

Local development projects may advance through a variety of procurement pathways, each with distinct characteristics related to their origination source, value-stack, siting, ownership, risk, and community benefit. Generally, projects originate through either a competitive solicitation process or through a distinct board approved program or initiative. Any project that Community Power might contract with will be connected to the local distribution grid in one of two ways, either behind-the-meter (BTM) or front-of-the-meter (FTM).

There are a few specific pathways that are worth noting, due to their relative unique attributes, including feed-in tariff supported projects (FIT), Solar Advantage projects, and public private partnerships. Additionally, Community Power may establish procurement initiatives that benefit from the prequalification of a pool of developers who would address the market within a specific and predetermined framework.

Together, these procurement pathways provide flexibility to support a diverse range of project types across diverse sectors. Not all pathways are appropriate for all projects, and selection of a development pathway will likely depend on project specific conditions, financial requirements, space availability, siting requirements, and other various determinants.

Additionally, Community Power maintains an active Request for Information (RFI) for Local Renewable Energy and Energy Storage. Submissions for this RFI are accepted on a rolling basis and allow Community Power to partner with developers on new and existing, wholesale renewable energy projects delivering renewable energy within San Diego and Imperial Counties.

Behind-the-Meter (BTM)

Community Power is currently designing a behind-the-meter (BTM) initiative where a renewable energy and/or battery storage project is developed and installed behind-the-meter at a host customer site, with Community Power directly contracting for the energy and capacity provided by the project. The site host provides access to physical space (such as rooftops, parking structures, or land) and receives compensation for use of the site, which may take the form of lease payments and/or bill discounts.

Project ownership and operation most commonly falls under the responsibility of a third-party developer, while Community Power contracts for the delivery of energy from the project and any battery attributes. Projects that interconnect behind-the-meter are also more likely to be approved for interconnection, and additionally, grid benefits are monetized through SDG&E's tariffs and Community Power resource adequacy benefits are realized through a reduction in our total load served. This structure allows Community Power to

secure local generation and the associated benefits with less risk and greater financial benefit, while enabling site hosts to realize financial value without assuming development or operational risk or responsibilities. Also, batteries deployed through BTM procurement pathways provide host sites with the fundamental equipment needed to potentially offer resilience solutions, providing backup power during an outage.

Front-of-the-Meter (FTM)

Under the FTM development pathway, renewable energy projects are interconnected directly to the distribution grid on the utility side of any customer meters and provide CAISO market revenues as well as providing necessary compliance attributes. Community Power procures energy, capacity, and associated attributes from these projects through standard contracting mechanisms, consistent with typical load serving entity procurement practices. FTM procurement is the typical configuration for any projects that a load serving entity (LSE) would historically contract with, most of which are utility-scale, making it the more established and tested pathway.

The largest distributed projects have historically been and will likely continue to generally be FTM resources, presenting attractive economies of scale and the ability to achieve Community Power's MW target with fewer overall projects. And larger FTM projects present unique opportunities for collaboration with key partners, such as the US military or other large institutions in the San Diego region, including community microgrid projects.

Developers wishing to present local FTM opportunities to Community Power can do so utilizing the Local Request for Information (RFI), which currently accepts proposals on a rolling basis.

Feed-in Tariff (FIT)

Under the FIT development pathway, eligible small and community-scale front-of-the-meter distributed renewable energy projects may sell energy to Community Power pursuant to an adopted FIT schedule and a standard, simplified form Power Purchase Agreement. This pathway is intended to provide a transparent, streamlined option for qualifying projects to deliver renewable energy to Community Power without participation in a competitive solicitation.

Projects participating in the FIT pathway must meet defined eligibility requirements and are subject to applicable program terms, pricing, and capacity limits. Community Power retains discretion over program design and implementation, including the right to revise the FIT schedule, application materials, contract terms, and is not obligated to enter into a FIT Power Purchase Agreement unless and until an agreement is duly executed. FIT projects are

evaluated primarily on eligibility and compliance with program requirements, while remaining subject to feasibility, interconnection, and deliverability considerations.

Solar Advantage

Under the Solar Advantage pathway (otherwise known as the Disadvantaged Communities Green Tariff) community-scale, front-of-meter solar projects located in or near disadvantaged communities are developed to deliver renewable energy directly to Community Power and provide targeted energy bill benefits to qualifying low-income residential customers. These projects are procured through a dedicated competitive process that invites qualified developers to propose eligible projects.

Once operational, Solar Advantage projects are expected to deliver renewable energy into the grid while eligible customers receive a 20% discount on their electricity bill for up to 20 years.

Community Power has issued two RFO's and is expecting to issue a third RFO in Spring 2026. Community Power's total allocation of capacity for this program is 20.16 MW with an intended enrollment of 9,600 households.

Public-Private Partnerships

Community Power has established a strong foundation for public-private partnerships in support of the clean energy transition through its Clean Energy Grants program in collaboration with the San Diego Foundation. Across the region, there is growing interest among funders in supporting resilience focused programs and capital investments that deliver long term sustainability benefits, especially in rural areas, with the military, for school districts, and in Communities of Concern. Public private partnerships offer an opportunity to strategically align Community Power's local development goals with private and philanthropic resources.

Community Power will consider public private partnerships as a strategic tool to advance local development opportunities that may not be achievable through traditional procurement. Partnerships will be evaluated based on their ability to align Community Power's local development goals with private or philanthropic capital while adhering to Community's Power governance structure and public agency procurement rules.

Key considerations for public private partnerships include:

- Alignment with Public Purpose: Partnerships should advance Community Power's mission, policy goals, and community benefit objectives, including affordability, resilience, and sustainability.

- Leverage of External Capital: Projects should meaningfully leverage private or philanthropic funding to reduce reliance on ratepayer dollars and improve overall project viability.
- Risk and Governance: Roles, responsibilities, and risks should be clearly defined and appropriately allocated among partners, with Community Power retaining oversight consistent with its governance and regulatory obligations.
- Feasibility and Deliverability: Projects must demonstrate realistic development pathways, including interconnection, permitting, and operational readiness, even when supported by external funding.
- Transparency and Accountability: Partnership arrangements should be subject to public review and approval where required, with clear reporting on project status, use of funds, and outcomes.

Of particular interest are potential partnerships with the military. Military installations, as large and energy-intensive facilities with unique resilience needs, present a significant opportunity for renewable generation, microgrids, and energy storage development. Partnerships between Community Power and the military offer a pathway to align local development goals with federal resources and long-term energy demand.

Priorities

Each of the pathways previously discussed carries different timelines, risk profiles, and development requirements, and should be applied where it is most likely to deliver best value for our ratepayers. To meet the 150 MW goal by 2035, Community Power should consider each of these pathways in a purposeful and strategic manner.

- *Prioritize engagement with SDG&E on interconnection & deliverability.* The viability of local development projects will depend not only on site control, permitting, and economics, but on the ability to secure timely and cost-effective paths to interconnection and deliverability. Early, direct engagement with SDG&E is therefore critical to identify circuit constraints, upgrade needs, and feasible points of interconnection before significant time and resources are committed.

- *Prioritize BTM development as a near-term opportunity.* BTM projects often leverage existing power infrastructure, face fewer permitting and interconnection challenges, and can be deployed more quickly at lower cost while delivering additional value. This pathway is well suited for early action, particularly with public agencies, schools, and commercial and industrial customers, and can deliver immediate co-benefits.

- *Selectively approach FTM opportunities that meet certain feasibility criteria.* FTM projects typically involve longer development timelines including more complex interconnection processes that may result in increased project costs or project infeasibility. As a result, this pathway is best aligned with projects that demonstrate strong deliverability, approved interconnection, and have strong financial backing.

- *Consider public private partnerships to unlock more complex opportunities.* Public private partnerships may be appropriate where projects require additional capital, shared risk, or long-term coordination across multiple stakeholders.

In order for Community Power to be best positioned to advance viable local development opportunities, proactive engagement is necessary. This includes, but is not limited to, the following actions:

- Assessing appropriate procurement pathways early in project development (e.g., behind-the-meter, front-of-meter, Feed-in Tariff, Solar Advantage, or partnership models) to align project structure with Community Power power resource portfolio needs, site conditions, interconnection feasibility, and development readiness.

- Designing and piloting new procurement pathway(s) that mitigate risks to viability and extract maximum project value to Community Power and its ratepayers
- Conducting a robust and comprehensive assessment of regional opportunities and constraints in regard to interconnection and deliverability conditions and develop a "heatmap" of high priority development areas
- Educating decision makers on key project considerations and various procurement pathways, including information about behind-the-meter and front-of-meter development options
- Monitoring policy, regulatory, and funding developments that may unlock future local development opportunities, including local, state and federal grants/incentives

- Facilitating early-stage coordination among stakeholders to help identify common barriers, shared infrastructure needs, and potential partnership models

As Community Power staff implements the *Local Development Strategy* through these and future designed procurement pathways, regular assessments of these procurement pathways will be conducted to ensure available capacity and resources are being directed appropriately.

Glossary of Key Terms

Battery Energy Storage Systems (BESS): Battery Energy Storage Systems are technologies that store electrical energy for later use and discharge it to support grid reliability, energy shifting, and other operational needs. BESS can be deployed at various scales and locations, including front-of-meter and behind-the-meter applications.

Behind-the-meter: Behind-the-meter refers to energy resources located on the customer side of the utility meter. These resources primarily serve on-site load and may also provide grid services where permitted.

Climate Action Plans: Climate Action Plans are local or regional policy documents that outline strategies to reduce greenhouse gas emissions and increase climate resilience. They often include targets, implementation measures, and timelines adopted by governing bodies.

Communities of Concern: Communities identified by California Climate Investments (Assembly Bill 1550 and Senate Bill 535) that includes disadvantaged communities identified by CalEnviroScreen 4.0 and low-income communities and households with incomes either at or below 80% of the statewide median or below a threshold designated as low-income by the Department of Housing and Community Development, as well as the additional census tracts identified by the cities of San Diego and Chula Vista through their Climate Equity Index reports.

Community Scale – used in Community Power's workforce standards to distinguish the evaluation of projects under 10 MW versus projects sized 10+ MW, which are defined as "utility-scale". A minimum size threshold has not been established for this definition, but practically speaking, this is referring to anything that's not a residential resource as the floor.

Deliverability: The certification of a resource to be counted against RA obligations, and a product of technical studies performed by CAISO to confirm that a resource can deliver energy to the grid during stressed, high-demand conditions. Similar to interconnection, deliverability is a generally difficult to obtain, especially for distributed resources in the San Diego region.

Distributed Energy Resource (DER):

1. Any resource, either BTM or FTM, that is connected to SDG&E's distribution network, adhering to the CEC's definition of a DER, or
2. For the purposes of Community's Power's goal, resources connected to SDG&E's transmission network if the resource is located in an urban or suburban area as defined by SANDAG's Census Urban Areas database

Energy Proposal Evaluation Criteria (EPEC): The set of criteria Community Power uses for the evaluation of energy and capacity proposals received via solicitations. These criteria include an assessment of project location, quantitative value, project development, community benefits, workforce standards and environmental stewardship.

Front-of-meter: Front-of-meter refers to energy resources located on the utility side of the meter and interconnected directly to the distribution or transmission system. These resources primarily serve grid-level functions rather than individual customer load.

Greenfield Development: Greenfield development refers to projects sited on previously undeveloped or minimally disturbed land. These projects may face greater permitting, environmental review, and infrastructure development requirements.

Infill Development: Infill development refers to projects located within already developed or previously disturbed areas, such as rooftops, parking facilities, or industrial sites. Infill projects often leverage existing infrastructure and may reduce land-use and environmental impacts.

Interconnection: Interconnection is the process of physically and electrically connecting an energy resource to the utility distribution or transmission system. Front-of-the-meter interconnections are regulated by FERC at the federal level, while behind-the-meter interconnections are regulated by the CPUC at the California state level, each having a distinct set of requirements.

Load Serving Entity (LSE): Any entity, including a load aggregator or power marketer, that serves end-users within a control area and has been granted the authority or has an obligation pursuant to state or local law, regulation, or franchise to sell electric energy to end-users located within the control area

Long-duration energy storage: Long-duration energy storage refers to storage resources capable of discharging energy for extended periods, typically eight hours or more. These resources can support grid reliability during prolonged periods of high demand or low renewable generation.

Member Agencies: Member Agencies are the local governments that jointly govern and participate in Community Power. These agencies provide policy direction through representation on the San Diego Community Power Board of Directors. Community Power has seven active member agencies: the Cities of San Diego, Chula Vista, Encinitas, La Mesa, Imperial Beach and National City and the County of San Diego.

Renewable Energy Project: A Renewable Energy Project is a facility or system that generates electricity from renewable resources such as solar, wind, geothermal, biomass, or eligible hydroelectric sources. Will often be referred to as “project” throughout this document.

Resource Adequacy: A capacity-based compliance requirement that all CA load serving entities (LSEs) are subject to, and a fairly crucial element of renewable and storage project value. RA requirements are determined based on each LSE's load served.

Sensitive Receptors - Specific populations, locations, or facilities that are highly susceptible to adverse health effects from environmental stressors, such as air pollution, noise, or hazardous materials. They typically include, but are not limited to, residential areas, schools, daycare centers, hospitals, and nursing homes

Short-duration energy storage: Short-duration energy storage refers to storage resources capable of discharging energy for limited periods, typically less than eight hours. These resources are commonly used for peak shaving, load shifting, and ancillary services.

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.

IDSM – 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.

LTPP – 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.