



AGENDA

Special Meeting of the Board of Directors of San Diego Community Power (SDCP)

October 28, 2021

3:30 p.m.

The meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Brown Act provided for under Government Code section 54953(e)(1)(A), in relation to the COVID-19 State of Emergency and recommended social distancing measures. There will be no location for in-person attendance. In compliance with the Brown Act, SDCP is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

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

1. Providing Oral Comments During Meeting. To provide comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. On Zoom video conference by computer or mobile phone, use the "Raise Hand" feature. This will notify the moderator that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. Members of the public will not be shown on video but will be able to speak when called upon. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing *9. Comments will be limited to three (3) minutes. Please be aware that the Chair has the authority to reduce equally each speaker's time to accommodate a large number of speakers.
2. Written Comments. Written public comments must be submitted prior to the start of the meeting by using this ([web form](#)). Please indicate a specific agenda item when submitting your comment. All written comments received prior to the meeting will be provided to the Board members in writing. In the discretion of the Chair, the first ten (10) 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 Board members in writing, and be part of the public record.

If you have anything that you wish to be distributed to the Board, please provide it via info@sdcommunitypower.org and it will be distributed to the Members.

The public may participate using the following remote options:

AGENDA – BOARD OF DIRECTORS – SAN DIEGO COMMUNITY POWER

Telephone (Audio Only) (669) 900-6833 or (346) 248-7799 | Webinar ID: 947 9407 5133

Call to Order

Roll Call

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

CLOSED SESSION

1. PUBLIC EMPLOYEE APPOINTMENT PURSUANT TO GOVERNMENT CODE SECTION 54957

Title: Chief Executive Officer

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: Two (2) potential cases

REPORT FROM CLOSED SESSION

ADJOURNMENT

Compliance with the Americans with Disabilities Act

SDCP Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact (888) 382-0169 or info@sdcommunitypower.org. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at <https://sdcommunitypower.org/resources/meeting-notes/>. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Members prior to or during the Board meeting are available for public review as required by law. Previously, public records were available for inspection at the City of San Diego Sustainability Department, located at 1200 Third Ave., Suite 1800, San Diego, CA 92101. However, due to the Governor's Executive Orders N-25-20 and N-29-20 and the need for social distancing, in-person inspection is now suspended. Public records, including agenda-related documents, can instead be requested electronically at info@sdcommunitypower.org or by mail to SDCP, 815 E Street, Suite 12716, San Diego, CA 92112. The documents may also be posted at the above website.



AGENDA

Regular Meeting of the Board of Directors of San Diego Community Power (SDCP)

October 28, 2021
5:00 p.m.

The meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Brown Act provided for under Government Code section 54953(e)(1)(A), in relation to the COVID-19 State of Emergency and recommended social distancing measures. There will be no location for in-person attendance. In compliance with the Brown Act, SDCP is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

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Welcome

Call to Order

Pledge of Allegiance

Roll Call

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

Public Comments

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board. 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 member of the Board of Directors requests a specific item to be removed from the Consent Agenda for discussion. A member of the public may comment on any item on the Consent Calendar in either manner described above.

- 1. Approval of the minutes of the Regular Meeting of the Board of Directors of San Diego Community Power held on August 26, 2021.**
- 2. Back Office Metrics/Dashboard Monthly Update**
- 3. Approval of Community Advisory Committee Fiscal Year 2021-2022 Work Plan**
- 4. Approval of Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361**

Recommendation: Based on the information contained in the staff report, make the following findings and determinations: (1) the Governor-declared COVID-19 State of Emergency remains in effect and the Board has reconsidered the circumstances of the COVID-19 State of Emergency; (2) state or local officials continue to impose or recommend measures to promote social distancing; and (3) for the next thirty (30) days, the meetings of the SDCP Board, its committees, and any other legislative bodies, including the Community Advisory Committee, shall be held pursuant to the provisions of Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section.

REGULAR AGENDA

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

- 5. Review of Draft Amended and Restated Joint Powers Agreement**

Recommendations: Discuss draft Amended and Restated JPA Agreement and consider directing staff to provide SDCP Member Agencies, including anticipated new Member Agencies, with a copy of the draft Amended and Restated JPA Agreement and conforming changes to the SDCP

Bylaws and place the Amended and Restated JPA Agreement and updated Bylaws on a future SDCP agenda for final approval.

6. Approval of Collections/Delinquency Policy

Recommendation: Approve the Collections/Delinquency Policy

7. Approval of Phase 3 Net Energy Metering (NEM) Enrollment Schedule

Recommendation: Approve the Phase 3 NEM Enrollment Schedule

Information Reports / Updates

The following items are reports and are placed on the Agenda for the Board to receive and file or to provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda.

- 8. Operations and Administration Report from the Interim Chief Executive Officer**
- 9. Receive and File Treasurer's Report for 2022 Fiscal Year-to-Date period ended 8/31/21**
- 10. Update on Phase 2 Marketing and Public Relations**
- 11. Update on Regulatory and Legislative Affairs**
- 12. Power Resources Monthly Update**

Committee Reports / Updates

The following items are reports and are placed on the Agenda to provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda.

- 13. Finance and Risk Management Committee Report**
- 14. Update on CEO Search Ad Hoc Committee Efforts**

Reports by Management and General Counsel

SDCP Management and General Counsel may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified below, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

Director Comments

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to SDCP business. There is to be no discussion or action taken on comments made by Directors unless authorized by law.

ADJOURNMENT

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**SAN DIEGO COMMUNITY POWER (SDCP)
BOARD OF DIRECTORS**

San Diego City Administration Building, 12th Floor
202 "C" Street
San Diego, CA 92101

MINUTES

August 26, 2021

This meeting was conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

The Board minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

WELCOME

CALL TO ORDER

Chair Mosca (Encinitas) called the SDCP Board of Directors meeting to order at 5:02 p.m.

General Counsel Baron announced there were no reportable actions from Closed Session.

PLEDGE OF ALLEGIANCE

Chair Mosca (Encinitas) led the Pledge of Allegiance.

ROLL CALL

PRESENT: Chair Mosca (Encinitas), Director Baber (La Mesa), Director Dedina (Imperial Beach), Alternate Director McCann (Chula Vista), and Director Montgomery Steppe (San Diego)

ABSENT: None

Also Present: Interim Chief Executive Officer ("CEO") Carnahan, Chief Operating Officer ("COO") Hooven, General Counsel Baron, Interim Board Clerk Wiegelman

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

There were no additions or deletions to the agenda.

PUBLIC COMMENTS

There were no comments.

CONSENT CALENDAR

(Items 1 through 2)

- 1. Approval of the minutes of the Regular Meeting of the Board of Directors of San Diego Community Power held on May 27, 2021 and June 24, 2021.**

Approved.

- 2. Modifications to Community Advisory Committee Term End Date and Workplan Approval Timeline.**

Approved.

ACTION: Motioned by Director Montgomery-Steppe (San Diego) and seconded by Chair Mosca (Encinitas) to approve Consent Calendar Items 1 through 2. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Director Baber (La Mesa), Director Dedina (Imperial Beach), Alternate Director McCann (Chula Vista), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

REGULAR AGENDA

3. Election of Chair and Vice Chair

Chair Mosca put his name forward for another term as Chair and announced Vice Chair Padilla was interested in continuing as Vice Chair for another term.

Board questions and comments ensued.

ACTION: Motion by Director Baber (La Mesa) and seconded by Director Montgomery-Steppe (San Diego) to appoint Director Mosca (Encinitas) as Board Chair and Director Padilla as Vice Chair for Fiscal Year 2021-2022. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Director Baber (La Mesa), Director Dedina (Imperial Beach), Alternate Director McCann (Chula Vista), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

4. Operations and Administration Report from the Interim Chief Executive Officer

COO Hooven reported on the sponsorship with the San Diego Padres.

Interim CEO Carnahan announced the Strategic Planning Session was postponed to January and provided an update on the membership status of the County of San Diego.

Board questions and comments ensued.

Matthew Vasilakis, Climate Action Campaign, spoke in support of the County joining SDCP in 2021.

COO Hooven stated National City and Oceanside were conducting studies on joining SDCP and announced SDCP had acquired temporary office space at Moniker Commons.

Board questions and comments continued.

Interim CEO Carnahan provided an update on the work schedule of SDCP staff and the efforts to create a flexible office/remote work policy. Interim CEO Carnahan stated a policy would be brought to the Board for consideration at a future meeting.

Power Services Director Vosburg introduced the new members of the Power Services Team: Carlos Gomes and Ian Williams. Power Services Director Vosburg provided an update on market prices and the volatility and future demand of power supply and stated three long-term power agreements had been signed.

Data Analytics and Account Services Director Utouh reported on the completion of a Joint Rate Mailer with San Diego Gas & Electric ("SDG&E") and announced staff had created dashboards for access to real time data related to opt-outs and opt-ups. Data Analytics and Account Services Director Utouh reported on back office operations including Phase 3 planning efforts.

Following Board questions and comments, no action was taken.

5. Appointment of Eric Washington, Chief Financial Officer, as Treasurer

General Counsel Norvell reported the Joint Powers Agreement ("JPA Agreement") requires the appointment of a Treasurer who shall function as the combined offices of Treasurer and Auditor. General Counsel Norvell provided an overview of Resolution No. 2021-3 which would appoint the SDCP Chief Financial Officer ("CFO") as Treasurer and require the Treasurer to execute a surety bond of an amount to be determined by the Board.

Board questions and comments ensued.

ACTION: Motioned by Director Baber (La Mesa) and seconded by Director Montgomery-Steppe (San Diego) to adopt Resolution No. 2021-3 appointing the CFO of SDCP as its Treasurer and requiring the Treasurer to execute a surety bond in the amount of \$100,000. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Director Baber (La Mesa), Director Dedina (Imperial Beach), Alternate Director McCann (Chula Vista), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

6. Update on Regulatory and Legislative Affairs

Regulatory and Legislative Affairs Director Fernandez provided an update on SB 612: Ratepayer Equity Act, the Federal Clean Energy Investments in Bipartisan Infrastructure Package, the Net Energy Metering 3.0 proceedings, and SDG&E's application for approval of 2022 Electric Procurement Revenue Requirement forecasts.

Following Board questions and comments, no action was taken.

7. EEI Agreement Confirmation Between SDG&E and SDCP for Purchase of Long-term Renewable Energy

Power Services Director Vosburg reported on long-term Renewables Portfolio Standard ("RPS") requirements and Senate Bill 350 which requires at least 65% of RPS obligations be secured through long-term RPS contracts. Power Services Director Vosburg provided an overview of the EEI Agreement Confirmation between SDG&E and SDCP for purchase of Long-term Renewable Energy.

Board questions and comments ensued.

ACTION: Motioned by Director Dedina (Imperial Beach) and seconded by Chair Mosca (Encinitas) to approve the EEI Agreement Confirmation between SDG&E and SDCP and authorize the Interim CEO to execute the agreement in substantially similar form as reviewed and approved to form by General Counsel. The motion carried by the following vote:

Vote: 5-0

Yes: Chair Mosca (Encinitas), Director Baber (La Mesa), Director Dedina (Imperial Beach), Alternate Director McCann (Chula Vista), and Director Montgomery Steppe (San Diego)

No: None

Abstained: None

Absent: None

DIRECTOR COMMENTS

There were no comments.

REPORTS BY MANAGEMENT AND GENERAL COUNSEL

There were no reports.

ADJOURNMENT

Chair Mosca (Encinitas) adjourned the meeting at 6:44 p.m.

Megan Wiegelman, CMC
Interim Board Clerk

Prepared by:
Kimberly Isley, Executive Assistant



SAN DIEGO COMMUNITY POWER Staff Report – Item 2

To: San Diego Community Power Board of Directors
From: Lucas Utouh, Director of Data Analytics and Account Services
Via: Bill Carnahan, Interim Chief Executive Officer
Subject: Back-Office Metrics and Dashboard Monthly Update
Date: October 28, 2021

RECOMMENDATION

Receive update on various back-office activities.

BACKGROUND

Staff will provide regular updates to the Board of Directors regarding San Diego Community Power's (SDCP) back-office activities centered around tracking opt actions (i.e. opt outs, opt ups and opt downs) as well as customer engagement metrics. The following is a brief overview of items pertaining to back-office operations.

ANALYSIS AND DISCUSSION

A) Phase 3 Enrollment Planning

SDCP and Calpine Teams kicked off Phase 3 Enrollment planning efforts to discuss Contact Center preparedness for 2022 wherein, the following updates were covered:

I. Contact Center Hiring:

- A General Manager has been hired for the Contact Center who will oversee and coordinate operations.
- Calpine has hired 10 additional Customer Service Representatives (CSRs) in October and their first day of training was on 10/18/2021.
- The training of the new CSRs will take 6 weeks.
- Additional 30 CSRs will be hired in December to start training in January in preparation for May 2022 when the cities of Chula Vista and San Diego begin their enrollment

II. Contact Center Location:

- Calpine is currently looking at possible sites where our Contact Center will be located. Currently, all of our Contact Center Representatives (CSRs) are working remotely.

B) Opt Actions Tracking

SDCP Staff and Calpine have collaborated to create a reporting dashboard of customer actions to opt-out, opt-up to Power100 or opt down from Power100 to PowerOn. The below charts summarize these actions accordingly as of October 17th, 2021:

I. Opt Outs

Opt Outs by City	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	2	32	1	150	9	3	11	12	1	221
CITY OF ENCINITAS	0	0	3	32	7	11	5	3	1	62
CITY OF IMPERIAL BEACH	0	0	0	11	0	1	1	0	0	13
CITY OF LA MESA	0	0	15	51	3	6	3	0	1	79
CITY OF SAN DIEGO	14	7	43	516	51	123	111	132	14	1011
Grand Total	16	39	62	760	70	144	131	147	17	1386

Opt Outs by Class Code	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Residential	0	0	0	0	0	0	0	0	0	0
Commercial/Industrial	16	39	62	760	70	144	131	147	17	1386
Grand Total	16	39	62	760	70	144	131	147	17	1386

Opt Outs by Reason	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Concerns about Government-Run Power Agency	0	0	2	15	2	2	2	0	0	23
Decline to Provide	0	4	19	11	25	33	31	95	1	219
Dislike being automatically enrolled	0	0	28	59	23	18	34	16	0	178
Have renewable Energy Reliability Concerns	0	0	0	3	0	2	7	0	0	12
Other	1	35	2	667	12	18	3	7	4	749
Rate or Cost Concerns	15	0	11	5	8	70	50	29	11	199
Service or Billing Concerns	0	0	0	0	0	1	4	0	1	6
Grand Total	16	39	62	760	70	144	131	147	17	1386

Opt Outs by Method	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	35	31	681	23	67	73	85	10	1005
Interactive Voice Response (IVR)	0	0	1	8	5	27	22	9	7	79
Web	16	4	30	71	42	50	36	53	0	302
Grand Total	16	39	62	760	70	144	131	147	17	1386

II. Opt Ups to Power100

Opt Ups by City	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	0	56	0	0	626	9	4	1	2	698
CITY OF ENCINITAS	0	18	0	0	0	0	0	0	0	18
CITY OF IMPERIAL BEACH	0	0	0	0	0	60	0	0	0	60
CITY OF LA MESA	0	0	12	0	130	3	0	3	0	148
CITY OF SAN DIEGO	0	133	1	2	2922	12	22	11	9	3112
Grand Total	0	207	13	2	3678	84	26	15	11	4036

Opt Ups by Class Code	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Residential	0	2	0	0	0	0	0	0	0	2
Commercial/Industrial	0	205	13	2	3678	84	26	15	11	4034
Grand Total	0	207	13	2	3678	84	26	15	11	4036

Opt Ups by Method	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	207	11	1	3668	80	23	13	7	4010
Interactive Voice Response (IVR)	0	0	0	0	3	0	0	0	0	3
Web	0	0	2	1	7	4	3	2	4	23
Grand Total	0	207	13	2	3678	84	26	15	11	4036

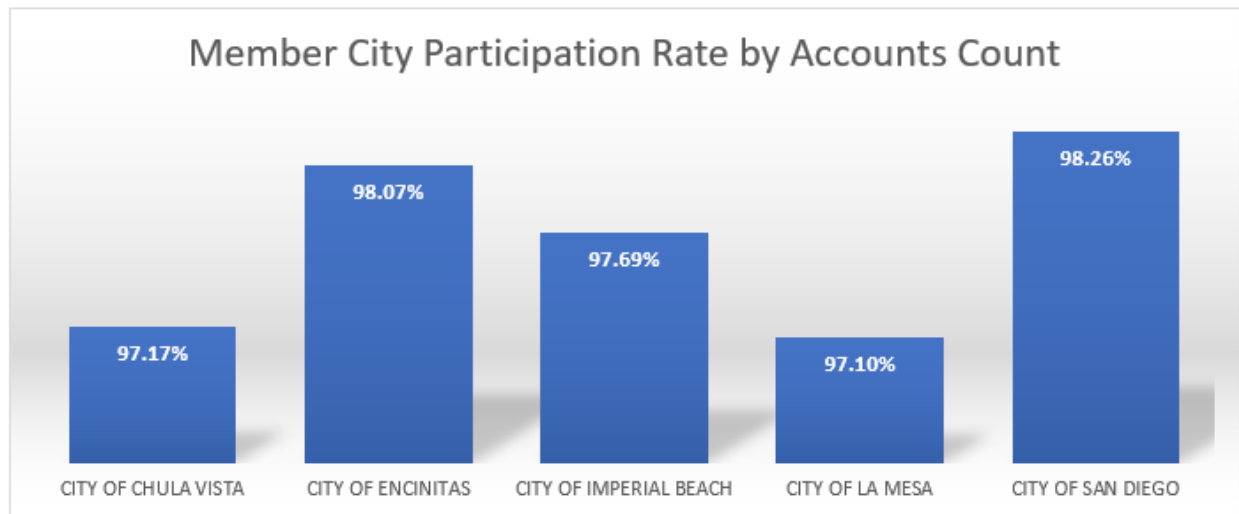
III. Opt Downs from Power100 (Encinitas)

Opt Downs by City	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
CITY OF CHULA VISTA	0	0	0	0	0	0	0	0	0	0
CITY OF ENCINITAS	0	0	0	0	24	8	1	1	1	35
CITY OF IMPERIAL BEACH	0	0	0	0	0	0	0	0	0	0
CITY OF LA MESA	0	0	0	0	0	0	0	0	0	0
CITY OF SAN DIEGO	0	0	0	0	0	0	0	0	0	0
Grand Total	0	0	0	0	24	8	1	1	1	35

Opt Downs by Class Code	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Residential	0	0	0	0	0	0	0	0	0	0
Commercial/Industrial	0	0	0	0	24	8	1	1	1	35
Grand Total	0	0	0	0	24	8	1	1	1	35

Opt Downs by Method	February	March	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Customer Service Rep (CSR)	0	0	0	0	22	6	1	1	1	31
Interactive Voice Response (IVR)	0	0	0	0	2	2	0	0	0	4
Web	0	0	0	0	0	0	0	0	0	0
Grand Total	0	0	0	0	24	8	1	1	1	35

IV. Participation Rate (Phase 1 and 2)



City	Active	Eligible	Total Opt Outs	Participation Rate by Accounts Count
CITY OF CHULA VISTA	7434	7798	221	97.17%
CITY OF ENCINITAS	3100	3205	62	98.07%
CITY OF IMPERIAL BEACH	533	562	13	97.69%
CITY OF LA MESA	2575	2723	79	97.10%
CITY OF SAN DIEGO	56361	58102	1011	98.26%
Grand Total	70003	72390	1386	98.09%

C) Contact Center Metrics

We are also tracking customer interactions via our Contact Center and the chart below summarizes contact made by customers broken down by month:

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

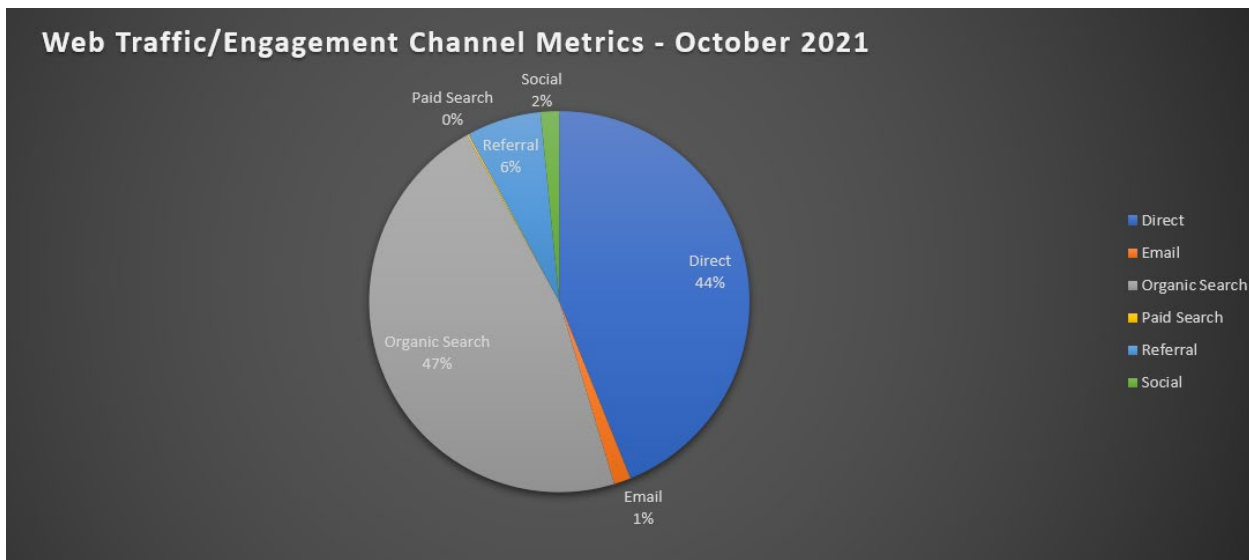
IVR and SLA Details	April	May	June	July	August	September	October - MTD	2021 YTD Grand Total
Total Calls to Interactive Voice Response (IVR)	79	109	103	324	531	349	159	1716
Total Calls Connected to Agents	49	66	57	205	338	231	102	1048
Average Seconds to Answer	0:00:38	0:00:14	0:00:21	0:00:37	0:00:22	0:00:14	0:00:12	
Average Call Duration	0:08:57	0:07:51	0:06:42	0:10:33	0:08:13	0:08:41	0:07:03	
Calls Answered within 60 Seconds (75% SLA)	91.84%	100.00%	89.83%	89.42%	96.46%	99.57%	100.00%	
Abandon Rate	0.00%	0.00%	3.39%	1.44%	0.29%	0.00%	0.00%	

Customer Service Emails			
	Emails Received	Emails answered or escalated within 24 hours	(%)
May	34	29	85.29%
June	43	41	95.35%
July	32	31	96.88%
August	73	71	97.26%
September	34	32	94.12%
October - MTD	17	16	94.12%

**Does not include junk email*

D) Web Traffic/Customer Engagement Channel Tracking Metrics

Starting this month, Civilian and the SDCP Team will be tracking traffic associated with our website going forward. We believe this metric is an important one to gauge the frequency with which our customers engage with us. Below is the tracking done so far for the month of October as of 10/14/2021:



COMMITTEE REVIEW

Not Applicable

FISCAL IMPACT

Not Applicable

ATTACHMENTS

Not Applicable



SAN DIEGO COMMUNITY POWER Staff Report – Item 3

To: San Diego Community Power Board of Directors

From: Sebastian Sarria, Program and Policy Manager

Via: Cody Hooven, Chief Operating Officer

Subject: Approval of Community Advisory Committee Fiscal Year 2021-2022 Work Plan

Date: October 28, 2021

RECOMMENDATION

Approve the Community Advisory Committee Work (CAC) Plan for Fiscal Year 2021-2022.

BACKGROUND

As part of the CAC Scope of Work that was amended by the Board of Directors at the August regular meeting, “[t]he Community Advisory Committee will, under the direction of the SDCP Board of Directors and authorized SDCP staff...[a]dopt a work plan at the start of every fiscal year that aligns with the CAC Scope provided by the Board.”

In anticipating this process, the CAC formed an ad-hoc work plan committee earlier this year to discuss the upcoming work plan and what they would like to see. Staff and the ad-hoc work plan committee held a series of productive meetings which resulted in a draft CAC work plan to be reviewed and approved for recommendation to the Board by the complete Community Advisory Committee.

At the October 8 regular meeting of the CAC, the draft work plan was presented and approved for the Board of Directors to adopt.

ANALYSIS AND DISCUSSION

The draft work plan builds on the inaugural work plan that was adopted by the Board last year. It now incorporates items such as incorporating equity on all items brought to the CAC, assisting in the Phase 3 enrollment efforts, receiving briefings and commenting on procurement projects under consideration by the Board, as well as be provided with basic training on the legislative bill development process in California.

The draft work plan also includes opportunities for the CAC members to be involved in the development of programs. For example, this includes providing input into SDCP’s

future Community Power Plan, the Local Government Commission member assistance program, as well as the Disadvantaged Communities Green-Tariff and Community Solar Green-Tariff programs. Lastly, the CAC shall cover other tasks not included but with prior approval of staff but within the purview of the Scope of Work.

COMMITTEE REVIEW

As mentioned above, the CAC reviewed and approved recommending that the Board the draft work plan for fiscal year 2021-2022.

FISCAL IMPACT

There is no fiscal impact associated with this action.

ATTACHMENTS

Attachment A: Draft CAC FY 21-22 Work Plan.



Community Advisory Committee (CAC) Work Plan for Fiscal Year 2021 - 2022

[Committee Purpose and Scope of Work](#) [Standard Operating Procedures](#)

Focus	Description	When
Equity Overview	Prioritize equitable outcomes by working with the SDCP Board and Staff.	Year round
Educational Presentations	Invite and hold educational presentations to the CAC to assist in ongoing support to SDCP staff and the Board. Support presentations in our communities about SDCP programs and ways to participate.	Year round
Legislative / Public Policy / Regulatory	Bring forth news and advise the Board of legislative, public policy and regulatory issues that are brought forward by SDCP and/or identified by the SDCP Board as a priority. Make public comments at public meetings supporting SDCP positions on these issues.	Year round
Equitable, Inclusive and Sustainable Workforce Policy	Review and provide potential comments to the Board regarding having an equitable, inclusive and sustainable workforce policy.	Year round
Marketing and Communications Efforts	Support outreach efforts to the community, including events, marketing, communication, the residential Phase 3 enrollment launch, and other activities.	Year round
Procurement Efforts	Receive briefing and give comment on short-term and long-term procurement projects under consideration by the Board of Directors.	Year round



Focus	Description	When
Community Power Plan	Assist staff in the development and outreach of the Community Power Plan, which will inform what SDCP's long-term programmatic and local procurement outlook will be.	Year round
Staff and Board-Initiated Items	Provide recommendations on items as they are brought forward by SDCP staff and the Board.	Year round
Community-Member Communications Guide	The Guide describes the best practices for CAC members to engage with the community that they represent. The best practices may include, but are not limited to: acquiring resources from SDCP; use of, and resources for, social media; and coordinating with member city governments.	Q3-Q4 2021
Legislative 101 Session	Receive a basic training by staff on the bill development process in the California legislature.	Q3-Q4 2021
FY 21/22 Programs Outlook	Provide input on the programs outlook for fiscal year 21/22.	Q3-Q4 2021
Local Government Commission	Provide input to staff and the Local Government Commission (LGC) on topics for educational workshops, and their technical assistance work for member jurisdictions.	Q4 2021 – Q1 2022
DAC-GT & CS-GT	Provide input into the community outreach component of the Disadvantaged Communities Green Tariff and Community Solar Green Tariff programs.	Q1-Q2 2022

The CAC shall cover other tasks not mentioned above with prior approval of SDCP staff but within the purview of the Scope of Work. All tasks shall be presented and acted upon in a manner that complies with the Brown Act.



SAN DIEGO COMMUNITY POWER

Staff Report – Item 4

To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Findings to Continue Holding Remote/Teleconference Meetings Pursuant to Assembly Bill 361

Date: October 28, 2021

RECOMMENDATION

Based on the information contained in the staff report, make the following findings and determinations: (1) the Governor-declared COVID-19 State of Emergency remains in effect and the Board has reconsidered the circumstances of the COVID-19 State of Emergency; (2) state or local officials continue to impose or recommend measures to promote social distancing; and (3) for the next thirty (30) days, the meetings of the SDCP Board, its committees, and any other legislative bodies including the Community Advisory Committee, shall be held pursuant to the provisions of Government Code section 54953(e), allowing legislative body members and members of the public to participate in meetings remotely in accordance with that section.

BACKGROUND

The Brown Act generally requires in-person meetings and allows legislative body members to participate in a meeting by teleconference, provided that the teleconference locations are identified on the agenda, that the teleconference locations are open to the public to attend and participate in the meeting, and that a quorum of the members is located within the agency's jurisdiction.

Since March 2020 and the issuance of Executive Order N-29-20, which originally modified certain portions of the Brown Act relating to teleconferencing at the outset of the COVID-19 pandemic, the Board, its committees, and the Community Advisory Committee have held fully or partially virtual meetings without having to post the location of the legislative body members attending virtually, while also allowing members of the public to attend and participate in the meeting virtually. In June of 2021, Governor Newsom issued Executive Order N-08-21, which provided that the exceptions contained in Executive Order N-29-20 would sunset on September 30, 2021.

Newly adopted legislation, AB 361, allows for fully or partially virtual meetings under certain circumstances without being required to follow certain standard Brown Act teleconferencing requirements, similar to the prior Executive Order.

Under Government Code section 54953(e), which was adopted by AB 361, the Board and all SDCP committees can hold virtual meetings without being required to follow certain standard Brown Act teleconferencing requirements if there is a Governor-proclaimed state of emergency and one of two other criteria listed below exists:

1. State or local officials have imposed or recommended measures to promote social distancing; or
2. The legislative body determines that requiring a meeting in person would present an imminent risk to the health and safety of attendees.

Meetings held pursuant to AB 361 must meet certain requirements to ensure the public has the ability to meaningfully observe and participate in the meeting, similar to fully in-person meetings. Specifically, legislative bodies holding a meeting pursuant to AB 361 must, among other things, describe on the agenda how members of the public can access the meeting and offer public comment via a call-in or internet-based option, provide an opportunity for members of the public to provide public comment in real time, and pause the meeting and take no action if there is a disruption in the broadcast of the meeting or a disruption in the call-in or internet-based public comment function within the agency's control.

At least 30 days after a legislative body holds a meeting pursuant to Government Code section 54953(e) for the first time, it must make certain findings in order to continue doing so (and must make similar findings following subsequent 30-day periods). To continue holding meetings pursuant to AB 361, the legislative body must find that the proclaimed state of emergency still exists and that one of the two following findings can be made: (1) that state or local officials continue to impose or recommend measures to promote social distancing, or (2) that as a result of the state of emergency, meeting in person would present imminent risks to the health or safety of attendees.

ANALYSIS AND DISCUSSION

Currently, the Governor's declaration of a COVID-19 State of Emergency remains in effect. Further, state and local health officials continue to recommend or require social distancing, including for individuals who have recently tested positive for COVID-19 or been in close proximity to a person who has tested positive for COVID-19. In addition, on September 23, 2021, the San Diego County Public Health Officer issued a Teleconferencing Recommendation related to AB 361. The Teleconferencing Recommendation provides, in part:

Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation order or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from the COVID-19 virus.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from the COVID-19 disease.

Based on the continued COVID-19 State of Emergency and required or recommended social distancing measures, SDCP has held its October meetings pursuant to AB 361, thereby permitting members of the Board and SDCP committees to attend meetings virtually and for the public to participate in the same manner.

In order to continue holding meetings pursuant to AB 361, SDCP's legislative bodies must make the findings required to continue meeting virtually. Because the Board of Directors is the most appropriate legislative body to make findings and policy decisions on behalf of *all* of SDCP's legislative bodies (including the Board, its committees, and the Community Advisory Committee), the Board may make the findings for all SDCP legislative bodies under the Brown Act. This would generally eliminate the need for each committee to take separate actions.

If the Board desires to continue meeting pursuant to AB 361, an action item will be placed on each Board agenda to reauthorize virtual meetings. In the event that a committee meeting will be held more than thirty (30) days after required findings have been made by the Board, and the committee desires to hold its meeting pursuant to AB 361, the committee may take an action at the beginning of its meeting to make the necessary findings.

Lastly, it is important to note that AB 361 is optional. If the Board desires, it may choose for Board and committee meetings to be held in person, with teleconferencing only under the standard Brown Act rules, where the teleconference location must be listed on the agenda and be open for the public to attend and participate from that location. Please note, however, that due to SDCP's current lack of its own Board meeting space and limited access to member agencies' facilities or other appropriate meeting spaces, full in-person meetings of the Board and public may be difficult at this time, and staff would likely need ample time to secure an appropriate space, if available.

FISCAL IMPACT

None.

ATTACHMENTS

None.



SAN DIEGO COMMUNITY POWER

Staff Report – Item 5

To: San Diego Community Power Board of Directors

From: Ryan Baron, General Counsel

Subject: Review of Draft Amended and Restated SDCP Joint Powers Agreement

Date: October 28, 2021

RECOMMENDATION

Discuss draft Amended and Restated JPA Agreement and consider directing staff to provide SDCP Member Agencies, including anticipated new Member Agencies, with a copy of the draft Amended and Restated JPA Agreement and conforming changes to the SDCP Bylaws and place the Amended and Restated JPA Agreement and updated Bylaws on a future SDCP agenda for final approval.

BACKGROUND

Effective October 1, 2019, SDCP's five (5) Founding Members adopted a Joint Powers Agreement ("JPA Agreement") establishing the San Diego Regional Community Choice Energy Authority. Pursuant to the first amendment to the JPA Agreement, the Authority was re-named San Diego Community Power ("SDCP") on November 19, 2019.

On June 24, 2021, the Board of Directors discussed the prospective addition of new Member Agencies and established an ad hoc committee to work with staff to review the SDCP JPA Agreement and recommend changes related to the addition of new Member Agencies and its effect on Board voting and weighted votes.

Under SDCP's Bylaws, the Board of Directors must consider proposed amendments to the JPA Agreement and Bylaws at an open and public meeting of the Board. Following such consideration, the Board may, by majority vote, direct the Chief Executive Officer to provide written notice of the proposed amendment(s) to the Member Agencies in any manner permitted under Section 9.4 of the JPA Agreement. At a Board meeting held at least 30 days after such notices have been provided, the Board may consider adoption of the proposed amendment(s) to the JPA Agreement and/or Bylaws. Under Section 4.12.2 of the JPA Agreement, SDCP may amend the JPA Agreement and Bylaws by a two-thirds vote of the Board.

ANALYSIS AND DISCUSSION

The ad hoc committee and staff met and discussed the prospective addition of new Member Agencies and potential changes to the JPA Agreement relating to Board voting

and weighted votes. The ad hoc committee and staff also discussed making the proposed changes through an “Amended and Restated” version of the JPA Agreement that would make changes to the weighted vote provisions as well as other minor or clarifying changes. The proposed Amended and Restated SDCP JPA Agreement includes the following changes compared to the original JPA Agreement:

1. Incorporates the name “San Diego Community Power” or “SDCP” throughout
2. Updates the recitals to reflect the prior history of the JPA Agreement and first amendment (Recital 1)
3. Adds Exhibit F, where the signature pages of new Member Agencies will be added as they join SDCP, and providing a template signature page for new Member Agencies (Section 2.4.4; Exhibit F)
4. Updates the procedures for holding a Voting Shares Vote when SDCP has eight (8) or more Directors (Section 4.11.2(a))
 - Under the original JPA Agreement, three (3) or more Directors have the right to request a Voting Shares Vote. A Voting Shares Vote can be used to reconsider an action that was approved by an Equal Vote. In order to nullify an action approved by an Equal Vote, a Voting Shares Vote must pass by a two-thirds supermajority (66.7%), based on the voting shares in Exhibit D. Put differently, the JPA Agreement allows agencies representing a very large amount of SDCP’s electric load the opportunity to nullify a Board action taken by an Equal Vote, assuming there are a sufficient number of Directors desiring to call a Voting Shares Vote.
 - With the addition of multiple new Member Agencies, the three (3) Director threshold for requesting a Voting Shares Vote would become easier to achieve, allowing an increasingly smaller proportion of the Board to request a Voting Shares Vote.
 - In order to maintain a meaningful threshold for requesting a Voting Shares Vote, the proposed Amended and Restated JPA Agreement would increase the threshold for requesting a Voting Shares Vote when SDCP has eight or more Directors.
 - Under the proposed language, when the Board has eight (8) or more Directors, the number of Directors required to call a Voting Shares Vote would be one less than a quorum of the Board. Until there are eight (8) or more Directors, the current requirement of three (3) Directors would remain in place. For example:
 - When SDCP has 5–7 Directors, the threshold for requesting a Voting Shares Vote would remain three (3) Directors.
 - If SDCP has 8–9 Directors, the threshold for requesting a Voting Shares Vote would be four (4) Directors.
 - If SDCP has 10 Directors, the threshold for requesting a Voting Shares Vote would be five (5) Directors, etc.

5. Clarifying that the annual energy use used to calculate each agency's voting shares is based on a calendar year (as opposed to fiscal year) (Section 4.11.3(a))
6. Clarifying that Exhibit D (Voting Shares) will be updated annually by March 1 and at other times as necessary to account for the addition of new Member Agencies (Section 4.11.3(b))
7. Changing the election of Board Chair and Vice-Chair from the beginning of the fiscal year to the beginning of each calendar year to better align with Member Agencies' appointments to the Board, and for the Chair and Vice-Chair to serve for one year *or* until a successor is elected (Sections 5.1 and 5.2)
8. Clarifying that alternate Directors may be appointed to serve on the Finance and Risk Management Committee (Section 5.10.2)

Because many of SDCP's Bylaws are based on language in the JPA Agreement, if the JPA Agreement is amended, certain Bylaws provisions may need to be amended as well. If the Board votes to proceed with notifying the Member Agencies of the proposed Amended and Restated JPA Agreement, SDCP would also prepare and provide notice of conforming changes to the Bylaws and notify Member Agencies of those proposed changes as well.

In addition, relating to notice to the Member Agencies, because the County of San Diego and National City are anticipated to be joining SDCP as new Member Agencies by the time the proposed Amended and Restated JPA Agreement and Bylaw changes would be considered by the Board in December, SDCP would provide notice to the anticipated new Member Agencies as well.

FISCAL IMPACT

None

ATTACHMENTS

Attachment A: Draft Amended and Restated JPA Agreement

San Diego Community Power

- Joint Powers Agreement -

Amended and Restated Effective

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Previous Versions/Amendments:

Original Agreement Effective October 1, 2019

First Amendment Effective November 22, 2019

SAN DIEGO COMMUNITY POWER
JOINT POWERS AGREEMENT

This Joint Powers Agreement (the “Agreement”), first effective as of October 1, 2019, and amended and restated effective [REDACTED] is made by the Founding Members of San Diego Community Power including cities of San Diego, Chula Vista, La Mesa, Encinitas, and Imperial Beach, and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the public agencies set forth in Exhibit B.

RECITALS

1. Effective October 1, 2019, the Founding Members entered into that certain Joint Powers Agreement for the San Diego Regional Community Choice Energy Authority (“Original Agreement”), which among other things established a separate public agency in order to collectively study, promote, develop, conduct, operate, and manage energy programs. On November 22, 2019, the Board of Directors approved the First Amendment to the Original Agreement to change the agency’s name from the “San Diego Regional Community Choice Energy Authority” to “San Diego Community Power.” The Board of Directors now desires, pursuant to Section 4.12.2(c), to amend and restate the Original Agreement as set forth herein.
2. The Parties are public agencies sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
3. SB 350, adopted in 2015, mandates a reduction in greenhouse gas emissions to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. In 2018, the State Legislature adopted SB 100, which directs the Renewable Portfolio Standard to be increased to 60% renewable by 2030 and establishes a policy for eligible renewable energy resources and zero-carbon resources to supply 100 percent of electricity retail sales to California end-use customers by 2045.
4. The purposes for the Founding Members (as such term is defined in Exhibit A) entering into this Agreement include procuring/developing electrical energy for customers in participating jurisdictions, addressing climate change by reducing energy-related greenhouse gas emissions, promoting electrical rate price stability, and fostering local economic benefits such as job creation, local energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional, and local solar and wind energy production and energy storage.
5. The Parties to this Agreement have established a separate public agency, known as San Diego Community Power (“SDCP”), under the provisions of the Joint Exercise of Powers

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Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

6. The Founding Members have each adopted an ordinance electing to implement through SDCP a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of SDCP will be the consideration of those actions necessary to implement the CCA Program on behalf of participating jurisdictions.

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7. By establishing SDCP, the Parties seek to:

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- (a) Provide electricity service to residents and businesses located within the municipal boundaries of the public agencies that signed on to this agreement in a responsible, reliable, innovative, and efficient manner;
- (b) Provide electric generation rates to all ratepayers that are lower or at least competitive with those offered by the Investor Owned Utility (IOU), San Diego Gas & Electric (SDG&E), for similar products;
- (c) Offer differentiated energy products for standard commodity electric service that provide a cleaner power portfolio than that offered by the IOU for similar service and a 100 percent renewable content option in which communities and customers may “opt-up” and voluntarily participate, with the ultimate objective of achieving—and sustaining—100 percent renewable energy availability and usage, at competitive rates, within SDCP service territory by no later than 2035, and then beyond;
- (d) Develop an aggregate electric supply portfolio with overall lower greenhouse gas (GHG) emissions than the IOU, and one that supports near-term achievement of the Parties’ greenhouse gas reduction goals and renewable electricity goals;
- (e) Prioritize the use and development of local, cost-effective renewable and distributed energy resources in ways that encourage and support local power development and storage, avoids the use of unbundled renewable energy credits, and excludes coal and avoids nuclear contracts;
- (f) Promote an energy portfolio that incorporates energy efficiency and demand response programs and pursues ambitious energy consumption reduction goals;
- (g) Provide a range of energy product and program options, available to all Parties and customers, that best serve their needs, their local communities, and support regional sustainability efforts.
- (h) Demonstrate quantifiable economic benefits to the region including prevailing wage jobs, local workforce development, economic development programs, new energy programs, and increased local energy investments;

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- (i) To the extent authorized by law, support a stable, skilled, and trained workforce through a variety of mechanisms, including neutrality agreements, that are designed to ensure quality workmanship at fair and competitive rates and which benefit local residents by delivering cost-effective clean energy programs and projects;
- (j) Promote supplier and workforce diversity, including returning veterans and those from regional disadvantaged and under-represented communities of concern, to reflect the diversity of the region;
- (k) Promote personal and community ownership of renewable generation and energy storage resources, spurring equitable economic development and increased resilience throughout the region.
- (l) Ensure that low-income households are provided with affordable electric rates and have access to special utility rates including California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs;
- (m) Pursue purposeful and focused investment in communities of concern, prioritization of local renewable power, workforce development, and policies and programs centered on economic, environmental, and social equity.
- (n) Use discretionary program revenues to support [SDCP](#)'s long-term financial viability, enhance customer rate stability, and provide all Parties and their customers with access to innovative energy programs, projects and services throughout the region; and
- (o) Create an administering [SDCP](#) that is financially sustainable, responsive to regional priorities, well-managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practice employment policies, including but not limited to efficient consideration of petitions to unionize, participating in collective bargaining, if applicable, and providing appropriate wages and benefits.

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AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

1. **DEFINITIONS AND EXHIBITS**

- 1.1 **Definitions.** Capitalized terms used in this Agreement shall have the meanings specified in **Exhibit A**, unless the context requires otherwise.
- 1.2 **Documents Included.** This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement:

- Exhibit A: Definitions
Exhibit B: List of Founding Members
Exhibit C: Annual Energy Use by Jurisdiction
Exhibit D: Voting Shares of Founding Members
Exhibit E: Signature [Pages of Founding Members on Original Agreement](#)
[Exhibit F: Signature Pages of Additional Parties](#)

2. **FORMATION OF [SAN DIEGO COMMUNITY POWER](#)**

- 2.1 **Effective Date and Term.** This Agreement shall become effective and [SDCP](#) shall exist as a separate public agency on the date this Agreement is executed by the City of San Diego and at least one other public agency after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). [SDCP](#) shall provide notice to the Parties of the Effective Date. [SDCP](#) shall continue to exist, and this Agreement shall be effective, until the Agreement is terminated in accordance with Section 8.4 (Mutual Termination) of this Agreement, subject to the rights of the Parties to withdraw from [SDCP](#), pursuant to Section 8.1.
- 2.2 **Formation of [SDCP](#).** Under the Act, the Parties hereby create a separate joint exercise of power agency which is named San Diego Community [Power \(formerly known as the San Diego Regional Community Choice Energy Authority\)](#). Pursuant to Sections 6506 and 6507 of the Act, [SDCP](#) is a public agency separate from the Parties. The jurisdiction of [SDCP](#) shall be all territory within the geographic boundaries of the Parties; however, [SDCP](#) may, as authorized under applicable law, undertake any action outside such geographic boundaries as is necessary and incidental to the accomplishment of its purpose.
- 2.3 **Purpose.** The purpose and objectives of this Agreement are to establish [SDCP](#), to provide for its governance and administration, and to define the rights and obligations of the Parties. This Agreement authorizes [SDCP](#) to provide opportunities by which the Parties can work cooperatively to create economies of scale, provide for stronger regulatory and legislative influence at the State level, and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all the Parties and their constituents, including, but not limited to, establishing and operating a Community Choice Aggregation program.
- 2.4 **Addition of Parties.** After the initial formation of [SDCP](#) by the Founding Members, any incorporated municipality, county, or other public agency authorized to be a community choice aggregator under Public Utilities Code Section 331.1 located within the service territory of the IOU may apply to and become a member of [SDCP](#) if all the following conditions are met:

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2.4.1 The adoption by a two-thirds vote of the Board satisfying the requirements described in Section 4.11 (Board Voting) of this Agreement, of a resolution authorizing membership into SDCP;

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2.4.2 The adoption by the public agency of a CCA ordinance as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of this Agreement and other necessary program agreements by the public agency;

2.4.3 Payment of a membership fee, if any, as may be required by the Board to cover SDCP costs incurred in connection with adding the new party; and

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2.4.4 Satisfaction of any other reasonable conditions established by the Board.

Pursuant to this Section 2.4 (Addition of Parties), all Parties shall be required to commence electric service as soon as is practicable within statutory and regulatory requirements, as determined by the Board and SDCP management, as a condition to becoming a Party to this Agreement. Following satisfaction of the above conditions, SDCP shall ministerially add the new Party's signature page to Exhibit F of this Agreement and circulate a copy of the Agreement to all of the Parties.

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2.5 **Continuing Participation.** The Parties acknowledge that membership in SDCP may change by the addition, withdrawal and/or termination of Parties. The Parties agree to participate with such other Parties as may later be added by the Board, as described in Section 2.4 (Addition of Parties) of this Agreement. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

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3. **POWERS**

3.1 **General Powers.** SDCP shall have the powers common to the Parties which are necessary or appropriate to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 3.4 (Limitation on Powers) of this Agreement.

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3.2 **Specific Powers.** Specific powers of SDCP shall include, but not be limited to, each of the following powers, which may be exercised at the discretion of the Board:

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3.2.1 make and enter into contracts;

3.2.2 employ agents and employees, including but not limited to a Chief Executive Officer;

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- 3.2.3 acquire, own, contract, manage, maintain, and operate any buildings, public works, improvements or other assets including but not limited to public electric generation resources;
- 3.2.4 acquire property for electric generation/interconnection purposes by eminent domain, or otherwise, except as limited under Section 6508 of the Act and Sections 3.6 and 4.12.3 of this Agreement, and to hold or dispose of any property; provided, however, SDCP shall not exercise the power of eminent domain within the jurisdiction of a Party over its objection;
- 3.2.5 lease any property;
- 3.2.6 sue and be sued in its own name;
- 3.2.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers authorized by law pursuant to Government Code Section 53850 et seq. and authority under the Act;
- 3.2.8 issue revenue bonds and other forms of indebtedness;
- 3.2.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;
- 3.2.10 form independent corporations or entities, if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
- 3.2.11 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 3.2.12 adopt rules, regulations, policies, bylaws and procedures governing the operation of SDCP;
- 3.2.13 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services;
- 3.2.14 enter into neutrality agreements where SDCP has a proprietary or significant financial interest, negotiate project labor agreements, community benefits agreements and collective bargaining agreements with the local building trades council and other interested parties; and
- 3.2.15 receive revenues from sale of electricity and other energy-related programs.

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3.3 **Additional Powers to be Exercised.** In addition to those powers common to each of the Parties, SDCP shall have those powers that may be conferred upon it by law and by subsequently enacted legislation.

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3.4 **Limitation on Powers.** As required by Section 6509 of the Act, the powers of SDCP are subject to the restrictions upon the manner of exercising power possessed by the City of Encinitas and any other restrictions on exercising the powers of SDCP that may be adopted by the Board.

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3.5 **Obligations of SDCP.** The debts, liabilities, and obligations of SDCP shall not be the debts, liabilities, and obligations of any of the Parties unless a Party agrees in writing to assume any of the debts, liabilities, and obligations of SDCP with the approval of its Governing Body, in its sole discretion. In addition, pursuant to the Act, no Director shall be personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of bonds.

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3.6 **Compliance with Local Zoning and Building Laws.** Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by SDCP within the territory of SDCP shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities are constructed.

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3.7 **Compliance with the Political Reform Act and Government Code Section 1090.** SDCP and its officers and employees shall comply with the Political Reform Act (Government Code Section 81000 et seq.) and Government Code Section 1090 et seq. The Board shall adopt a Conflict of Interest Code pursuant to Government Code Section 87300. The Board may adopt additional conflict of interest regulations in the Operating Policies and Procedures.

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4. **GOVERNANCE**

4.1 **Board of Directors.**

4.1.1 The Governing Body of SDCP shall be a Board of Directors (“Board”) consisting of two Directors for each Party appointed in accordance with Section 4.2 (Appointment and Removal of Directors) of this Agreement until there are five or more Parties of SDCP. When the fifth Party joins SDCP, the number of Directors per Party shall be reduced to one Director per Party; each Party shall determine which Director shall be that Party’s representative on the Board within 45 days of the date the fifth Party joins SDCP.

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4.1.2 Each Director(s) must be a member of the Governing Body of the appointing Party. Each Director shall serve at the pleasure of the Governing Body of the Party whom appointed such Director and may be removed as Director by such Governing Body at any time. If at any time a vacancy occurs on the Board, then a replacement shall be appointed to fill

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the position of the previous Director within 45 days after the date that position becomes vacant.

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4.1.3 Once SDCP reaches five members and becomes governed by a single appointed Director for each Party, then the Governing Body of each Party shall appoint an alternate to serve in the absence of the primary Director. The alternate is not required to be a member of the Governing Body of the appointing Party. The alternate shall have all the rights and responsibilities of the primary Director when serving in his/her absence.

4.1.4 Any change to the size and composition of the Board other than what is described in this section shall require amendment of this Joint Powers Agreement in accordance with Section 4.12.

4.2 **Appointment and Removal of Directors.** The Directors shall be appointed and may be removed as follows:

4.2.1 The Governing Body of each Party shall appoint and designate in writing two regular Directors if there are four or fewer Parties to this Agreement, or one regular Director if there are five or more Parties to this Agreement, who shall be authorized to act for and on behalf of the Party on matters within the powers of SDCP. The Governing Body of each Party shall appoint and designate in writing one alternate Director if there are five or more Parties in SDCP who may vote on matters when the regular Director is absent from a Board meeting. The alternate Director may serve on committees, vote on matters in committee, chair committees, and fully participate in discussion and debate during meetings. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.

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4.2.2 SDCP's policies and procedures, to be developed and approved by the Board, pursuant to Section 3.2.12, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director have been removed may appoint a replacement.

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4.3 **Director Compensation.** The Board may adopt by resolution a policy relating to the compensation of its Directors.

4.4 **Terms of Office.** Each Party shall determine the term of office for their regular and alternate Director.

4.5 **Purpose of Board.** The general purpose of the Board is to:

4.5.1 Provide structure for administrative and fiscal oversight;

- 4.5.2 Retain a Chief Executive Officer to oversee day-to-day operations of SDCP;
- 4.5.3 Retain legal counsel;
- 4.5.4 Identify and pursue funding sources;
- 4.5.5 Set policy;
- 4.5.6 Maximize the utilization of available resources; and
- 4.5.7 Oversee all Committee activities.

4.6 **Specific Responsibilities of the Board.** The specific responsibilities of the Board shall be as follows:

- 4.6.1 Identify Party and ratepayer needs and requirements;
- 4.6.2 Formulate and adopt an annual budget prior to the commencement of the fiscal year;
- 4.6.3 Develop and implement a financing and/or funding plan for ongoing SDCP operations and capital improvements, if applicable;
- 4.6.4 Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
- 4.6.5 Develop a workforce policy that promotes a local, sustainable, and inclusive workforce;
- 4.6.6 Adopt policies for procuring electric supply and operational needs such as professional services, equipment and/or supplies;
- 4.6.7 Develop and implement a Strategic Plan to guide the development, procurement, and integration of renewable energy resources consistent with the intent and priorities identified in this Agreement;
- 4.6.8 Adopt rules for the disposal of surplus property;
- 4.6.9 Establish standing and ad hoc committees as necessary to ensure that the interests of SDCP and concerns of each Party are represented to ensure effective operational, technical, and financial functioning of SDCP and monitor the distribution and usage of SDCP programs and benefits throughout SDCP's service territory;
- 4.6.10 The setting of retail rates for power sold by SDCP and the setting of charges for any other category of retail service provided by SDCP;

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- 4.6.11 To wind up and resolve all obligations of SDCP in the event SDCP is terminated pursuant to Section 8.2;
- 4.6.12 Address any concerns of consumers and customers;
- 4.6.13 Conduct and oversee SDCP operational audits at intervals not to exceed three years including review of customer access to SDCP programs and benefits, where applicable;
- 4.6.14 Arrange for an annual independent fiscal audit;
- 4.6.15 Adopt such bylaws, rules and regulations as are necessary or desirable for the purposes hereof; provided that nothing in the bylaws, rules and regulations shall be inconsistent with this Agreement;
- 4.6.16 Exercise the Specific Powers identified in Sections 3.2 and 4.6 except as those which the Board may elect to delegate to the Chief Executive Officer; and
- 4.6.17 Discharge other duties as appropriate and/or required by law.

4.7 **Startup Responsibilities.** SDCP shall have the duty to do the following within one year of the Effective Date of the Agreement:

- 4.7.1 Oversee the preparation of, adopt, and update an implementation plan, pursuant to Public Utilities Code Section 366.2(c)(3), for electrical load aggregation;
- 4.7.2 Prepare a statement of intent, pursuant to Public Utilities Code Section 366.2(c)(4), for electrical load aggregation;
- 4.7.3 Encourage other qualified public agencies to participate in SDCP;
- 4.7.4 Obtain financing and/or funding as is necessary to support start up and ongoing working capital;
- 4.7.5 Evaluate the need for, acquire, and maintain insurance;
- 4.7.6 Consider and take action on the assumption of City of San Diego consulting and services agreements related to SDCP's start up and implementation activities, subject to the City of San Diego continuing to advance payment, or if another source is secured by the JPA, until such time as an agreement is executed for payment of Initial Costs as specified under Section 7.3.2.

4.8 **Meetings and Special Meetings of the Board.** The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular

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meetings at more frequent intervals. The date, hour, and place of each regular meeting shall be fixed annually by resolution of the Board. The location of regular meetings may rotate for the convenience of the Parties, subject to Board approval and availability of appropriate meeting space. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. Board meeting agendas generally shall be set, in consultation with the Board Chair, by the Chief Executive Officer appointed by the Board pursuant to Section 5.5. The Board itself may add items to the agenda upon majority vote pursuant to Section 4.11.1.

4.9 **Brown Act Applicable.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.).

4.10 **Quorum.** A simple majority of the Directors shall constitute a quorum. No actions may be taken by the Board without a quorum of the Directors present. If a Party fails to be represented by a Director(s) or alternate Director in more than one meeting in a 12-month period, the Board may take action by publicly noticing the Party that they are at risk of lack of representation within SDCP.

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4.11 **Board Voting.**

4.11.1 **Equal Vote.** Once a quorum has been established, in general, except when Special Voting is expressly required pursuant to Section 4.12 hereof, Board action shall require votes of a majority of the total number of the Directors of the Board. All votes taken pursuant to this Section 4.11.1 shall be referred to as an “Equal Vote.” The consequence of a tie vote shall generally be “no action” taken. Notwithstanding the foregoing, an “Equal Vote” may be subject to a “Voting Shares Vote” as provided in Section 4.11.2, below.

4.11.2 Voting Shares Vote.

(a) At the same meeting at which an Equal Vote action was taken, three or more Directors shall have the right to request and conduct a “Voting Shares Vote” to reconsider the action approved by the Equal Vote; provided, however, that if there are eight or more Parties to this Agreement, the number of Directors required to request and conduct a Voting Shares Vote to reconsider an Equal Vote action shall be one less than a quorum of the Board.

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(b) Approval of a proposed action by a Voting Shares Vote to reconsider an Equal Vote action shall require the affirmative vote of Directors representing a two-thirds supermajority (66.7%) of the “Voting Shares” cast. The formula and process for allocating

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Voting Shares is set forth in Section 4.11.3, below. If a Voting Shares Vote for reconsideration fails, the legal effect is to affirm the Equal Vote with respect to which the Voting Shares Vote was taken. If the Voting Shares Vote succeeds, the legal effect is to nullify the Equal Vote with respect to which the Voting Shares Vote was taken. If the underlying Equal Vote was a tie, the Voting Shares Vote replaces that tie vote. No action may be taken solely by a Voting Shares Vote without first having taken an Equal Vote.

4.11.3 Voting Shares Vote Formula and Process. For the process of a Voting Shares Vote, each Director shall have a Voting Share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where:

- (a) “Annual Energy Use” means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction and (ii) with respect to the period after the first anniversary of the Effective Date, the annual calendar year electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by SDCP; and
- (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy Use will be designated in **Exhibit C** and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board.

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The combined voting share of all Directors representing a Party shall be based upon the annual electricity usage within the Party’s jurisdiction. If a Party has two Directors, then the voting shares allocated to that Party shall be equally divided between its two Directors.

The initial voting shares will be set forth in **Exhibit D**. Exhibit D shall be revised no less than annually by March 1 as necessary to account for changes in the Parties’ Annual Energy Use and at such other times as necessary to account for changes in the number of Parties. Exhibit D and adjustments shall be approved by the Board.

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Notwithstanding the formula for Voting Shares set forth above, for the purposes of the Voting Shares Vote, no one Party to this Agreement shall have a Director (or Directors, as the case may be) with a Voting Share that exceeds 49%, regardless of the Party’s

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actual annual electricity usage. If a Party would have a voting share that exceeds 49%, the excess above 49% shall be distributed among the other Parties in accordance with their relative annual electricity usage, as shown in Exhibit D.

4.12 Special Voting.

4.12.1 Except as provided below, matters that require Special Voting as described in this section shall require 72 hours prior notice to any Brown Act meeting or special meeting.

4.12.2 Two-thirds vote (or such greater vote as required by state law) of the appointed Directors shall be required to take any action on the following:

- (a) Issue bonds or other forms of debt;
- (b) Adding or removing Parties;
- (c) Amend or terminate this Agreement or adopt or amend the bylaws of [SDCP](#). At least 30 days advance notice shall be provided for such actions. [SDCP](#) shall also provide prompt written notice to all Parties of the action taken and enclose the adopted or modified documents; and

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4.12.3 Three-Fourths Vote shall be required to initiate any action for Eminent Domain

4.12.4 Matters requiring Special Voting under the terms of this Section shall not be subject to Voting Shares Voting pursuant to Section 4.11.2, above.

5. INTERNAL ORGANIZATION

5.1 **Elected and Appointed Officers.** [As further provided in this Section 5](#), the Board shall elect a Chair and Vice Chair from among the Directors and shall appoint a Secretary and a Treasurer as provided in Government Code section 6505.5. No Director may hold more than one such office at any time and elected officers shall represent different Parties of [SDCP](#). Appointed officers shall not be elected officers of the Board.

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5.2 **Chair and Vice Chair.** [At its first meeting of each calendar year](#), the Board shall elect a Chair and Vice Chair from among the Directors. The term of office of the Chair and Vice Chair shall continue for one year [or until a successor is elected](#), but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The Chair shall be the presiding officer of all Board meetings, and the Vice Chair shall serve in the absence of the Chair. The Chair shall perform duties as may be imposed by the Board. In the absence of the Chair, the Vice-Chair shall perform all of the Chair's duties. The office of the Chair or Vice Chair shall

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be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board, or (b) the Party that he or she represents withdraws from SDCP pursuant to the provisions of this Agreement. Upon a vacancy, the position shall be filled at the next regular meeting of the Board held after such vacancy occurs or as soon as practicable thereafter. Succeeding officers shall perform the duties normal to said offices.

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- 5.3 **Secretary.** The Board shall appoint a qualified person who is not on the Board to serve as Secretary. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other office records of SDCP. If the appointed Secretary is an employee of any Party, such Party shall be entitled to reimbursement for any documented out of pocket costs it incurs in connection with such employee's service as Secretary of SDCP, and full cost recovery for any documented hours of service provided by such employee during such Party's normal working hours.

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- 5.4 **Treasurer/Chief Financial Officer and Auditor.** The Board of Directors shall appoint a Treasurer who shall function as the combined offices of Treasurer and Auditor and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer for SDCP shall be the depository and have custody of all money of SDCP from whatever source and shall draw all warrants and pay demands against SDCP as approved by the Board. The Treasurer shall cause an independent audit(s) of the finances of SDCP to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any qualified person or entity as the law allows at the time. The duties and obligations of the Treasurer are further specified in Section 7. The Treasurer shall serve at the pleasure of the Board. If the appointed Treasurer is an employee of any Party, such Party shall be entitled to reimbursement for any documented out of pocket costs it incurs in connection with such employee's service as Treasurer of SDCP, and full cost recovery for any documented hours of service provided by such employee during such Party's normal working hours.

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- 5.5 **Chief Executive Officer.** The Board shall appoint a Chief Executive Officer for SDCP, who shall be responsible for the day-to-day operation and management of SDCP and the CCA Program. The Board shall appoint a qualified person, hired through a transparent, competitive process, to act as the Chief Executive Officer; he or she may not be an elected member of the Board or otherwise representing any Party to SDCP. The Chief Executive Officer may exercise all powers of SDCP, except those powers specifically reserved to the Board including but not limited to those set forth in Section 4.6 (Specific Responsibilities of the Board) of this Agreement or SDCP's bylaws, or those powers which by law must be exercised by the Board. The Chief Executive Officer may enter into and execute

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power purchase agreements and other contracts, in accordance with criteria and policies established by the Board.

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- 5.6 **General Counsel.** The Board shall appoint a qualified person to act as SDCP's General Counsel, who shall not be a member of the Board, or an elected official or employee of a Party.

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- 5.7 **Bonding of Persons Having Access to Property.** Pursuant to the Act, the Board shall designate the public officer or officers or person or persons who have charge of, handle, or have access to any property of SDCP exceeding a value as established by the Board, and shall require such public officer or officers or person or persons to file an official bond in an amount to be fixed by the Board.

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- 5.8 **Other Employees/Agents.** The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees, or independent contractors, as may be necessary or desirable to carry-out the purpose of this Agreement, pursuant to terms and conditions adopted by the Board.

- 5.9 **Privileges and Immunities from Liability.** All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of SDCP to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this Agreement. None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by SDCP to be employed by the Parties or by reason of their employment by SDCP, to be subject to any of the requirements of the Parties.

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- 5.10 **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, related energy programs, and the provisions of this Agreement. To the extent possible, the commissions, boards, and committees should have equal representation from each Party. The Board may establish criteria to qualify for appointment on said commissions, boards, and committees. The Board may establish rules, regulations, policies, or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

- 5.10.1 **Executive Committee.** The Board may establish an executive committee consisting of a subset of its Directors. The Board may delegate to the Executive Committee such authority as the Board might determine appropriate to serve as a liaison between the Board and the Chief

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Executive Officer and to make recommendations to the Board regarding the operations of [SDCP](#). Notwithstanding the foregoing, the Board may not delegate authority regarding essential Board functions, including but not limited to, approving the fiscal year budget or hiring or firing the Chief Executive Officer, and other functions as provided in [SDCP](#) bylaws or policies. Further, the Board may not delegate to the Executive Committee, or any other committee, the Board’s authority under Section 3.2.12 to adopt and amend [SDCP](#) policies and procedures.

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5.10.2 Finance and Risk Management Committee. The Board shall establish a finance and risk management committee consisting of a subset of its [primary or alternate](#) Directors. The primary purpose of the Finance and Risk Management Committee is to review and recommend to the Board:

- (a) A funding plan;
- (b) A fiscal year budget; and
- (c) Financial policies and procedures to ensure equitable contributions by Parties; and

The Finance and Risk Management Committee may have such other responsibilities as may be approved by the Board, including but not limited to advising the Chief Executive Officer on fiscal and risk management policies and procedures, rules and regulations governing investment of surplus funds, audits to achieve best practices in corporate governance and selection and designation of financial institutions for deposit of [SDCP](#) funds, and credit/depository matters.

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5.10.3 Community Advisory Committee. The Board shall establish a Community Advisory Committee comprised of non-Board members. The primary purpose of the Community Advisory Committee shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of [SDCP](#). The Community Advisory Committee is advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board of Directors. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should represent a diverse cross-section of interests, skills sets and geographic regions.

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5.10.4 Technical Advisory Committee. The Board may establish a Technical Advisory Committee comprised of non-Board members. The primary purpose of the Technical Advisory Committee shall be to advise the Board of Directors and provide [SDCP](#) with technical support and engagement in the energy-related operations of [SDCP](#), supplementing the expertise of

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SDCP staff, independent contractors, and consultants. Each Party may nominate a committee member(s) and the Board shall determine the final selection of committee members, who should have significant expertise in electric markets, programs, procurement, regulatory and legislative engagement, and/or energy law.

5.10.5 Meetings of the Advisory Committees. All meetings of the committees shall be held in accordance with the Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the bylaws, a majority of the members of the committee shall constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each committee may adjourn meetings from time-to-time. As soon as practicable, but no later than the time of posting, the Secretary of the committee shall provide notice and the agenda to each Party, Director(s), and Alternate Director(s).

5.10.6 Officers of Advisory Committees. Unless otherwise determined by the Board, each Committee shall choose its officers, comprised of a Chair, a Vice Chair, and a Secretary.

6. **IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS**

6.1 **Preliminary Implementation of the CCA Program.**

6.1.1 Enabling Ordinance. In addition to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in SDCP.

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6.1.2 Implementation Plan. SDCP shall cause to be prepared and secure Board approval of an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations, and consistent with the terms of this Agreement, as soon after the Effective Date as reasonably practicable.

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6.2 **SDCP Documents.** The Parties acknowledge and agree that the affairs of SDCP will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to operational procedures and policies, the annual budget, and specific plans such as a local renewable energy development and integration plan and other policies defined as SDCP Documents by this Agreement. All such SDCP Documents shall be consistent with and designed to advance the goals and objectives of SDCP as expressed in this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such SDCP Documents that may be adopted by the Board, subject to the Parties' right to withdraw from SDCP as described in Section 8 (Withdrawal and Termination) of this Agreement.

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6.3 **Integrated Resource Plan and Regulatory Compliance.** SDCP shall cause to be prepared an Integrated Resource Plan in accordance with California Public Utilities Commission regulations, and consistent with the terms of this Agreement, that will ensure the long-term development and administration of a variety of energy programs that promote local renewable resources, conservation, demand response, and energy efficiency, while maintaining compliance with other regulatory requirements including the State Renewables Portfolio Standard (RPS) and customer rate competitiveness. SDCP shall prioritize the development of cost competitive clean energy projects in San Diego and adjacent counties.

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6.4 **Renewables Portfolio Standards.** SDCP shall provide its customers energy primarily from Category 1 eligible renewable resources, as defined under the California RPS and consistent with the goals of the CCA Program. SDCP shall avoid the procurement of energy from Category 2 or 3 eligible renewable resources (unbundled Renewable Energy Credits or RECs) to the extent feasible. SDCP's ultimate objective shall be to achieve— and sustain—a renewable energy portfolio with 100 percent renewable energy availability and usage, at competitive rates, within SDCP service territory by no later than 2035, and then beyond.

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7. **FINANCIAL PROVISIONS**

7.1 **Fiscal Year.** SDCP's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

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7.2 **Depository.**

7.2.1 All funds of SDCP shall be held in separate accounts in the name of SDCP and not commingled with funds of any Party or any other person or entity.

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7.2.2 All funds of SDCP shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of SDCP shall be open to inspection and duplication by the Parties at all reasonable times. Annual financial statements shall be prepared in accordance with Generally Accepted Accounting Principles of the United States of America within 6 months of the close of the fiscal year. The Board shall contract with a certified public accountant to make an annual audit of the financial statements of SDCP, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

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7.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its policies and procedures.

7.3 **Budget and Recovery Costs.**

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7.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of SDCP shall be prepared and approved by the Board in accordance with its fiscal management policies that should include a deadline for approval.

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7.3.2 Funding of Initial Costs.

(a) The City of San Diego shall fund the Initial Costs of establishing SDCP and implementing its CCA Program. In the event that the CCA Program becomes operational, the City of San Diego will be reimbursed for its Initial Costs on the terms set forth in this Section. The City shall first submit to the Founding Members a description of the types of costs, cost estimates, and interest for which it expects reimbursement. Reimbursable costs shall include, but not limited to, repayment of hard costs associated with CCA vendor contracts and SDCP formation, reimbursement for the portion of staff costs associated with managing SDCP and program formation and other out-of-pocket expenses directly attributable to the implementation of CCA through SDCP. The City will meet and confer with Founding Members in the development of its proposal for reimbursement to SDCP. The amount and the terms for City reimbursement shall be subject to the approval of SDCP Board. The SDCP Board may establish a reasonable time period over which such Initial Costs are recovered once SDCP revenues commence. In the event that the CCA Program does not become operational, to the extent SDCP funds are available the City of San Diego may be reimbursed in accordance with section 8.6 of this Agreement.

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(b) SDCP shall also reimburse Founding Members for their Initial Costs in supporting the implementation of SDCP pursuant to the execution of an agreement specifying the services provided and their related costs. SDCP may establish reasonable costs and a reasonable time period over which such costs are recovered once SDCP revenues commence. SDCP shall not provide for staff time costs or on-going cost reimbursement to Parties once SDCP becomes fully operational unless a specific Agreement between SDCP and the Party for specified services not otherwise provided by SDCP staff has been approved by the Board.

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7.3.3 Program Costs. The Parties desire that, to the extent reasonably practicable, all costs incurred by SDCP that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and

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performance funds, shall be recovered through appropriate charges to CCA customers receiving such electric services.

- 7.3.4 No Requirement for Contributions or Payments. Parties are not required under this Agreement to make any financial contributions or payments to SDCP, and SDCP shall have no right to require such a contribution or payment unless expressly set forth herein (for example, as provided in Section 2.4.3, with respect to Additional Members and provided in Section 8.1, with respect to Withdrawal), or except as otherwise required by law.

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Notwithstanding the foregoing, a Party may volunteer to provide, or negotiate terms with SDCP to provide the following:

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- (a) contributions from its treasury for the purposes set forth in this Agreement;
- (b) payments of public funds to defray the cost of the purposes of the Agreement and SDCP;
- (c) advances of public funds for such purposes, such advances to be repaid as provided by written agreement; or
- (d) its personnel, equipment or property in lieu of other contributions or advances.

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Any agreement with SDCP to provide any of the above-referenced contributions or payments shall require a Special Vote of the Board pursuant to Section 4.12.2.

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No Party shall be required, by or for the benefit of SDCP, to adopt any local tax, assessment, fee or charge under any circumstances.

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- 7.4 **Accounts and Reports.** The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any bonds issued by SDCP. The books and records of SDCP in the hands of the Treasurer shall be open to inspection and duplication at all reasonable times by duly appointed representatives of the Parties. The Treasurer, within 180 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Parties. The Treasurer shall cooperate with all regular audits required by Section 4.6.11 and 4.6.12.

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- 7.5 **Funds.** The Treasurer shall receive, have custody of and/or disburse SDCP funds in accordance with the laws applicable to public agencies and generally accepted accounting practices, and shall make the disbursements required by this Agreement in order to carry out any of the purposes of this Agreement.

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8. WITHDRAWAL AND TERMINATION

8.1 **Withdrawal**

8.1.1 Withdrawal by Parties. Any Party may withdraw its membership in SDCP, effective as of the beginning of SDCP's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to SDCP and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's Governing Body.

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8.1.2 Amendment. Notwithstanding Section 8.1.1 (Withdrawal by Parties) of this Agreement, a Party may withdraw its membership in SDCP upon approval and execution of an amendment to this Agreement provided that the requirements of this Section 8.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in SDCP effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in SDCP should the amendment be approved by the Board.

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8.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in SDCP may be subject to certain continuing liabilities, as described in Section 8.5 (Continuing Liability; Refund) of this Agreement, including, but not limited to, power purchase agreements and other SDCP contracts and operational obligations. The withdrawing Party and SDCP shall execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in SDCP. The Board shall also consider, pursuant to Section 3.2.12, adoption of a policy that allows a withdrawing Party to negotiate assignment to the Party of costs of electric power or other resources procured on behalf of its customers by SDCP upon its withdrawal. SDCP's policies shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party. In the implementation of this Section 8.1.3, the Parties intend, to the maximum extent possible, without compromising the viability of ongoing SDCP operations, that any claims, demands, damages, or liabilities covered hereunder, be funded from the rates paid by CCA Program customers located within the service territory of the withdrawing Party, and not from the general fund of the withdrawing Party itself.

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8.2 **Termination of CCA Program.** Nothing contained in Section 6 or elsewhere in this Agreement shall be construed to limit the discretion of SDCP to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

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8.3 **Involuntary Termination.** This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or SDCP documents upon a two-thirds vote of the Board in which the minimum Equal Vote or Voting Shares Vote, as applicable in Section 4.11 (Board Voting) of this Agreement, shall be no less than two-thirds vote excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or SDCP Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in SDCP terminated may be subject to certain continuing liabilities, as described in Section 8.5 (Continuing Liability; Refund) of this Agreement.

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8.4 **Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in SDCP, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 8.1 (Withdrawal) of this Agreement.

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8.5 **Continuing Liability; Refund.** Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in SDCP through the effective date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities commencing or arising after the date of the Party's withdrawal or involuntary termination. In addition, such Party also shall be responsible for (a) any damages, losses, or costs incurred by SDCP which result directly from the Party's withdrawal or termination, including but not limited to costs arising from the resale of capacity, electricity, or any attribute thereof no longer needed to serve such Party's load; and (b) any costs or obligations associated with the Party's customer participation in any program in accordance with the program's terms, provided such costs or obligations were incurred prior to the withdrawal of the Party. The withdrawing Party agrees to pay any such deposit determined by SDCP to cover the Party's liability for the operational and contract costs described above. Any amount of the Party's funds held on deposit with SDCP above that which is required to pay any liabilities or obligations shall be returned to the Party. In the implementation

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of this Section 8.5, the Parties intend, to the maximum extent possible, without compromising the viability of ongoing SDCP operations, that any claims, demands, damages, or liabilities covered hereunder, be funded from the rates paid by CCA Program customers located within the service territory of the withdrawing Party, and not from the general fund of the withdrawing Party itself.

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- 8.6 **Disposition of SDCP Assets.** Upon termination of this Agreement and dissolution of SDCP by all Parties, and after payment of all obligations of SDCP, the Board

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8.6.1 May sell or liquidate SDCP property; and

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8.6.2 Shall distribute assets to Parties in proportion to the contributions made by the existing Parties.

Any assets provided by a Party to SDCP shall remain the asset of that Party and shall not be subject to distribution under this section.

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9. **MISCELLANEOUS PROVISIONS**

- 9.1 **Dispute Resolution.** The Parties and SDCP shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and SDCP shall engage in nonbinding mediation in the manner agreed upon by the Party or Parties and SDCP. The Parties agree that each Party may specifically enforce this section. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation is made, any Party and SDCP may pursue any remedies provided by law.

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- 9.2 **Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of SDCP shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. SDCP shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, SDCP, or its Directors, officers, or employees.

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- 9.3 **Indemnification of Parties.** SDCP shall acquire such insurance coverage as is necessary to protect the interests of SDCP, the Parties and the public. SDCP shall defend, indemnify and hold harmless the Parties and each of their respective governing board members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising

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directly or indirectly from the conduct, activities, operations, acts and omissions of [SDCP](#).

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- 9.4 **Notices.** Any notice required or permitted to be made hereunder shall be in writing and shall be delivered in the manner prescribed herein at the principal place of business of each Party. The Parties may give notice by (1) personal delivery; (2) e-mail; (3) U.S. Mail, first class postage prepaid, or a faster delivery method; or (3) by any other method deemed appropriate by the Board.

Upon providing written notice to all Parties, any Party may change the designated address or e-mail for receiving notice.

All written notices or correspondence sent in the described manner will be deemed given to a party on whichever date occurs earliest: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by “first class” mail; or (3) the date of transmission, when sent by e-mail or facsimile.

- 9.5 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of each Party.

- 9.6 **Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This section does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party’s contributions to [SDCP](#), or the disposition of the proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of [SDCP](#) or the Parties under this Agreement.

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- 9.7 **Severability.** If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement were adjudged invalid or void by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.

- 9.8 **Governing Law.** This Agreement is made and to be performed in the State of California, and as such California substantive and procedural law shall apply.

- 9.9 **Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language of this Agreement.

- 9.10 **Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same

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force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

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APPROVAL OF JOINT POWERS AGREEMENT AS AMENDED AND RESTATED

By Resolution of the Board of Directors of San Diego Community Power, this Joint Powers Agreement was amended and restated in accordance with Section 4.12.2(c) of the Agreement, effective as of _____.

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By: _____
Chair, Board of Directors
San Diego Community Power

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ATTEST:

By: _____
Secretary, Board of Directors
San Diego Community Power

Deleted: (Insert Name), City Clerk

APPROVED AS TO FORM:

By: _____
General Counsel
San Diego Community Power

Deleted: (Insert Name), City Attorney

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Exhibit A: Definitions

“AB 117” means Assembly Bill 117 (Stat. 2002, Ch. 838, codified at Public Utilities Code Section 366.2), which created Community Choice Aggregation.

“Act” means the Joint Exercise of Powers Act of the State of California (Chapter 5, Division 7, Title 1 of the Government Code commencing with Section 6500).

“Agreement” means this Joint Powers Agreement, as amended from time to time.

“Board” means the Board of Directors of SDCP.

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“Community Choice Aggregation” or “CCA” means an electric service option available to cities, counties, and other public agencies pursuant to Public Utilities Code Section 366.2.

“CCA Program” means SDCP’s program relating to CCA that is principally described in Section 2.3 (Purpose) of this Agreement.

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“Days” shall mean calendar days unless otherwise specified by this Agreement.

“Director” means a member of the Board representing a Party, including up to two alternate Directors appointed in accordance with Sections 4.1 (Board of Directors) and 4.2 (Appointment and Removal of Directors) of this Agreement.

“Effective Date” means the date on which the Agreement shall become effective and SDCP shall exist as a separate public agency, as further described in Section 2.1 (Effective Date and Term) of this Agreement.

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“Founding Member” means any jurisdiction that joins with the City of San Diego to form SDCP in 2019, as identified in Exhibit B. Founding members shall not incur any expenses related to their membership in SDCP or its operational implementation.

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“Governing Body” means: for the County of San Diego, its Board of Supervisors; for any city other than San Diego, its City Council; for San Diego, the Mayor and the City Council; and, for any other public agency, the equivalent policy making body that exercises ultimate decision-making authority over such agency.

“Initial Costs” means implementation costs advanced by the City of San Diego and other Founding Members in support of the formation of SDCP, which are (a) directly related to the establishment of SDCP and its CCA program, and (b) incurred by SDCP or its Members relating to the initial operation of SDCP, such as the hiring of the executive and operations staff, any required accounting, administrative, technical and legal services in support of SDCP’s initial formation activities or in support of the negotiation, preparation and approval of power purchase agreements. Initial Costs do not include costs associated with the investigation of the CCA model, attendance at routine planning meetings, or a Party’s pre-formation reports related to their decision to pursue CCA or join SDCP. The

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SDCP Board shall determine the repayment timing and termination date for the Initial Costs.

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“Investor Owned Utilities” means a privately-owned electric utility whose stock is publicly traded. It is rate regulated and authorized to achieve an allowed rate of return.

“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions as defined above in “Founding Members” or in Section 2.4 (Addition of Parties) of this Agreement, such that they are considered members of SDCP.

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“Party” means, singularly, a signatory to this Agreement that has satisfied the conditions as defined above in “Founding Members” or in Section 2.4 (Addition of Parties) of this Agreement, such that it is considered a member of SDCP.

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“Public Agency” as defined in the Act includes, but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, a county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to the Act.

“SDCP” means San Diego Community Power.

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“SDCP Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of SDCP, including but not limited to the Operating Policies and Procedures, the annual budget, and plans and policies.

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Exhibit B: List of Founding Members

City of San Diego

City of Chula Vista

City of Encinitas

City of La Mesa

City of Imperial Beach

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Exhibit C: Annual Energy Use by Jurisdiction

Party	MWh
San Diego	6,300,000*
Chula Vista	702,000*
Encinitas	231,000**
La Mesa	217,000*
Imperial Beach	108,500

* 2018 data provided by SDG&E

**2017 data provided by SDG&E

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Exhibit D: Voting Shares of Founding Members

Party	MWh	Voting Share
San Diego	6,300,000*	49.00%
Chula Vista	702,000*	28.45%
Encinitas	231,000**	9.36%
La Mesa	217,000*	8.79%
Imperial Beach	108,500	4.40%
Total	7,558,500	100.00%

* 2018 data provided by SDG&E

**2017 data provided by SDG&E

Exhibit E: Signature Pages of Founding Members on Original Agreement

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CHOICE ENERGY AUTHORITY -**
JOINT POWERS AGREEMENT

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CITY OF San Diego
By: _____, Mayor
ATTEST:
By: _____, City Clerk
APPROVED AS TO FORM:
By: _____, City Attorney

Exhibit E: Signatures

CITY OF Chula Vista
By: _____
Mary Casillas Salas, Mayor
ATTEST:
By: _____
Kerry K. Bigelow, City Clerk
APPROVED AS TO FORM:

... [1]

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Exhibit F: Signature Pages of Additional Parties

Signature pages of additional Parties shall be attached to this Exhibit in accordance with the Agreement and shall be in substantially the following form:

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SIGNATURE PAGE OF THE [NEW MEMBER] AGREEING TO BECOME A PARTY TO THE SAN DIEGO COMMUNITY POWER JOINT POWERS AGREEMENT

Pursuant to [resolution, motion, minute order], the [New Member] hereby agrees to become a Party to the San Diego Community Power Joint Powers Agreement dated October 1, 2019, as amended and restated on [insert] (previously known as the “San Diego Regional Community Choice Energy Authority Joint Powers Agreement”), pursuant to Section 2.4 of the Agreement.

[NEW MEMBER]

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

Note: The addition of the above-named entity as a Party to the San Diego Community Power Joint Powers Agreement is subject to satisfaction of the conditions set forth in Section 2.4 of the Agreement and such other reasonable conditions as may be adopted by the San Diego Community Power Board of Directors.



SAN DIEGO COMMUNITY POWER

Staff Report – Item 6

To: San Diego Community Power Board of Directors

From: Lucas Utouh, Director of Data Analytics and Account Services

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Approval of Collections/Delinquency Policy

Date: October 28, 2021

RECOMMENDATION

Approve a Collections and Delinquent Accounts Handling Policy

BACKGROUND

As a best practice for ensuring the long-term ability to predict risk, reduce bad-debts and provide a better experience for customers, it is imperative that load serving entities including CCAs and Utilities reshape their collections and delinquent accounts handling policies to better position themselves well especially in the post COVID19 environment. According to McKinsey & Company (a consulting firm tracking credit and collection processes in the energy sector globally), the reshaping of the collections and delinquent accounts handling is critical in allowing such entities to see other benefits for their customers including improving customer experience, loyalty and brand recognition. In a tight economic and regulatory framework, load serving entities need to work smarter to minimize and mitigate bad debts for their overall long term financial viability, resiliency and competitiveness. The development of the subject policy was based on Staff's review of collections and delinquent accounts' handling policies across community choice aggregation (CCA) programs in California.

ANALYSIS AND DISCUSSION

Adopting a robust Collections and Delinquent Accounts Handling Policy will allow SDCP to better serve our customers and set clear expectations on the handling of past due customer charges. In alignment with SDG&E's past due date clause, bills for residential electric service are due and payable upon presentation whereby such bills are the first notice to the customer that the amount shown is due and payable. Residential bills will become past due if not paid within 19 days of the date mailed; Non-residential bills will become past due if not paid within 15 days from the date mailed. Staff is proposing that the Board approves a Collections and Delinquent Accounts Handling Policy that is more customer-centric whereby any SDCP customer who has overdue SDCP charges that exceed \$250 shown on their SDG&E bill to receive a late payment notification letter from

SDCP after being 60 days past due and a second letter at 90 days past due, informing them of their overdue status and the avenues available to pay the overdue SDCP charges.

COMMITTEE REVIEW

This item was reviewed by the Community Advisory Committee on October 8, 2021. The Committee unanimously supported the staff recommendation.

FISCAL IMPACT

Adopting a Collections and Delinquent Accounts Handling Policy will contribute to SDCP achieving its strategic long-term objectives.

ATTACHMENTS

Attachment A: Collections and Delinquent Accounts Handling Policy.



San Diego Community Power

Collections and Delinquent Accounts Handling Policy

Effective Date: October 28, 2021

PURPOSE

This policy establishes a delinquent accounts, collections and write off policy that provides the framework for SDCP staff and Back Office Service provider to better serve our customers and set clear expectations on the handling of past due customer charges.

GENERAL CRITERIA

1. Any active SDCP customer who has overdue SDCP charges that exceed \$250 shown on their SDG&E bill will receive a late payment notification letter from SDCP. The letter will be sent after being 60 days past due, with a second letter sent after being 90 days past due, informing the customer of their overdue status and the avenues available to pay the overdue SDCP charges. The customer will be provided 30 days, after the second and final late payment notification letter is sent, to either pay in full or make arrangements to cure the past due balance in installments. If payment in full is not received within the prescribed 30 days, or the terms of an activated payment arrangement are not fulfilled, the delinquent SDCP customer account will be closed and returned to SDG&E bundled generation service on the next account meter read date. SDG&E has discretion to assess the customer an opt out fee in accordance with SDG&E's Schedule CCA ("Transportation of Electric Power for Community Choice Aggregation Customers"). Please see the following exclusion:
 - Customers already on any SDG&E payment arrangement plans who are meeting the payment plan requirements will be excluded from receiving late payment notifications and/or being subjected to our collections and delinquent accounts handling protocols.
2. SDCP will select a local collections agency to enforce this policy.
3. Any overdue SDCP charges (120 days or more past due) totaling \$20.00 or more which have not been paid by a customer who is no longer active and being collected by SDG&E may be referred to a collections agency for settlement.
4. Any overdue SDCP charges (120 days or more past due) totaling \$19.99 or less which have not been paid by a customer who is no longer active and being collected by SDG&E may be considered bad debt and written off.
5. No accrued interest will be charged on any customer account.
6. If a customer has not paid within 180 days following the initiation of the collections process, the collection agency may file credit reporting information on the customer with all applicable agencies.
7. Under the guidance of SDCP, the collections agency may be authorized to pursue legal action on any customer with an outstanding balance of \$750 or more.
8. After a customer has paid all overdue amounts, all collections activity will terminate for that customer.



SAN DIEGO COMMUNITY POWER Staff Report – Item 7

To: San Diego Community Power Board of Directors
From: Lucas Utouh, Director of Data Analytics and Account Services
Via: Bill Carnahan, Interim Chief Executive Officer
Subject: Phase 3 Net Energy Metering Enrollment Schedule
Date: October 28, 2021

RECOMMENDATION

Approve staff recommendation to adopt the Phase 3 Net Energy Metering (NEM) Enrollment Schedule.

BACKGROUND

In April 2021, the San Diego Community Power Board of Directors (Board) approved the following phase-in schedule for the Phase 3 residential and NEM customer enrollment:

- February 2022: Imperial Beach
- March 2022: La Mesa
- April 2022: Encinitas
- May 2022: Chula Vista and San Diego

Subsequently, in May of 2021, the Board approved updates to the NEM program and amended the NEM program policy which, under section D, called for SDCP to phase in NEM customers into our service on a monthly cadence based on their true up month.

SDCP Staff has taken this direction and is recommending to transition the nearly 90,000 NEM customers into our service beginning in February 2022 through January of 2023 at the conclusion of each NEM customer's *relevant period* with SDG&E. This approach is recommended as it seamlessly minimizes impacts of transition between when the SDG&E NEM customers' true ups occur and when SDCP's service begins.

ANALYSIS AND DISCUSSION

Staff believes there are several key benefits of phasing in NEM customers on a monthly basis at the conclusion of their specific relevant period.

First, it is a customer-centric approach – allowing for the transition into SDCP service to have minimal impacts on the customer. By transitioning at the end of the relevant period, NEM customers will be able to use their accrued credits to offset charges incurred throughout the period which covers both Winter and Summer months. Because SDG&E currently offers only an annual “true-up”, if NEM customers were enrolled into our service before the end of their relevant period, they could potentially lose credits accrued during periods of over-generation.

Secondly, it allows for more streamlined messaging and noticing by SDCP. NEM customers will have to receive their own pre and post enrollment notices per the statutory requirements to notice customers twice, 60 days in advance of their transition into CCA service as well as 60 days after enrollment into our service. By aligning the enrollment with the end of the relevant period, this allows SDCP staff adequate time to develop key messaging for NEM customers separately from the Non-NEM customers slated to be enrolled from February-May based on the service city in which they are located in.

And finally, this approach treats NEM customers as fairly and equitably as possible – especially since these customers will all be enrolled at the 2021 PCIA vintage.

Below, please find the chart outlining our proposed overall Phase 3 enrollment schedule including both NEM and Non-NEM customers by month from February 2022 through January 2023:

- By Member City

- Feb 2022 – Imperial Beach
- Mar 2022 – La Mesa
- Apr 2022 – Encinitas
- May 2022 – San Diego
Chula Vista

And,

- By NEM true-up month
starting February 2022; regardless
of member city.

Estimated counts as of 10/01/2021 based on Meter Read Date (MRD) month

Target Group	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Total
Feb - Imperial Beach	9,781												9,781
Mar - La Mesa		22,842											22,842
Apr - Encinitas			20,465										20,465
May - San Diego, Chula Vista				556,052									556,052
Feb NEM	6,356												6,356
Mar NEM		7,559											7,559
Apr NEM			7,376										7,376
May NEM				7,825									7,825
Jun NEM					8,137								8,137
Jul NEM						7,849							7,849
Aug NEM							9,527						9,527
Sep NEM								8,392					8,392
Oct NEM									7,443				7,443
Nov NEM										8,243			8,243
Dec NEM											9,206		9,206
Jan NEM												7,299	7,299
Total	16,137	30,401	27,841	563,877	8,137	7,849	9,527	8,392	7,443	8,243	9,206	7,299	704,352

All customers included in Phase 3 mass enrollment will have vintage year 2021.

And finally, new NEM accounts within our service jurisdiction that receive their interconnection and permissions to operate (PTO) after February 2022, will be automatically defaulted into SDCP service accordingly.

COMMITTEE REVIEW

This item was reviewed by the Finance and Risk Committee on October 19, 2021. The Committee unanimously supported the staff recommendation.

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 9

To: San Diego Community Power Board of Directors

From: Eric W. Washington, Chief Financial Officer

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Treasurer's Report –Presentation of Financial Results for Fiscal Year 2022 Period ended 8/31/21

Date: Board Meeting, October 28, 2021

RECOMMENDATION

Receive and File Report

The Treasurer's Report for the period ending 8/31/21 was presented at the Finance and Risk Management Committee meeting held October 19, 2021.

BACKGROUND

San Diego Community Power (SDCP) maintains its accounting records on a full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental enterprise funds.

SDCP has prepared year-to-date financial statements for the period ended August 31, 2021, along with budgetary comparisons.

ANALYSIS AND DISCUSSION

Financial results for the period ended 8/31/21: \$78.81 million in net operating revenues were reported compared to \$67.60 million budgeted for the period. \$61.53 million in total expenses were reported (including \$60.40 million in energy cost) compared to \$59.63 million budgeted for the period. After expenses, SDCP's change in net position of \$17.28 million was reported. The following is a summary to actual results compared to the Fiscal Year 2022 Budget.

		Budget Comparison		
	YTD FY22 as of 8/31/21 (2 mos)	FY22 YTD Budget	Budget Variance (\$)	Budget (%)
Net Operating Revenues	\$ 78,812,760	\$ 67,591,399	\$ 11,221,361	117
Total Expenses	\$ 61,534,106	\$ 59,625,706	\$ 1,908,400	103
Change in Net Position	\$ 17,278,654	\$ 7,965,693	\$ 9,312,961	

- Net operating revenues finished 17% ahead of budget
- Due to energy cost Operating expenses coming in 3% over budget

Financial results for period were slightly higher than projected based on the YTD proforma. SDCP's change in net position was 8.37% over the projected amount. The following is a summary to actual results compared to the fiscal year-to-date proforma.

		Proforma Comparison		
	YTD FY22 as of 8/31/21 (2 mos)	FY22 YTD ProForma	ProForma Variance (\$)	Proforma (%)
Net Operating Revenues	\$ 78,812,760	\$ 76,291,368	\$ 2,521,392	3.30%
Total Expenses	\$ 61,534,106	\$ 60,347,009	\$ 1,187,097	1.97%
Change in Net Position	\$ 17,278,654	\$ 15,944,359	\$ 1,334,295	8.37%

FISCAL IMPACT

Not Applicable

ATTACHMENTS

Attachment A: 2022 YTD Period Ended 8/31/21 Financial Statements



ACCOUNTANTS' COMPILATION REPORT

Management
San Diego Community Power

Management is responsible for the accompanying financial statements of San Diego Community Power (a California Joint Powers Authority) which comprise the statement of net position as of August 31, 2021, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
September 28, 2021

SAN DIEGO COMMUNITY POWER
STATEMENT OF NET POSITION
As of August 31, 2021

ASSETS

Current assets	
Cash and cash equivalents	\$ 16,680,487
Accounts receivable, net	32,656,107
Accrued revenue	23,416,160
Prepaid expenses	29,070
Energy settlements and other receivables	354
Deposits	1,745,804
Total current assets	<u>74,527,982</u>
Noncurrent assets	
Restricted cash	7,500,000
Deposits	2,250,000
Total noncurrent assets	<u>9,750,000</u>
Total assets	<u>84,277,982</u>

LIABILITIES

Current liabilities	
Accrued cost of energy	51,314,934
Accounts payable	425,746
Other accrued liabilities	143,466
Due to other governments	177,140
Security deposits	570,000
Interest payable	58,856
Bank note payable	22,840,082
Total current liabilities	<u>75,530,224</u>
Noncurrent liabilities	
Other noncurrent liabilities	582,176
Loans payable	5,000,000
Total noncurrent liabilities	<u>5,582,176</u>
Total liabilities	<u>81,112,400</u>

NET POSITION

Unrestricted (deficit)	3,165,582
Total net position	<u><u>\$ 3,165,582</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2021 through August 31, 2021

OPERATING REVENUES

Electricity sales, net	\$ 78,812,760
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OPERATING EXPENSES

Cost of energy	60,407,207
Contract services	407,520
Staff compensation	440,813
General and administration	178,419
Total operating expenses	61,433,959
Operating income (loss)	17,378,801

NONOPERATING EXPENSES

Interest and financing expense	100,147
Nonoperating expenses	100,147

CHANGE IN NET POSITION

	17,278,654
Net position at beginning of period	(14,113,072)
Net position at end of period	\$ 3,165,582

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS
July 1, 2021 through August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 36,254,063
Other operating receipts	5,107,487
Payments to suppliers for electricity	(26,301,563)
Payments for goods and services	(604,683)
Payments to employees for services	(333,543)
Payments for deposits and collateral	(545,804)
Tax and surcharge payments to other governments	(11,281)
Net cash provided (used) by operating activities	<u>13,564,676</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	<u>(104,755)</u>
Net cash provided (used) by non-capital financing activities	<u>(104,755)</u>

Net change in cash and cash equivalents	13,459,921
Cash and cash equivalents at beginning of period	<u>10,720,566</u>
Cash and cash equivalents at end of period	<u><u>\$ 24,180,487</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	16,680,487
Restricted cash	<u>7,500,000</u>
Cash and cash equivalents	<u><u>\$ 24,180,487</u></u>

SAN DIEGO COMMUNITY POWER
STATEMENT OF CASH FLOWS (continued)
July 1, 2021 through August 31, 2021

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income	\$ 17,378,801
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Revenue adjusted for allowance for uncollectible accounts	796,088
(Increase) decrease in:	
Accounts receivable	(32,336,074)
Accrued revenue	(11,195,851)
Energy settlements and other receivables	4,042,918
Prepaid expenses	(29,070)
Deposits	(95,804)
Increase (decrease) in:	
Accrued cost of electricity	35,170,213
Accounts payable	63,464
Other accrued liabilities	54,132
User taxes due to other governments	165,859
Supplier security deposits	(450,000)
Net cash provided (used) by operating activities	<u>\$ 13,564,676</u>



SAN DIEGO COMMUNITY POWER Staff Report – Item 10

To: San Diego Community Power Board of Directors

From: Rita de la Fuente, Director of External Affairs
Lee Friedman, Key Accounts Manager

Via: Bill Carnahan, Interim Chief Executive Officer

Subject: Update on Phase 2 Marketing and Public Relations

Date: Board Meeting, October 28, 2021

RECOMMENDATION

Receive and file update on Phase 2 Marketing and Public Relations

BACKGROUND

San Diego Community Power (SDCP) enlisted Civilian, Inc. (Civilian) to manage an array of marketing and public relations activities to drive awareness, spark community engagement, and minimize opt-outs during the Phase 2 Commercial & Industrial (C&I) enrollment period. This strategy was also designed to support the Key Account outreach that was concurrently being conducted by the Account Services Team. As SDCP begins planning and developing its marketing and media strategy for the Phase 3 Residential and Net Energy Metering (NEM) enrollment, it is critical to look back and analyze the goals, results and lessons learned from the previous enrollment campaign.

ANALYSIS AND DISCUSSION

Prior to the launch of the Phase 2 enrollment in June of 2021, SDCP staff worked with Civilian to develop a marketing and public relations strategy with the intent of building SDCP's brand, improve name recognition, and minimize opt-outs beyond the required pre & post enrollment notices. Utilizing message testing conducted by the See Change Institute, as well as the expertise of Civilian's marketing professionals, this strategy included specific and targeted messaging for C&I customers. The plan included media buys in print, digital and radio formats, and a communications and outreach push. Additionally, SDCP set aside resources for co-branding & co-marketing with Key Accounts and Power100 Champions.

Targeted Messaging

SDCP's enrollment schedule is fairly unique amongst Community Choice Aggregators (CCAs). Many CCAs enroll all their customers classes (residential, municipal, C&I) at the same time. Larger CCAs might enroll their customer classes within several consecutive months. SDCP, instead, elected to enroll its customers classes in three distinct phases. Municipal accounts were enrolled in March of 2021 (Phase 1), C&I customers were enrolled in June of 2021 (Phase 2), and residential and NEM customers will begin enrollment in February of 2022 (Phase 3).

Due to this multi-phased enrollment, Civilian and SDCP developed targeted advertising specifically tailored to appeal to business customers for the Phase 2 enrollment (and to limit confusion about start of service for residential customers).

The messaging concepts were designed and developed to build trust by showing our service as "win-win-win" and stoking a sense of "local pride". "Win-win-win" plays on the idea that our service not only provides more renewable energy (win), but also makes a positive impact in the community (win) while being competitively priced (win). The "local pride" component focuses on the community impacts of SDCP and how being an SDCP customer means more reinvestment into our neighborhoods.

These concepts were designed into print, digital, and radio advertisements, as well as worked into key messaging and talking points used by staff when working directly with C&I customers and in our earned media.

Equity

It is critical to SDCP's success to build awareness and trust throughout the region. This requires reaching out to customers where they get their news and in their native language. Therefore, SDCP didn't simply translate the words in our media campaign from English to Spanish but translated the message from a culturally sensitive perspective and invested in Spanish speaking media outlets like El Latino and Univision.

Timing

SDCP strategically purchased media to coincide with the launch of Phase 2, and to wrap up at the end of July (after the majority of customers had received their first bill with SDCP service). The flowchart below shows media channels, language, timing, cost, and estimated impressions for the investment made:

Civilian

SDCP Phase 2 Commercial and Industrial Launch

Paid Media Flowchart

SAN DIEGO COMMUNITY POWER

Media Channel	Language	MAY					June					July					August					Total Spend	CPM	Est. Impressions
		26	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16						
San Diego Union Tribune: (Sponsored Content)	English							Week of 6/14							7/31				\$5,882	\$14.71	400,000			
								\$2,614				\$2,614				\$654								
Voice & Viewpoint (1/2 Page)	English						6/3												\$2,414	\$96.56	25,000			
								\$2,414																
KPBS Public Radio (:15 Audio)	English						6/1								7/31				\$10,500	\$33.71	311,500			
								\$4,335				\$3,060				\$1,530								
San Diego Business Journal (Full Page)	English						6/7												\$2,647	\$240.64	11,000			
								\$2,647																
Facebook / Instagram (Sponsored Posts)	English						Week of 5/31									7/31				\$3,556	\$8.24	366,869		
								\$1,581				\$1,581				\$395								
Paid Search (Google)	English						Week of 5/31									7/31				\$2,912	\$44	56,542		
								\$1,294				\$1,294				\$324								
LinkedIn (Sponsored Posts)	English						Week of 5/31									7/31				\$3,500	\$17.42	170,746		
								\$1,556				\$1,556				\$389								
El Latino (Full Page)	Spanish							6/18												\$3,353	\$83.82	40,000		
								\$3,353																
Univision	Spanish						6/7							7/25					\$8,235	\$19.29	427,000			
								\$8,235																
PLAN TOTAL																		\$43,000	\$38.59	1,114,369				
CO-BRANDED MEDIA SUPPORT (5 PARTNERS)																		\$17,000						
TOTAL PAID MEDIA																		\$60,000						

Co-branding & Co-marketing

As part of SDCP's overall media strategy to build our brand by associating with other trusted businesses, resources were set aside to be allocated towards co-branding and co-marketing opportunities with Key Accounts and Power100 Champions.

To date, SDCP has run two successful co-marketing & co-branding campaigns with our Power100 Champions. The first with the San Diego Regional Airport Authority, and most recently with Illumina.

The San Diego Airport Authority press release resulted in 20 coverage hits, an estimated 467,000 coverage views, and online readership reach of 367 million.

The Illumina campaign, just launched on October 18th, has already generated impressive engagement, with more to come.

And while these two institutions represent some of the largest energy users in our region, SDCP has also been exploring opportunities to support smaller businesses – and continues to engage with Power100 customers regardless of their size.

San Diego Padres Partnership

Continuing to build name recognition and establish trust, especially within the business community, SDCP pursued a partnership with the San Diego Padres. As the only major market professional sports team in San Diego, and with one of the most exciting players in the league, the San Diego Padres have a devout and engaged fanbase. Even with the disappointing end to the season, the Padres ranked third (behind Los Angeles & Atlanta) in fan attendance for the 2021 season.

SDCP, with the support of Civilian, developed brand new assets for the Padres and was the 2021 “Tonight’s Lights” sponsor for Padre’s home night-games (on top of standard advertising throughout the ballpark, website, social media, and in-park tv screens). The “Tonight’s Lights” asset is specific to SDCP which helps set us apart from the other in-park advertising.

Metrics

The graphic below shows the metrics associated with the paid media portion of the Phase 2 marketing & media campaign. With a budget of \$60,000 for the total campaign (\$17,000 of which was earmarked for co-branding & co-marketing expenses), SDCP was able to test our messaging in the region and start a foundation for our brand which we will continue to build upon.

Campaign Performance							
TACTIC	IMPRESSIONS	CLICKS	CTR	PAGE SESSIONS	USERS	ARTICLE VIEWS	SPEND
PAID SEARCH*	9,727	745	7.66%	838	522	N/A	\$2,907
FACEBOOK/INSTAGRAM	257,226	2,690	1.05%	1,184	1,122	N/A	\$3,543
LINKEDIN	37,074	113	0.30%	134	108	N/A	\$3,392
SAN DIEGO UNION TRIBUNE	316,327	813	0.26%	N/A	N/A	769	\$5,882
UNIVISION	378,000	N/A	N/A	N/A	N/A	N/A	\$8,235
KPBS	567,000	N/A	N/A	N/A	N/A	N/A	\$10,500
EL LATINO	40,000	N/A	N/A	N/A	N/A	N/A	\$3,353
SAN DIEGO BUSINESS JOURNAL	11,000	N/A	N/A	N/A	N/A	N/A	\$2,647
VOICE AND VIEWPOINT	25,000	N/A	N/A	N/A	N/A	N/A	\$2,414
	1,641,354	4,361	0.70%	2,156	1,752	769	\$42,873

Communications and Outreach Strategy

In addition to the focused marketing and media efforts, SDCP worked with Civilian on a communications and outreach strategy to educate our audience by demonstrating the broader benefits SDCP and CCAs in general. Outreach included showcasing Power Purchase Agreements as strong proof points for community investment and long-term environment impact, highlighting key business customers to build momentum, and

creating educational content to reach more customers. We distributed press releases and articles that achieved an estimated 2.2 million coverage views. Staff was interviewed on local podcasts and made several presentations to businesses and community groups.

Direct Mail

SDCP went above and beyond what is required for pre and post enrollment direct mail notifications with a targeted marketing approach. The announcements were designed with creative elements to elevate our brand and help shape our voice.

Lessons Learned & Phase 3 Residential Marketing & Public Relations Strategy

As SDCP begins to develop and design its Phase 3 Residential Marketing & Media Strategy, we are incorporating the following lessons learned into our overall strategy:

- Although paid social media served as the primary traffic generators, additional organic social media will be needed to boost performance
- Radio/Print tactics drove impressions and reach, accounting for 68% of total impressions for this campaign
- Co-branding & Co-marketing drives the most engagement – finding more partners to build trust will be critical
- Pre & post enrollment notices were not a driving factor in awareness, a robust paid media campaign is necessary to increase engagement and build our brand
- C&I Opt-outs were primarily driven by apprehension associated with being automatically enrolled – we will need to address this in our residential marketing
- Although the ongoing COVID-19 pandemic limited our in-person participation and outreach, being physically present in the community when possible will be critical during Phase 3.

COMMITTEE REVIEW

N/A

FISCAL IMPACT

N/A

ATTACHMENTS

N/A



SAN DIEGO COMMUNITY POWER Staff Report – Item 11

To: San Diego Community Power Board of Directors
From: Laura Fernandez, Director of Regulatory and Legislative Affairs
Via: Bill Carnahan, Interim Chief Executive Officer
Subject: Update on Regulatory and Legislative Affairs
Date: October 28, 2021

RECOMMENDATION

Receive and file update on regulatory and legislative affairs.

BACKGROUND

Staff will provide regular updates to the Board of Directors regarding SDCP's regulatory and legislative engagement. The following is an overview of this month's discussion items, which are informational only.

DISCUSSION AND ANALYSIS

A. End of 2021 Legislative Session

On September 10, the California legislative session ended for 2021. Bills that passed out of both houses were presented to Governor Gavin Newsom for signature. October 10 was the last day for the Governor to sign or veto bills. SDCP tracked the progress of 40 bills this legislative session. Of those, 11 were signed into law by the Governor. The following provides a brief description of these bills.

1. [Assembly Bill \(AB\) 33](#): Requires the California Energy Commission (CEC) to provide grants and loans to local governments and public institutions to maximize energy use savings, expand installation of energy storage systems, and expand the availability of electric vehicle (EV) charging infrastructure.
2. [AB 322](#): Requires the CEC to consider, in the investment planning process for the Electric Program Investment Charge (EPIC) program, funding for eligible biomass conversion to energy projects.

3. [AB 525](#): Requires the CEC to evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and to establish offshore wind planning goals for 2030 and 2045.
4. [AB 843](#): Authorizes a community choice aggregator (CCA) to submit eligible bioenergy projects for cost recovery pursuant to the Bioenergy Market Adjusting Tariff (BioMAT) program, if open capacity exists within the 250-megawatt BioMAT program limit.
5. [AB 1124](#): Revises the definition of “solar energy system” to mean either any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating, and is not designed for procurement of electricity by an electric utility.
6. [Senate Bill \(SB\) 44](#): Provides expedited judicial review of California Environmental Quality Act (CEQA) challenges for major public transit rail line infrastructure projects that meet certain sustainability standards and labor requirements.
7. [SB 52](#): Defines the term “deenergization event” as a planned power outage, and makes deenergization events one of those conditions constituting a local emergency.
8. [SB 68](#): Requires the CEC to develop and publish guidance on best practices to help reduce barriers for building owners to transition to electric equipment and appliances, and install EV charging equipment. It also authorizes awarding of moneys from an existing grant program, funded by surcharges on energy ratepayer utility bills, for technological advancements that reduce the costs of electrifying building-related applications.
9. [SB 267](#): Prevents a property tax reassessment when one of the partners in a solar project is bought out by one or more of the existing partners.
10. [SB 423](#): Builds on 2018’s [SB 100](#) (de León) and requires the Air Resources Board and CEC to incorporate emerging renewable energy and firm zero-carbon resources into energy and resource planning processes.
11. [SB 533](#): Requires that an electrical corporation’s wildfire mitigation plan identify circuits that have frequently been deenergized to mitigate the risk of wildfire and the measures taken, or planned to be taken, by the electrical corporation to reduce the need for, and impact of, future deenergization of those circuits, including the estimated annual decline in circuit deenergization and deenergization impact on customers, and replacing, hardening, or undergrounding any portion of the circuit or of upstream transmission or distribution lines.

B. Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Allocation – SDCP Advice Letter 004-E

AB 327 directed the California Public Utilities Commission (CPUC) to develop specific alternatives designed to promote the adoption of renewable generation in disadvantaged communities (DACs). Pursuant to this mandate, Decision (D.)18-06-027, *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities*, was issued by the CPUC on June 22, 2018, creating three new programs that specifically target DACs. The three programs include the DAC Single Family Solar Homes program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the CSGT programs, are community solar programs that offer 100% solar energy to customers and provide a 20% discount on the electricity and delivery portion of the customers' bills.

CPUC Resolution E-4999, issued June 3, 2019, reserved both DAC-GT and CSGT program capacity for *then-existing* CCAs based on the proportional share of residential customers in DACs that each CCA serves and decreased each investor-owned utilities' (IOUs) program capacity caps by the amount allocated to CCAs in their service area. Since SDCP did not exist at the time of this resolution, SDCP was not initially allocated program capacity, and all 18 MW of DAC-GT program capacity and 5 MW of CSGT program capacity was allocated to SDG&E. According to SDG&E Advice Letter 3682-E, filed on February 1, 2021, no contracts between SDG&E and DACGT or CSGT project developers have been executed. Due to the lack of projects, SDG&E will not enroll any customers in either program in 2021.

On September 29, 2021, SDCP filed its fourth advice letter with the CPUC. This advice letter is posted on the [SDCP website](#) along with all other previously filed advice letters. In this advice letter, SDCP requests an allocation under the DAC-GT and CSGT programs. Using the same methodology adopted in Resolution E-4999, SDCP calculated its allocation of DAC-GT and CSGT program capacity to be 14.39 MW and 4 MW, respectively. After the CPUC approves the allocation request, SDCP will file another advice letter, which will contain all the documents required under D.18-06-027 for the implementation of the DAC-GT and CSGT programs.

C. Percentage of Income Pilot Program

On September 28, 2017, Governor Brown signed Senate Bill (SB) 598 (Hueso 2017) into law. SB 598 acknowledged rising disconnections of gas and electric utility customers and the public health impacts of disconnections, especially among vulnerable populations. On July 12, 2018, the CPUC opened a rulemaking to address SB 598 requirements and address residential disconnections. The overarching purpose of the proceeding is to adopt rules and policies to reduce disconnections and improve reconnection processes and outcomes for disconnected customers. The most recently issued decision in this proceeding ([D. 21-10-012](#)), issued October 11, 2021, orders the three large IOUs to implement Percentage of Income Payment Plan (PIPP) pilot programs to reduce residential disconnections of electric and gas service.

A PIPP is a program that sets a participant's utility bill payment amounts at an affordable percentage of the participant's monthly income. Participants will receive a monthly bill cap for current electricity and gas charges based on four percent of their household's monthly income. Monthly bill caps will be standardized for households in two income tiers: 0-100% of Federal Poverty Guidelines, and 101-200% of Federal Poverty Guidelines. The large IOUs will enroll up to 15,000 total participants for 48 months to test whether a PIPP program can reduce the number of low-income households at risk of disconnection, encourage participation in energy saving and energy management programs, increase access to essential levels of energy service, and control program costs.

Customers of the large IOUs and participating CCAs are eligible for the pilots if they are enrolled in the California Alternate Rates for Energy (CARE) program and (i) are located in zip codes with highest rates of recurring disconnections, or (ii) were disconnected 2 or more times during the 12 months prior to the disconnections moratorium. Utilities and participating CCAs will recover electric costs through the Public Purpose Programs Charge and gas costs through gas transportation rates.

An independent evaluation contractor will assess the pilots based on the first 18 months of pilot data. The evaluation report will recommend whether to modify the pilots and/or whether the utilities should file a joint application for a long-term program.

In comments on the proposed decision, SDG&E raised the concern that SDCP's proportional share of customers will change significantly during the pilot period. SDG&E urged the Commission to replace the CCA pilot participation cap with a flexible "target" in order to allow SDG&E and SDCP to set this target based on SDCP's projected share of customers with the recognition that SDCP's share of customers will change over time. SDCP worked with SDG&E and CalCCA to support this request, and ultimately the CPUC recognized these concerns and replaced the CCA participation cap with a target. Additionally, the original proposed decision would not have permitted SDCP customers to participate in the PIPP pilot. However, SDCP worked with CalCCA to request that SDCP be able to participate so long as SDCP participates in the Arrearages Management Plan (AMP) program when SDCP begins serving residential customers in 2022. The CPUC ultimately "agree[d] that it is important to provide San Diego Community Power customers access to SDG&E's PIPP pilot, especially in light of the large portion of SDG&E customers that will be served by the new CCA." The final decision was thus modified to ensure that SDCP will have an opportunity to participate in the PIPP pilot.

D. Response to Ohm Connect Petition for Modification

On September 9, 2021, OhmConnect filed a [Petition for Modification](#) to request that the CPUC raise the Maximum Cumulative Capacity (MCC) Bucket Cap from 8.3% to 11.3%. OhmConnect notes that the MCC Demand Response (DR) Bucket Cap has hampered growth in the DR market and impedes the realization of the state's full DR potential. Additionally, OhmConnect notes that earlier this year, Governor Newsom issued an Emergency Proclamation ordering state energy agencies to expedite and expand DR programs to reduce the likelihood of future rotating power outages.

On October 11, 2021, SDCP along with two other CCAs, Redwood Coast Energy Authority and San Jose Clean Energy (the Joint CCAs) filed a [response](#) in support of OhmConnect's Petition. The Joint CCA's note that increasing the DR MCC cap would enable more flexibility in meeting Resource Adequacy requirements.

COMMITTEE REVIEW

N/A



GLOSSARY OF TERMS

CAISO – California Independent System Operator - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~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 FERC and governed by a five-member governing board appointed by the governor.

CALCCA – California Community Choice Association – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

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.

CEC – California Energy Commission

CPUC – California Public Utility Commission

C&I – Commercial and Industrial – Business customers

CP – Compliance Period – Time period to become RPS compliant, set by the CPUC (California Public Utilities Commission)

DA – Direct Access – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

DA Cap – 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.

DA Lottery – a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently-applicable Direct Access Cap.

DA Waitlist – 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

DASR – Direct Access Service Request – Request submitted by C&I to become direct access eligible.

Demand - 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 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 - 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. SVCE settles its CAISO load at the PG&E DLAP as SVCE is in the PG&E transmission access charge area.

DR – Demand Response - 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.

DWR – Department of Water Resources – DWR manages California's water resources, systems, and infrastructure in a responsible, sustainable way.

ELCC – Effective Load Carrying Capacity – 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 which 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 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 which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover 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.

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

EV – Electric Vehicle

GHG – Greenhouse gas - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

GRC – General Rate Case – 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 and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

GWh – Gigawatt-hour - 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.

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

IOU – Investor-Owned Utility – A private electricity and natural gas provider.

IRP – Integrated Resource Plan – A plan which outlines an electric utility’s resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 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.

LCFS – Low Carbon Fuel Standard – 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 – 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 comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

Load - 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 – Entities that 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.

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels.

NRDC – Natural Resources Defense Council

OIR – Order Instituting Rulemaking - 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.

MW – Megawatt – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

MWh – Megawatt-hour – measure of energy

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.

PCC1 – RPS Portfolio Content Category 1 – Bundled renewables where the energy and 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 – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3 – Unbundled REC

PCIA or “exit fee” - 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 - 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 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).

PD – Proposed Decision - A procedural document in a CPUC Rulemaking process 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.

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

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

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

RE – Renewable Energy - 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 MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

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

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

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

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol - Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.

Time-of-Use (TOU) Rates — 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, midpeak, 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.

TURN – The Utility Reform Network - A ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs - 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 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.