



# Board of Directors

Special & Regular Meeting

September 23, 2021



# Special Meeting Agenda

**Call to Order**

**Roll Call**

**Public Comments on Closed Session Items**

**Closed Session**

**1. Public Employee Performance Evaluation Pursuant to Government Code Section 54957**

Title: Interim Chief Executive Officer

**2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6**

Agency designed representatives: Ryan Baron, General Counsel

Unrepresented employee: Interim Chief Executive Officer

**3. Public Employee Appointment Pursuant to Government Code Section 54957**

Title: Chief Executive Officer

**Report from Closed Session**

**Adjournment**

# Closed Session

## Closed Session

- 1. Public Employee Performance Evaluation Pursuant to Government Code Section 54957**  
Title: Interim Chief Executive Officer
- 2. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6**  
Agency designed representatives: Ryan Baron,  
General Counsel  
Unrepresented employee: Interim Chief Executive Officer
- 3. Public Employee Appointment Pursuant to Government Code Section 54957**  
Title: Chief Executive Officer

# **Special Meeting Agenda**

## **Report from Closed Session Adjournment**

# Regular Meeting Agenda

**Welcome**

**Call to Order**

**Pledge of Allegiance**

**Roll Call**

**Items to be Added, Withdrawn, or Reordered on the Agenda**

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

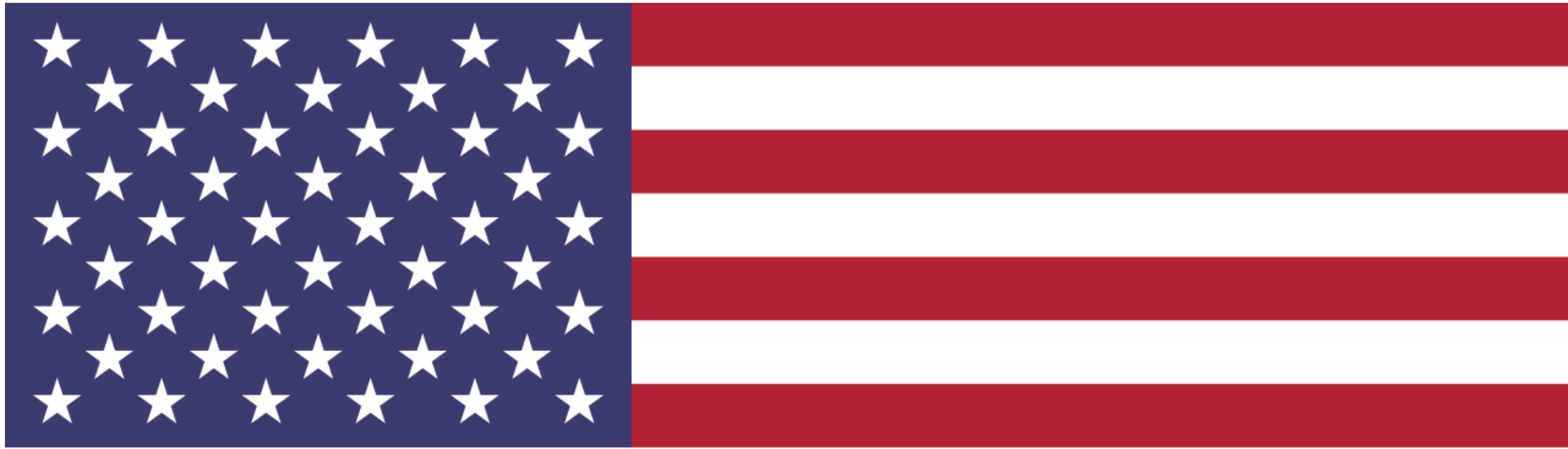
**Consent Agenda**

**Reports by Management and General Counsel**

- 2 First Amendment to Interim Chief Executive Officer Employment Agreement
- 3 Consider and Discuss Recruitment Process for Permanent Chief Executive Officer
- 4 Update of Regulatory and Legislative Affairs
- 5 Net Energy Metering Letter to the California Public Utilities Commission and the Governor's Office as Recommended by the Community Advisory Committee
- 6 Resolution to Approve County of San Diego Membership in SDCP
- 7 New Members Discussion: National City and Oceanside
- 8 Employee Handbook Update
- 9 Energy Programs Discussion and Overview
- 10 Back Office Metrics and Dashboard Monthly Update
- 11 Power Resources Monthly Update

**Director Comments**

**Adjournment**



# Consent Agenda

1. **Treasurer's Report – Presentation of Financial Results for 2021 Fiscal Year End Period ended 6/30/21 and Presentation of Financial Results for Fiscal Year 2022 Period ended 7/31/21**

# Item 1

## Treasurer's Report

- Fiscal Year End June 30, 2021 Results
- Fiscal Year 2022 Year to Date July 31, 2021 Results

Presenter:  
Dr. Eric Washington  
CFO & Treasurer



# Item 1

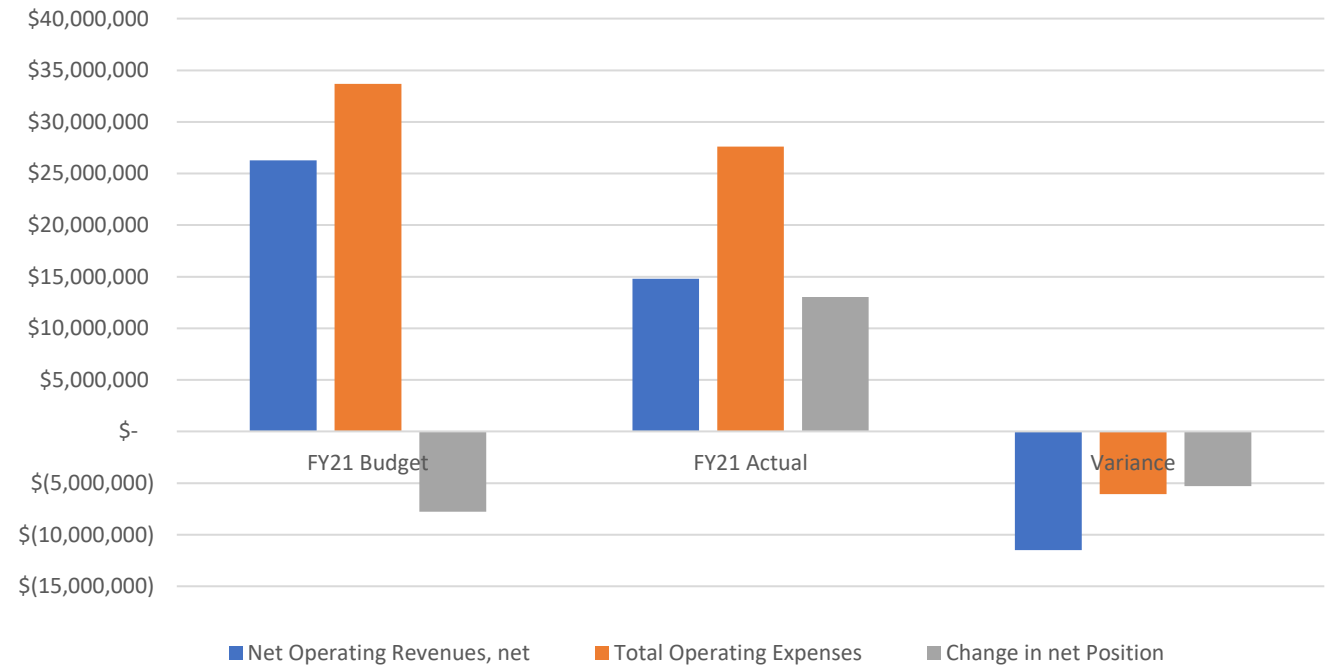
## Financial results for FY2021:

- \$14.8 million in net operating revenues
- \$27.6 million in total expenses (includes energy costs-\$24.4 million)
- (\$13.0) million deficit - covered with debt and cash

FY21 Budget v. Actual

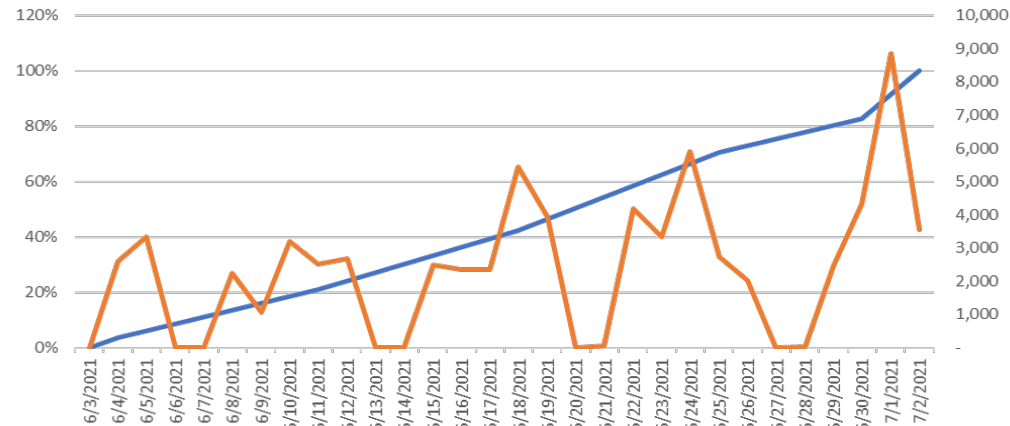
	FY21 Actual	FY21 Budget	Variance
Net Operating Revenues	\$ 14,809,101	\$ 26,286,908	\$ (11,477,898)
Total Operating Expenses	\$ 27,616,254	\$ 33,693,000	\$ (6,076,746)
Change in Net Position	\$ 13,042,962	\$ (7,763,092)	\$ (5,279,870)

FYE21 Budget v. Actual

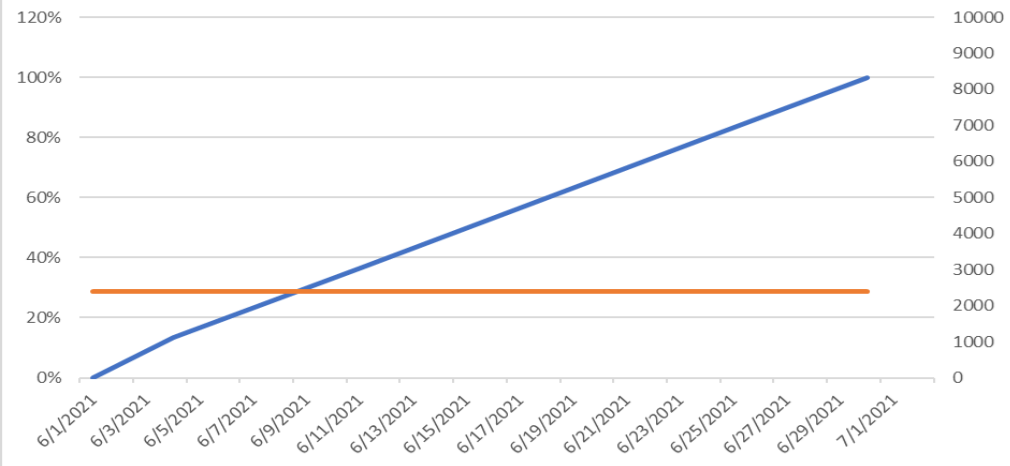


# Item 1

Phase 2 Actual Ramp On



Phase 2 Proforma Ramp On



Date	SDCP Ramp	% of Total	Cum %	PEA Ramp	%of Total	Cum %
6/1/2021				2,389	3%	
6/2/2021				2,389	3%	
6/3/2021	9	0%		2,389	3%	
6/4/2021	2,588	4%	3.62%	2,389	3%	13.33%
6/5/2021	3,342	5%		2,389	3%	
6/6/2021	6	0%		2,389	3%	
6/7/2021	4	0%		2,389	3%	
6/8/2021	2,229	3%		2,389	3%	
6/9/2021	1,055	1%		2,389	3%	
6/10/2021	3,193	4%		2,389	3%	
6/11/2021	2,521	4%	20.85%	2,389	3%	36.67%
6/12/2021	2,685	4%		2,389	3%	
6/13/2021	4	0%		2,389	3%	
6/14/2021	10	0%		2,389	3%	
6/15/2021	2,479	3%		2,389	3%	
6/16/2021	2,362	3%		2,389	3%	
6/17/2021	2,357	3%		2,389	3%	
6/18/2021	5,452	8%	42.27%	2,389	3%	60.00%
6/19/2021	3,927	5%		2,389	3%	
6/20/2021	2	0%		2,389	3%	
6/21/2021	61	0%		2,389	3%	
6/22/2021	4,187	6%		2,389	3%	
6/23/2021	3,339	5%		2,389	3%	
6/24/2021	5,894	8%		2,389	3%	
6/25/2021	2,730	4%	70.36%	2,389	3%	83.33%
6/26/2021	2,026	3%		2,389	3%	
6/27/2021	4	0%		2,389	3%	
6/28/2021	33	0%		2,389	3%	
6/29/2021	2,461	3%		2,389	3%	
6/30/2021	4,310	6%	82.69%	2,389	3%	100.00%
7/1/2021	8,865	12%				
7/2/2021	3,544	5%	100.00%			
Total Accounts	71,679			71,670		

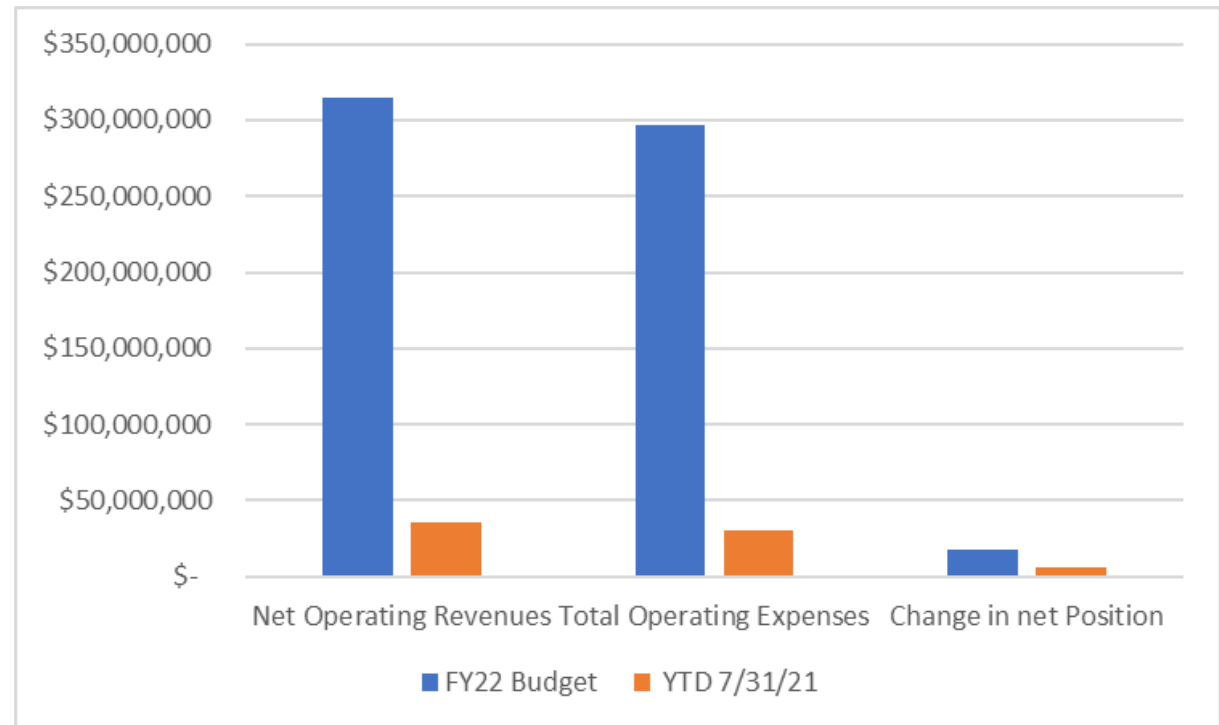
# Item 1

## Financial results for FY2022:

- \$35.9 million in net operating revenues
- \$30.2 million in total expenses (includes energy costs-\$29.8 million)
- \$5.7 million Change in net position

## FY22 Budget v. Actual

	YTD 7/31/21	FY22 Budget	Budget Remaining
Net Operating Revenues	\$ 35,976,285	\$ 315,138,000	\$ 279,161,715
Total Operating Expenses	\$ 30,229,310	\$ 296,432,000	\$ 266,202,690
Change in Net Position	\$ 5,696,809	\$ 17,728,000	\$ 12,031,191



# Item 2

## First Amendment to Interim Chief Executive Officer Employment Agreement

Recommendation: Consider approval of the First Amendment to the Interim Chief Executive Officer Employment Agreement with Bill Carnahan.

# Item 3

## Consider and Discuss Recruitment Process for Permanent Chief Executive Officer

Recommendation: Receive staff report and public comments, discuss recruitment process, provide direction regarding the hiring of an executive recruiter, and consider the establishment of a temporary ad hoc advisory committee related to executive recruitment.

# Item 4

## Update on Regulatory and Legislative Affairs

Recommendation: Receive the update on regulatory and legislative affairs.

- End of 2021 Legislative Session
- SDG&E Sales Forecast Application
- Resource Adequacy Citation Appeal Update
- Net Energy Metering 3.0 Proceeding

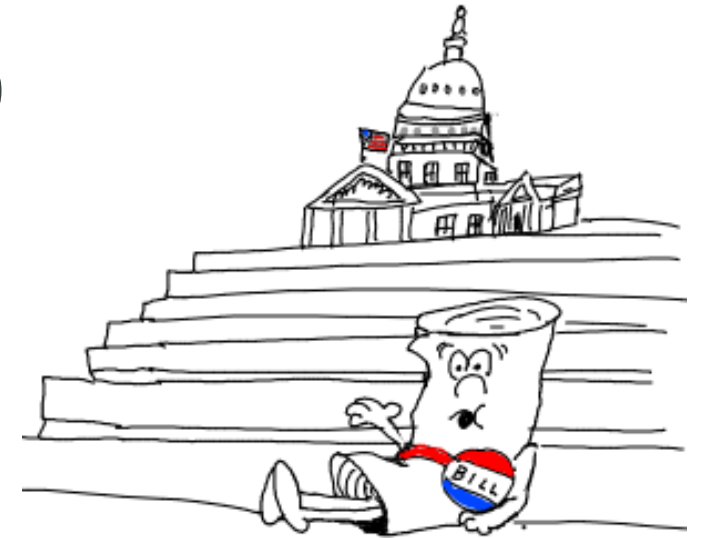
Presenter:

Laura Fernandez,  
Director of Regulatory and  
Legislative Affairs

# Item 4

## End of 2021 Legislative Session

- 2021 Legislative Session concluded on September 10
- 12 of the 40 bills that SDCCP tracked this session presented to Governor
- Governor has until October 10 to sign or veto bills
- Overview of bills of interest signed into law to be provided next month



# Item 4

## SDG&E Sales Forecast Application

- SDG&E filed application for 2022 sales forecast on August 13
- SDG&E requests authority to file an annual combined sales forecast and Energy Resource Recovery Account (ERRA) forecast
- SDCP filed protest on August 27
- SDG&E replied September 15
- Proceeding may be consolidated with the ERRA forecast proceeding





# Item 4

## Resource Adequacy Appeal Update

- SDCP issued citation for deficiency in September 2021 Year Ahead System Resource Adequacy requirements
- SDCP is appealing the citation because the deficiency is a result of factors outside of the control of SDCP
  - There was simply no available resource to buy to cure deficiency
- Opening Brief filed September 20
  - Reply Briefs due October 15
- Expect resolution this calendar year



# Item 4

## Net Energy Metering (NEM) 3.0

- SDCP filed reply brief jointly with San José Clean Energy, recommending the CPUC:
  - Reject utility proposal to use the Avoided Cost Calculator for determining NEM customer compensation;
  - Reject high fixed charges for NEM customers;
  - Adopt a reasonable glidepath to ensure that the rooftop solar industry can continue to grow sustainably;
  - Reject proposals to move NEM 1.0 and 2.0 customers to NEM 3.0;
  - Ensure growth of rooftop solar in equity communities;
  - Explore electrification friendly rates for NEM customers.



# Item 5

## NEM Letter to the CPUC and the Governor's Office as Recommended by the Community Advisory Committee

Recommendation: Approve the Community Advisory Committee's recommendation to send a letter supporting NEM to the CPUC and the Governor's Office with Staff edits.

- NEM 3.0 Proposed Decision expected by December 2021
- Affordable Clean Energy Coalition sent letter indicating support for NEM changes
- Staff supports CAC recommendation to send a letter to CPUC and Governor



Presenter:

Laura Fernandez,  
Director of Regulatory and  
Legislative Affairs

# Item 6

## Resolution to Approve County of San Diego Membership in SDCP

Recommendation:

Adopt Resolution No. 2021-4, a resolution of the Board of Directors approving the addition of the County of San Diego as a member of SDCP.

Presenter:

Cody Hooven,  
Chief Operating Officer

# Item 6

## Timeline

- Spring 2021 - Staff began working with the County on potential membership
- June 2021 – New Member Policy adopted
- June 2021 – Analysis of County membership completed in June showing favorable financial impact
- August 31, 2021 – County Board of Supervisors voted to adopt SDCP's Joint Powers Authority Agreement and appoint a Board member and alternate
- September 2021 – SDCP Board considers County membership
- October 2021 – SDCP Board considers other members (see Agenda Item #7)
- November 2021 – SDCP Board approves amended Implementation Plan for submission to CPUC

# Item 6

## Key Stats

- Adds approximately 25% to SDCP electricity load
  - Peak demand increases by ~430 MW to ~1780 MW
- Adds approximately 187,000 accounts
  - Added to 770,000 current accounts
- Net revenues expected to be \$5.9 million and \$10.5 million in first two *full* years of enrollment
- Enrollment would begin likely in Spring 2023
- County Board Member can be seated beginning in December 2021

# Item 6

**Recommendation: Adopt Resolution No. 2021-4, a resolution of the Board of Directors approving the addition of the County of San Diego as a member of SDCP.**

- Two-thirds vote to authorize membership
- Effective date: December 1, 2021
- Exhibit C and D of the JPA (annual energy use and voting shares, respectively) will be presented to the Board in the coming months

Members	Existing Voting Share	New w/County
San Diego	49.00%	49.00%
San Diego County	--	30.77%
Chula Vista	28.45%	11.84%
Encinitas	9.36%	3.66%
La Mesa	8.79%	3.61%
Imperial Beach	4.40%	1.13%

# Item 7

## New Members Discussion: National City and Oceanside

Recommendation:

Review and approve analysis and move forward with National City and Oceanside membership.

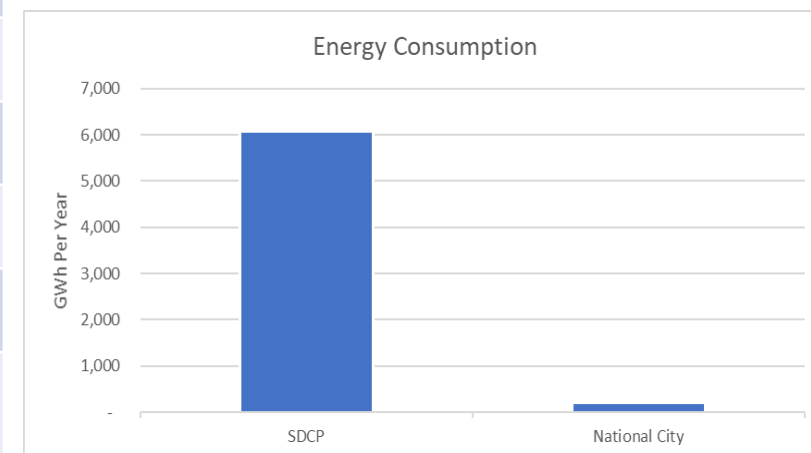
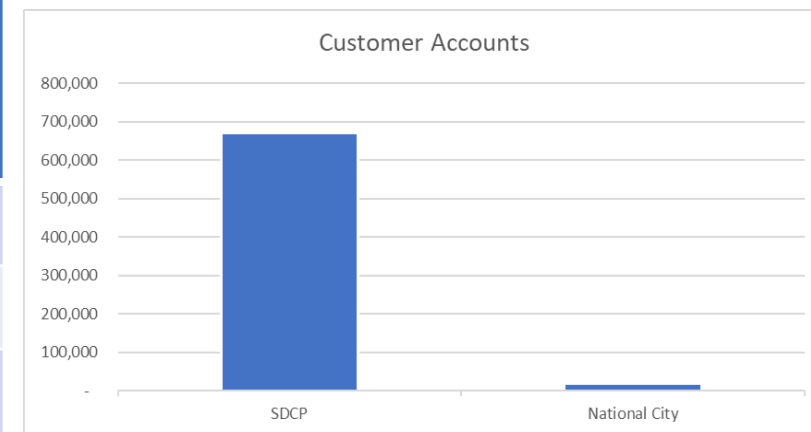
Presenter:

Cody Hooven, Chief Operating Officer  
John Dalessi, Pacific Energy Advisors



# Item 7: National City Customer Information

Classification	Accounts	Annual Energy (MWh)	Average Customer Usage (KWh/Mo.)
Residential	16,152	58,157	300
Small Commercial	2,636	41,637	1,316
Medium & Large Commercial	342	103,684	25,264
Agricultural	6	90	1,251
Street Lighting	112	1,751	1,303
<b>Total</b>	<b>19,248</b>	<b>205,319</b>	<b>889</b>
<b>Peak Demand (MW)</b>	<b>42</b>		



# Item 7: Key Assumptions

Start Date: earliest possible enrollment date is January 2023 per CPUC rules; optimized enrollment timing is April 2023

Customers and Sales: forecast based on historical SDG&E data and assumes 90% customer participation

Revenues: assume continuation of current SDCP rates

Incremental Costs: include power supply (per SDCP portfolio specifications), customer billing, and SDG&E service fees

# Item 7: Fiscal Impact Summary (National City Load) - April 2023 Enrollment

	FYE 2023*	FYE 2024	FYE 2025
Revenue (\$MM)	\$3.4	\$16.8	\$16.9
Costs (\$MM)			
Power Supply Costs	-\$3.2	-\$14.9	-\$14.6
Other Costs	-\$0.1	-\$0.4	-\$0.4
<b>Net Margin/Reserve Contribution (\$MM)</b>	<b>\$0.1</b>	<b>\$1.5</b>	<b>\$1.8</b>
Electric Sales (MWh)	40,604	189,901	190,851

\* Reflects partial year of service for fiscal year ending June 30, 2023, with enrollments commencing in April 2023.

General implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, customer noticing, regulatory and legal representation, internal operations, resource planning and electric procurement.

# Item 7: Conclusions

- Overall positive fiscal impact under base case assumptions
- Due to wholesale power market volatility, the likely range of outcomes is wide, ranging from strongly positive to moderately negative
- Expansion would require a small increase in SDCP resource acquisition
- Advance coordination with SDG&E for RA and RPS resource transfers would be strongly advised
- Achieving long-term RPS compliance in Compliance Period 4 (2021-2024) will require early procurement attention

# Item 7: New Members – National City

## Next Steps:

- National City will present a CCA ordinance and SDCP's JPA agreement to their Council in October (5<sup>th</sup> or 19<sup>th</sup>)
- Staff will return to SDCP Board with a resolution approving membership

## Recommendation:

Review and approve analysis and move forward with National City and Oceanside membership.

# Item 8

## Employee Handbook Update

Recommendation:

Receive and file the updated Employee Handbook

Presenter:

Cody Hooven,  
Chief Operating Officer

# Item 8

## General Sections/Topics

- Employee Conduct
- Harassment, Discrimination and Retaliation Prevention Policy
- Grievance Procedure
- Leave
- Remote Work
- COVID-19 Vaccination Policy – per Board request

# Item 8

## COVID-19 Vaccination Policy

- Requires all employees to report vaccination status by November 15, 2021
- Employees certify they are either:
  - Fully vaccinated for COVID-19; or
  - Unvaccinated for COVID-19 due to a pending or approved exemption due to medical/disability or sincerely held religious belief, practice, or observance.
- If exemption granted, employee will be required to wear a face mask when indoors and tested weekly (testing process/timeline TBD)



# Item 9

## Energy Programs Discussion and Overview

Recommendation:

Receive update on energy programs priorities

Presenter:

Cody Hooven, Chief Operating Officer

Nelson Lomeli, Programs Manager

# **Program Prioritization for Fiscal Year 2021-2022**

# Item 9: Energy Programs Overview

Programs	Target Customer	Funding Source	Timeline
Net Energy Metering (NEM)	All customers	SDCP	Phase 3
Feed-In Tariff (FIT)	Developers / Commercial	SDCP	Q4 of 2021
Renewable Energy Self-Generation Bill Credit Transfer	Municipalities	SDCP	Phase 3
Disadvantaged Communities Green-Tariff / Community Solar Green-Tariff	Residential (Low-Income) in DACs	CPUC	Approvals undergoing through the CPUC. Expected to start in 2022 with service to be provided in 2023-2024
Member City Assistance Program / Local Government Commission	Municipalities	SDCP	Support member cities in their energy-related work
Community Power Plan	All customers	SDCP	Release RFP in Q4 of 2021
Elect To Administer / Regional Energy Network	All customers	CPUC	Work to begin after Phase 3

# Item 9: Energy Programs

## Phase 3 Programs

### Net Energy Metering:

- Program to support customers that installed on-site generation

### Feed-In-Tariff:

- Renewable energy purchasing program which sets the rules and price for the purchase of electricity from small-scale wholesale renewable electricity projects within service territory.

### Renewable Energy Self Generation Bill Credit Transfer (RES-BCT)

- Allows Local Governments to install one generation facility and allocate generation bill credits to other accounts not served by the generating facility to offset bills.

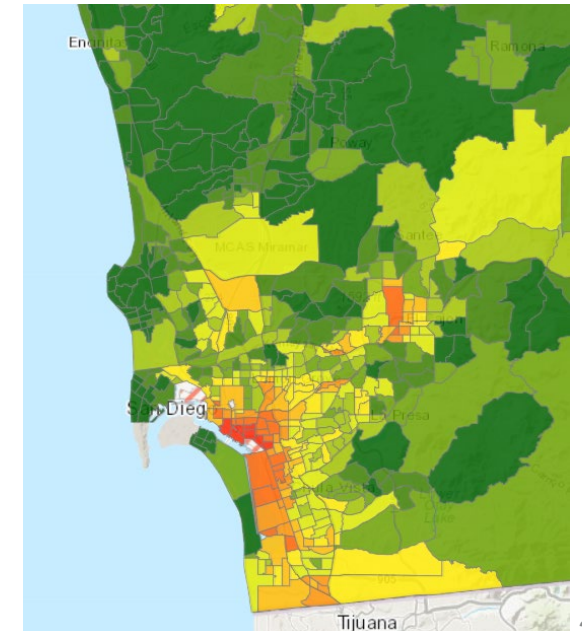


# Item 9: Energy Programs

## Low-Income Focused

### Disadvantaged Communities Green Tariff (DAC-GT) & Community Solar Green Tariff (CS-GT)

- Actively pursuing – Advice Letter seeking CPUC allocation drafted
- 20% bill discount on generation and distribution
- Available only to CARE/FERA residential customers and those living in DACs
- Both provide new generation
- CS-GT project is required to be in a DAC and customers are to reside within 5 miles
- CS-GT would require at least one Community Sponsor who would be the face of the project
- All customers would receive 100% renewable energy



# Item 9: Energy Programs

## Partnership with Member Agencies

### Local Government Commission

- Energy Workshops
- Governmental Assistance

### Member Agency Funding Pilot

- Pilot project
- Support energy-related technical assistance work
- Ongoing determination of best approach



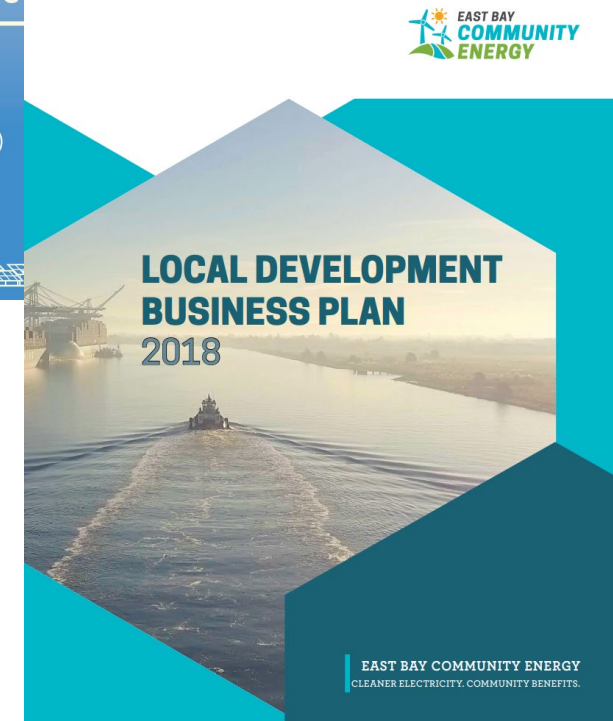
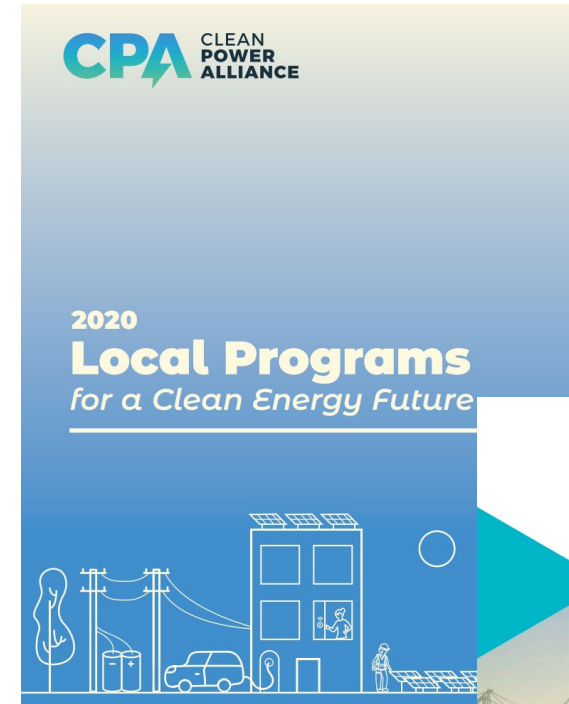
**Local  
Government  
Commission**

*Leaders for Livable Communities*

# Item 9: Energy Programs

## Community Power Plan

- Conduct assessment which will guide:
  - Local development of renewable energy
  - Decarbonization strategies
  - Workforce development
  - Program strategy
- Outlook will be for 3-5 years





# Item 9: Energy Programs

## On the Horizon

- **Elect To Administer (ETA)**
  - Access CPUC funds to conduct energy efficiency work
  - Easier to form and access funds
  - Restrictive cost-effectiveness requirements makes programs difficult to design and implement
- **Regional Energy Network (REN)**
  - Regional agency designed to access CPUC funds to conduct energy efficiency work
  - Requires at least two public agencies to form
  - Difficult to form, but no restrictive cost-effectiveness requirements





# Item 10

## Back Office Metrics and Dashboard Monthly Update

Recommendation:

Receive update om Back Office Metrics and Dashboard

Presenter:

Lucas Utouh,  
Director of Data Analytics  
and Account Services

# Item 10

## Topics

- Phase 3 Enrollment Planning
- Opt Out/Up Actions Tracking
- Contact Center Metrics

# Item 10



## Phase 3 Enrollment Planning

- SDG&E, Calpine and SDCP kicked off Phase 3 Enrollment planning efforts where each team discussed lessons learned from Phase 1 and 2 from a People, Process and Systems perspective
- Reviewed what worked well and areas for improvement to ensure a successful and seamless Phase 3

### Shared Goals and Objectives:



Supporting customer choice and the transition of energy procurement to regional CCA partners.



Making the customer experience as seamless and easy as possible, being responsive to customer needs.



Formation and support of dedicated and collaborative teams working together across all partners and support organizations.



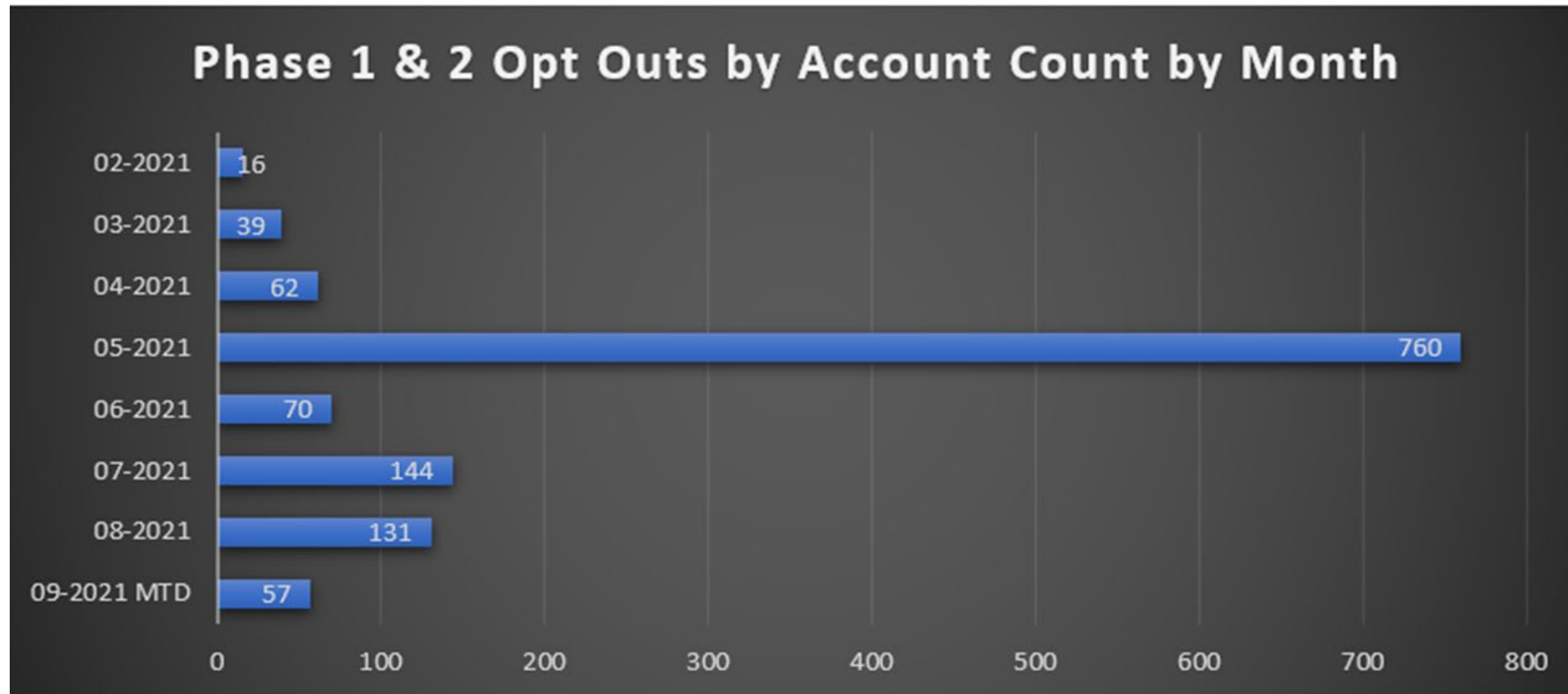
Compliance and strategic alignment – working together through Commission rules and Decisions to advocate for what's best for our region.



Ongoing data and information sharing to ensure operational success and customer benefits.

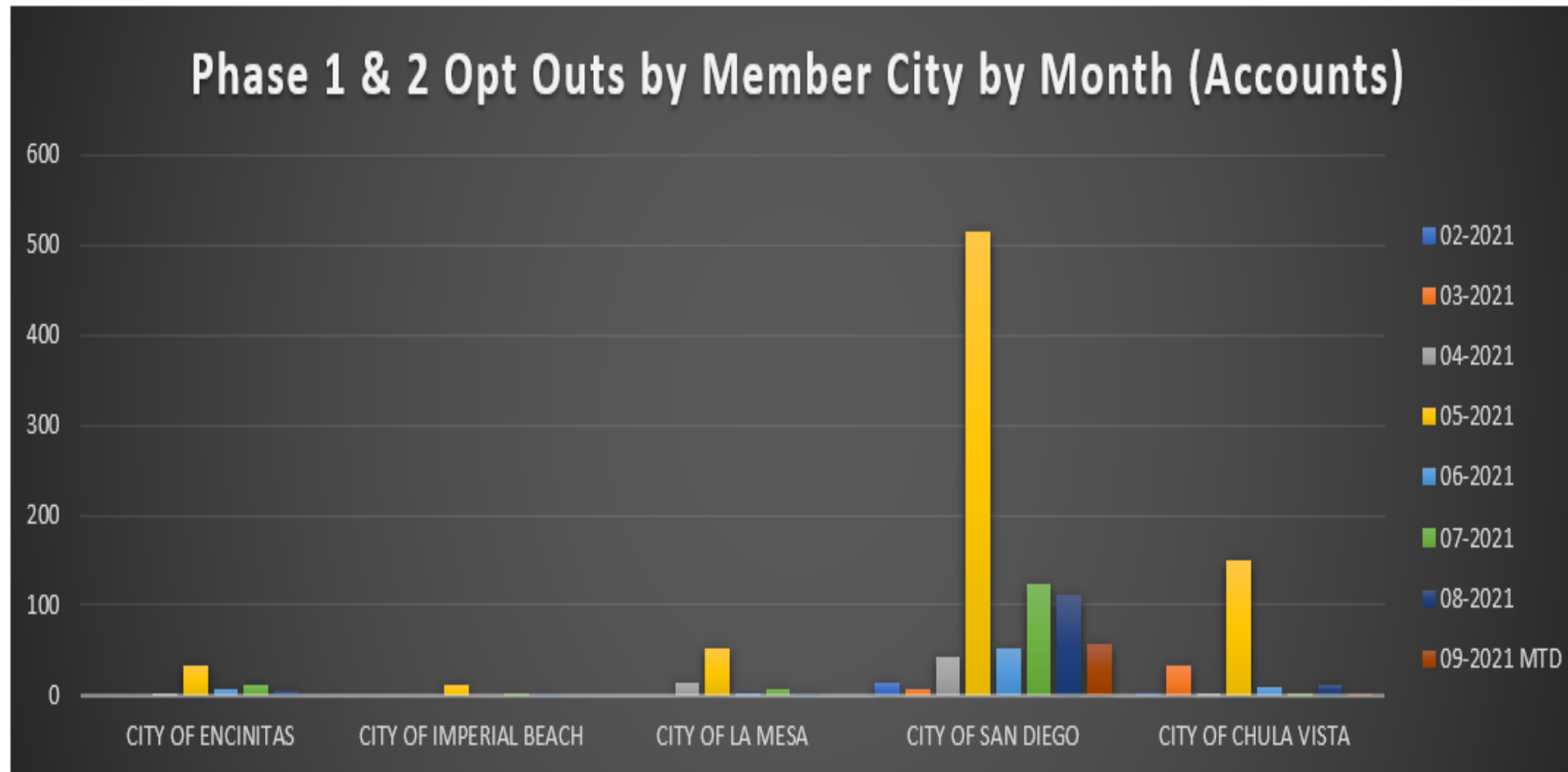
# Item 10

## Opt Out/Up Actions Tracking



# Item 10

## Opt Out/Up Actions Tracking, continued



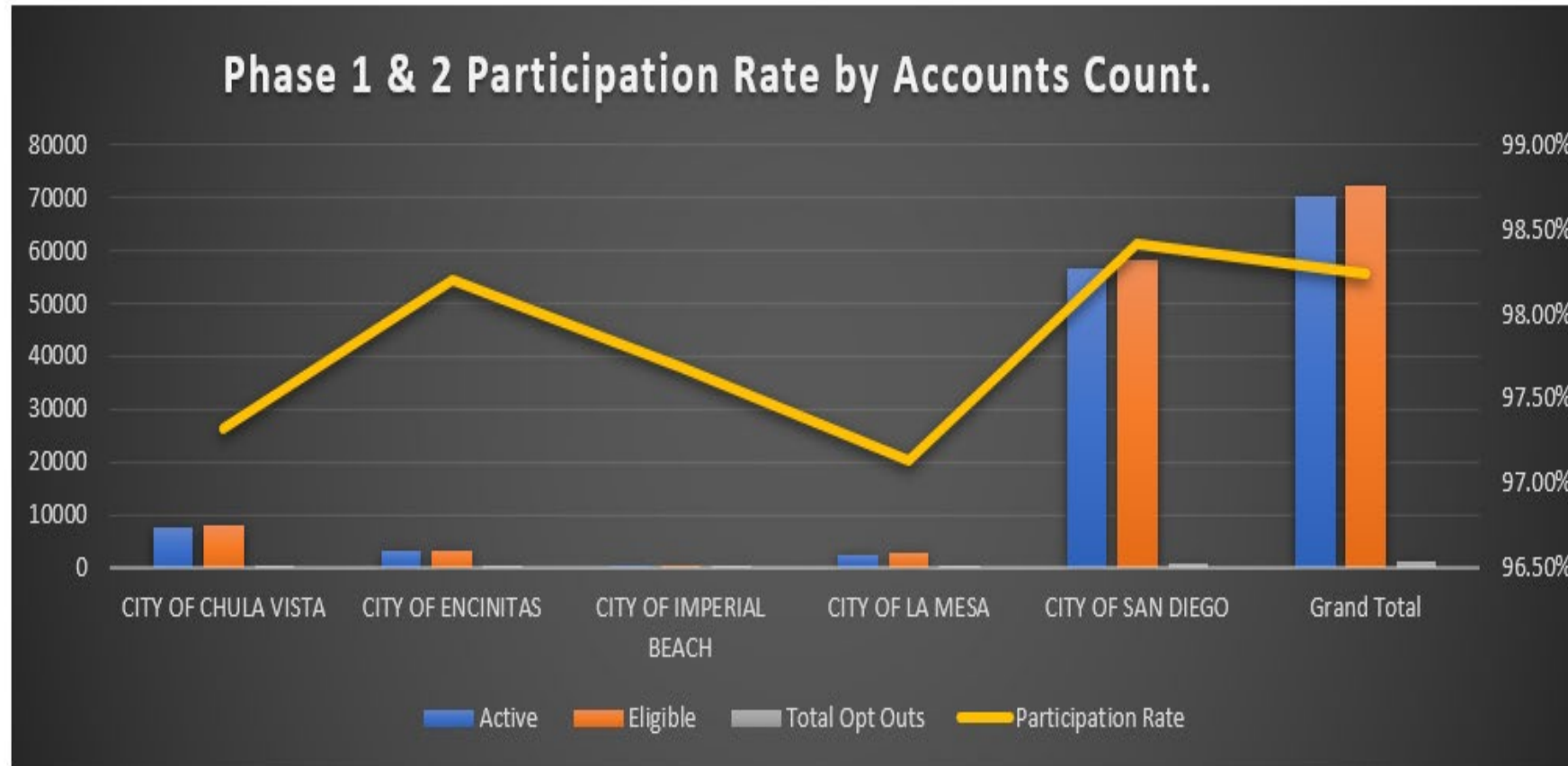
# Item 10

## Opt Out/Up Actions Tracking

Town or Territory	Active	Eligible	Total Opt Outs	Participation Rate
CITY OF CHULA VISTA	7481	7802	209	97.32%
CITY OF ENCINITAS	3112	3216	58	98.20%
CITY OF IMPERIAL BEACH	531	563	13	97.69%
CITY OF LA MESA	2562	2726	78	97.14%
CITY OF SAN DIEGO	56481	58128	921	98.42%
<b>Grand Total</b>	<b>70167</b>	<b>72435</b>	<b>1279</b>	<b>98.23%</b>

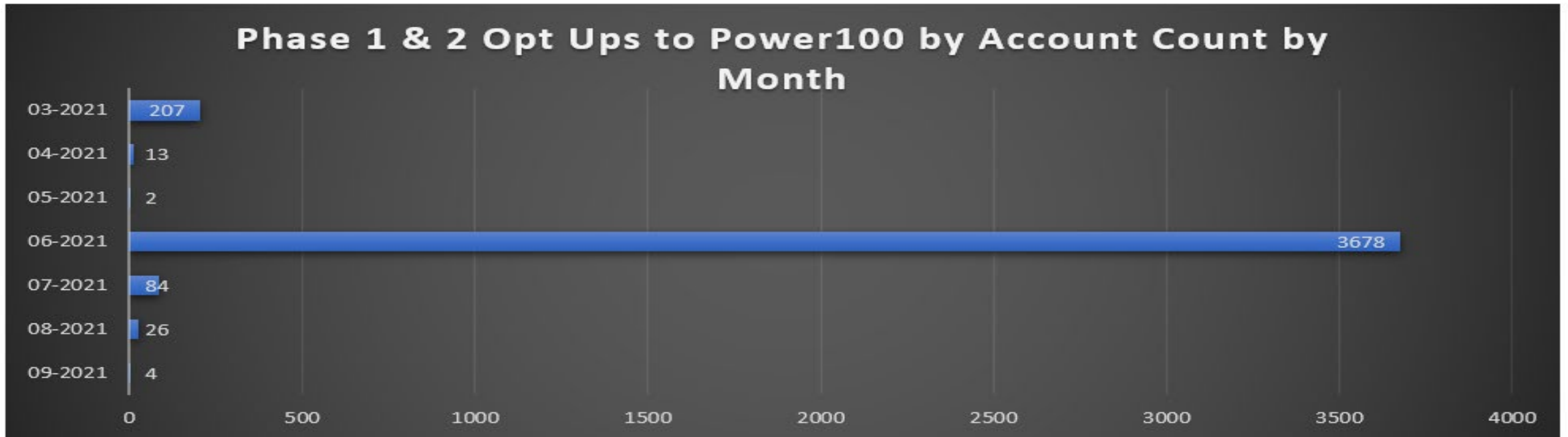
# Item 10

## Opt Out/Up Actions Tracking, continued



# Item 10

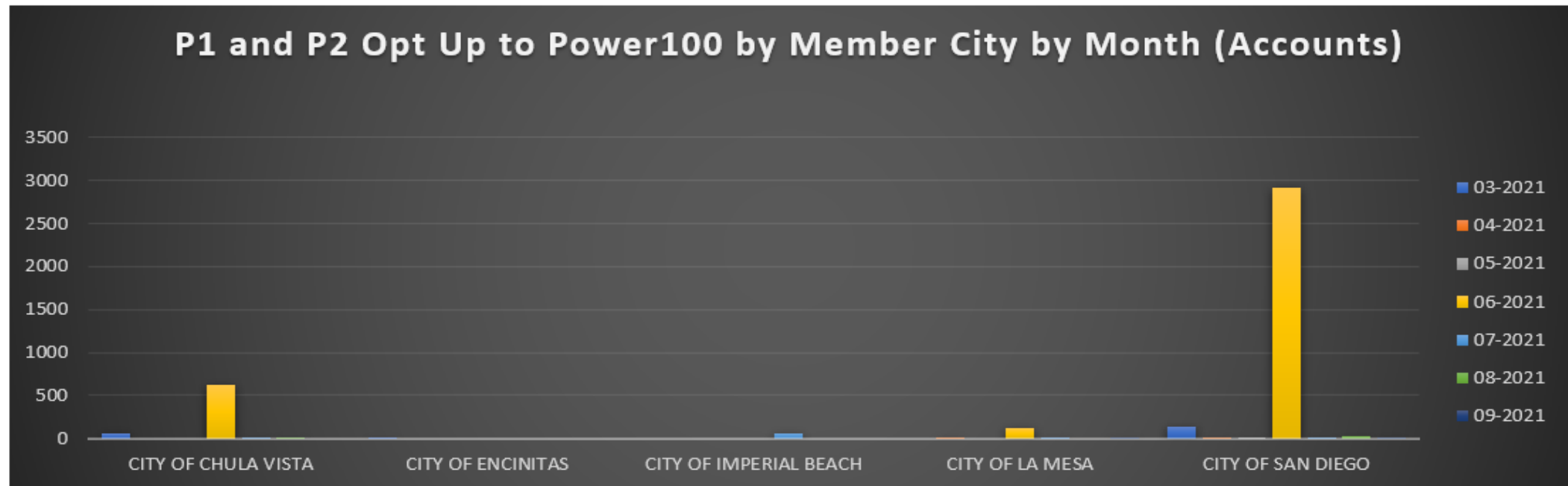
## Opt Out/Up Actions Tracking, continued





# Item 10

## Opt Out/Up Actions Tracking, continued



# Item 10

## Contact Center Metrics

IVR and SLA Details	April	May	June	July	August	September - MTD	2021 YTD Grand Total
Total Calls to IVR	79	109	103	324	531	105	<b>1251</b>
Total Calls Connected to Agents	49	66	57	205	338	76	<b>791</b>
Average Seconds to Answer	0:00:38	0:00:14	0:00:21	0:00:37	0:00:22	0:00:13	
Average Call Duration	0:08:57	0:07:51	0:06:42	0:10:33	0:08:13	0:08:22	
Calls Answered within 60 Seconds (75% SLA)	91.84%	100.00%	89.83%	89.42%	96.46%	100.00%	
Abandon Rate	0.00%	0.00%	3.39%	1.44%	0.29%	0.00%	

# Item 11

## Power Resources Monthly Update

Recommendation:

Receive update on Power Resources

Presenter:

Byron Vosburg,

Director of Power Services

# Item 11

## Topics

- Market Update
- Renewable Energy
- Resource Adequacy
- Risk Management

# **Regular Meeting Agenda**

**Director Comments**

**Adjournment**



# Board of Directors

Next Regular Meeting  
October 28, 2021

