

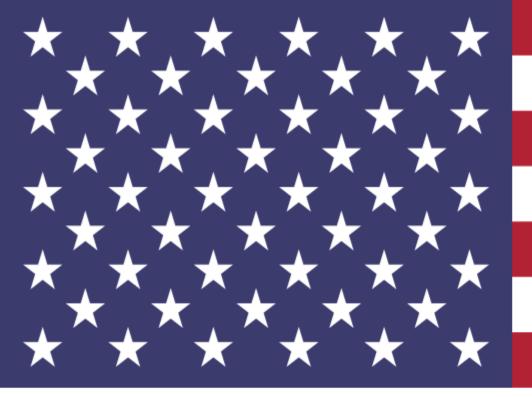
Board of Directors

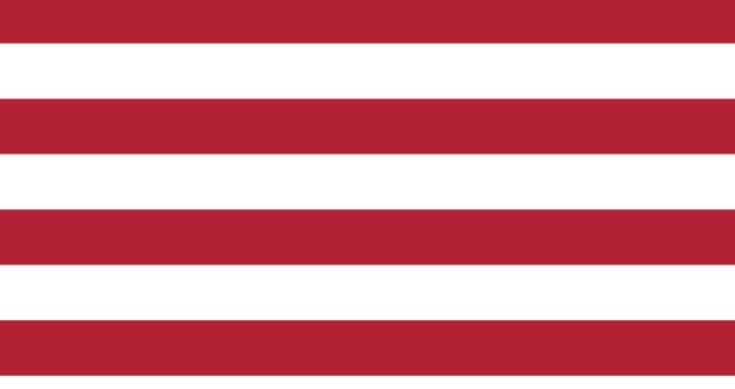
Special Meeting

November 21, 2024

Welcome and **Call to** Order







Land Acknowledgement

Warm Welcome!





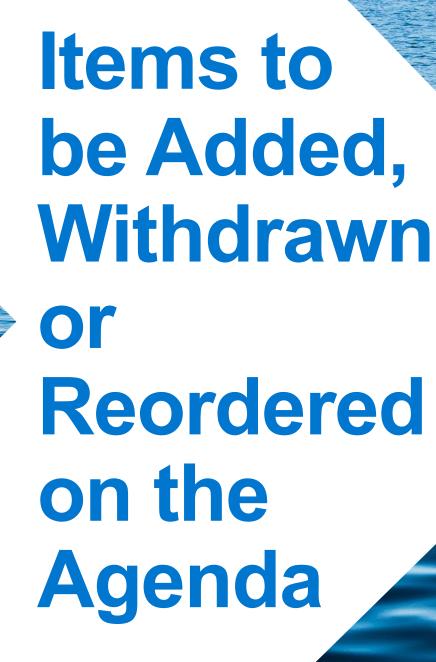


Amy Whitehouse Senior Program Manager

Desiree Daugherty Marketing Manager

Ethan Toth Data Engineer





Public Comment for Items not on the Agenda

Consent Agenda

- 1. Approve October 24, 2024, Meeting Minutes
- 2. Receive and File Treasurer's Report for Period Ending August 31, 2024
- 3. Receive and File Update on Programs
- 4. Receive and File Update on Power Resources
- 5. Receive and File Update on Customer Operations
- 6. Receive and File Update on Human Resources
- 7. Receive and File Update on Marketing, Public Relations, and Local Government Affairs
- 8. Receive and File Update on Regulatory and Legislative Affairs
- 9. Approve Contract for Managed Charging (V1G) Software Procurement with Optiwatt in a not to exceed value of \$420,000 over Two Years, and authorize the Chief Executive Officer to Execute the Contract

Public Comment for Consent Agenda

Regular Agenda

10. Approve Fiscal Year End 2023-24 Financial Audit

Recommendation: Approve Fiscal Year End 2023-24 Financial Audit.

11. Presentation and Update on Clean Energy Prepayment Financing.

Recommendation: Receive and file Presentation and Update on Clean Energy Prepayment Financing.

12. Board Discussion and Consideration of Amendments to Existing San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy; and, if Approved, Make Amendments Effective January 1, 2025

Recommendation: Adopt Resolution No. 2024-10, Amending San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy effective January 1, 2025.

13. 2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power's 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Recommendation: Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP's 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label

14. 2026-2028 Strategic Plan Process Overview

Recommendation: Receive and file Strategic Plan Process Overview.

Item No. 10

Approve Fiscal Year End 2023-24 Financial Audit

Recommendation:

Recommendation: Approve Fiscal Year End 2023-24 Financial Audit.



<u>Presenter</u>: Dr. Eric Washington, CFO Brett Bradford and Aliandra Schaffer



PISENTI & BRINKER LLP

Certified Public Accountants & Advisors

San Diego Community Power Report to the Board of Directors November 21, 2024

Introduction

- Brett Bradford, CPA
 - Audit Partner
 - 21 years in public accounting and performing audits of government entities
 - Currently working with several CCA's throughout California
- Aliandra Schaffer
 - Supervisor
 - 5 years in public accounting and performing audits of governments (CCA's)



Results of current year audit:

- The 2024 audit is complete. We have reported the following:
 - Unmodified opinion Based on our audit, the financial statements are materially accurate.
 - No significant deficiencies or material weakness in internal control noted.



Audit of the year ended June 30, 2024 Financial Statements

Relative Roles & Responsibilities

- Management is responsible for preparing the Financial Statements and establishing a system of internal control.
- Auditor is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements
 - Considering internal controls relevant to the Financial Statements
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures



Risk Assessment for the year ended June 30, 2024

Our audit is a risk-based audit. Risk assessment procedures include:

- Gain understanding of the entity's operating characteristics, practices, and procedures.
- Compare to our knowledge of similar entities, industry and professional guidance.
- Review procedures and controls surrounding significant transaction cycles and business processes.



Risk Assessment for the year ended June 30, 2024

Significant areas of focus

- Revenue recognition
 - Accounts receivable and accrued revenue
 - Test a sample of customer billings
 - Relate total cash received during the year to revenue
 - Look at cash received subsequent to year-end and relate to A/R
 - Review revenue recognition through year-end and method for determining (accrued revenue)
- Cash
 - Confirmations sent to financial institutions



Risk Assessment for the year ended June 30, 2024

Significant areas of focus

- Accrued Cost of Electricity
 - Review subsequent bills from electricity providers and cash payments
- Supplier Security Deposits
 - Reviewed contracts and determined completeness of amounts recorded
- Financial Statement Note Disclosures Complete and without bias



Required Board Communications

- There were no new material accounting policies adopted by San Diego Community Power throughout the period audited.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.



Required Board Communications (continued)

- We did not propose any adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.



Required Board Communications (continued)

- There were no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management's judgments on any significant matters.
- We did not encounter any difficulties in dealing with management during the performance of our audit.



Questions?

Brett Bradford: 707-577-1582



PISENTI & BRINKER LLP

Certified Public Accountants & Advisors

Public Comment for Item No. 10

Item No. 11

Presentation and Update on Clean Energy Prepayment Financing

Recommendation:

Receive and file Presentation and Update on Clean Energy Prepayment Financing.



<u>Presenter</u>: Dr. Eric Washington, CFO

Prepayment Transaction Overview

Goal – Reduce cost of power purchases by 8% or more per prepayment transaction

How – Leverage use of tax-exempt bonding capacity to secure long-term supply

Background

- Codified in the U.S. tax law
- Used since the 1990s largely for natural gas transactions
- Over 100 transactions totaling over \$75 billion completed in the U.S. mostly for gas
- Twelve energy prepayment transactions totaling \$11.3 billion completed over the last few years for six California Community Choice Aggregators:
 - Ava Community Energy
 - Silicon Valley Clean Energy
 - Marin Clean Energy

- Pioneer Community Energy
- Clean Power Alliance
- Central Coast Community Energy



Prepayment Transaction Timeline

- **Nov 7, 2023:** Request-for-Proposal (RFP) was issued for Municipal Financial Advisor (MFA)
- Dec 28, 2023: PFM Financial Advisors LLC (PFM) was selected as MFA
- **Feb 15, 2024:** Finance and Risk Management Committee (FRMC) Prepaid Financing Presentation
- **Feb 22, 2024:** Board Presentation Prepaid Financing Presentation
- Apr 19, 2024: RFP issued for underwriter and legal services (bond, tax, disclosure)
- Aug 22, 2024:Legal counsel agreement with Chapman & Cutler for disclosure services –Potential Board approved
- **Sep 19, 2024:** FRMC Presentation and potential recommendation for Board approval of Resolution for Bond Issuer
- **Sep 26, 2024:** Board Presentation and potential approval of Resolution for Bond Issuer
- Oct 11, 2023: Bond Issuer admits SDCP Associate Member
- Oct 17, 2024: FRMC Presentation and recommendation for Board approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Oct 24, 2024:** Board Presentation and approval on prepay Resolution to authorize prepay transaction parameters and documents
- **Nov 5, 2024:** Execute bond purchase agreement and Bond pricing (bond pricing date)
- Nov 20, 2024: Closing



Prepayment Transaction Parameters

Parameters	Aggregate Bond Principle	Minimum Discount	Maximum Transaction Fee
	\$1.5 billion	8.0%	1.0%
Actual Results	Aggregate Bond Principle	Actual Discount	Transaction Fee
	\$1.0 billion	12.0%	0.6%



Prepayment Transaction Parameters

Aggregate Bond Principle \$1.5 billion 8.0% **4\$56.8 million**

Annual Savings through 9/30/32*

Aggregate Bond Principle \$1.0 billion

Actual Discount

Transaction Fee **0.6%**



Parameters

Actual Results

29 *Guaranteed annual savings of \$3.5 million through 12/31/54

Public Comment for Item No. 11

Item No. 12

Board Discussion and Consideration of Amendments to Existing San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy; and, if Approved, Make Amendments Effective January 1, 2025

Recommendation:

Recommendation: Adopt Resolution No. 2024-10, Amending San Diego Community Power (Community Power) Board and Committee Compensation and Reimbursement Policy effective January 1, 2025.

> Presenter: Chair Joe LaCava



Public Comment for Item No. 12

Item No. 13

2023 Power Source Disclosure Program Annual Reports and Power Content Label; and Adoption of Resolution No. 2024-11, Approving the Submission and Attesting to the Accuracy of Community Power's 2023 Power Source Disclosure Annual Reports for PowerOn and Power100 and the 2023 Power Content Label

Recommendation:

Recommendation: Adopt Resolution 2024-11 approving the submission and attesting to the accuracy of SDCP's 2023 Power Source Disclosure annual reports for PowerOn and Power100 and the 2023 Power Content Label.

<u>Presenter</u>: Byron Vosburg, Chief Commercial Officer



Item 13 - 2023 Power Source Disclosure Program Annual Reports and Power Content Label

Background:

- California Public Utilities Code requires all Load Serving Entities (LSEs) to disclose "accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gasses, that are used to provide electric services."
 - Power Source Disclosure, which is submitted to the CEC
 - Power Content Label, which will be distributed to all SDCP customers who were served in 2023
- Requires SDCP Board attestation prior to submission to CEC and distribution to SDCP customers



Item 13 - 2023 Power Source Disclosure Program Annual Reports and Power Content Label

Summary:

- Staff and technical consultants have vetted and verified all data
- Power 100: 50% solar, 50% wind
- ✓ PowerOn:
 - ~ 51.1% renewable
 - ~ 55.4% renewable/carbon free

		San Dieg	o Community Power	•		
	https://sd	communitypo	wer.org/resources/k	ey-docume	ents/	
Greenhou	se Gas Emissio (Ibs CO ₂ e/MWh		Energy Resources	2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Power Miz
2023 SDCP PowerOn	2023 SDCP Power100		Eligible Renewable ¹	51.1%	100.0%	36.9%
Power Mix	Power Mix	Average	Biomass & Biowaste	7.3%	0.0%	2.1
460	0	373	Geothermal	0.7%	0.0%	4.8
1000 -		•	Eligible Hydroelectric	0.5%	0.0%	1.8
1000	202	23 SDCP PowerOn	Solar	27.3%	50.0%	17.0
800	Po	wer Mix	Wind	15.3%	50.0%	11.2
			Coal	0.0%	0.0%	1.8%
600	202	23 SDCP Power100	Large Hydroelectric	4.3%	0.0%	11.7%
400	Por	wer Mix	Natural Gas	0.0%	0.0%	36.6%
100			Nuclear	0.0%	0.0%	9.3%
200 —	202	23 CA Utility	Other	0.0%	0.0%	0.1%
	Ave	erage	Unspecified Power ²	44.6%	0.0%	3.7%
0			TOTAL	100.0%	100.0%	100.0%
Percentag	e of Retail Sales	Covered by Retire	· d Unbundled RECs ³ :	5%	0%	
² Unspecified p ³ Renewable energ (RECs) represe The unbundled F SDCP received	ower is electricity the gy credits (RECs) a ent renewable gene RECs retired in as these RECs from nergy project buil	at has been purcha re tracking instrum ration that was not power mix or C sociation with SDG SDG&E via a state t before the state's	flect RPS compliance, which is ased through open market tran generation source. ents issued for renewable gen delivered to serve retail sales BHG emissions intensities abo CP's portfolio were produce -approved allocation proces s location-based renewable ut via email at info@sdcomr	erations and is eration. Unbun . Unbundled R ve. d by an eligibl ss. The RECs s energy law too	s not traceable died renewable ECs are not refi e renewable w were generated bk effect. For a	energy crea ected in the ind resource d by a legad
² Unspecified p Renewable energ (RECs) represe The unbundled F SDCP received renewable e	ower is electricity the gy credits (RECs) a ent renewable gene RECs retired in as these RECs from nergy project buil	at has been purcha re tracking instrum- eration that was not power mix or C sociation with SD SDG&E via a state t before the state's on, please reach o this electricity	ased through open market tran generation source. ents issued for renewable gen delivered to serve retail sales BHG emissions intensities abo CP's portfolio were produce -approved allocation proces s location-based renewable ut via email at info@sdcomr San Die	erations and is eration. Unbun . Unbundled R ve. d by an eligibl ss. The RECs s energy law too	s not traceable f dled renewable ECs are not refi e renewable w were generated bk effect. For a brg.	energy creater energy creater ected in the ind resource d by a legad



Item 13 - 2023 Power Source Disclosure Program Annual Reports and Power Content Label

Draft Mailer

YOUR 2023 SAN DIEGO COMMUNITY POWER CONTENT LABEL

The chart to the right tells you which types of power San Diego Community Power sourced for customers in 2023, as required by the California Energy Commission.

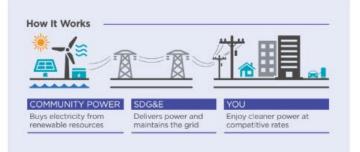
By choosing our services, you are using cleaner energy and contributing to a more sustainable San Diego. Regardless of your service level, this chart can help you learn more about Community Power's energy sources.



	Non-second and		go Community Power			
	https://sdc	ommunitype	ower.org/resources/k	ey-docume	ents/	
	se Gas Emission (Ibs CO ₂ e/MWh)	intensity	Energy Resources	2023 SDCP PowerOn Power Mix	2023 SDCP Power100 Power Mix	2023 CA Power Mix
	2023 SDCP Power100	2023 CA UNIN	Eligible Renewable ¹	51.1%	100.0%	36.9%
Power Mix	Power Mix	Average	Biomass & Biowaste	7.3%	0.0%	2.1
460	0	373	Geothermal	0.7%	0.0%	4.8
1000 -	<u></u>		Eligible Hydroelectric	0.5%	0.0%	1.8
1983 C	2023 SDCP PowerOn Power Mix		Solar Wind	27.3%	50.0%	17.0
800				15.3%	50.0%	11.2
600			Coal	0.0%	0.0%	1.8%
		SDCP Power100 r Mix	Large Hydroelectric	4.3%	0.0%	11.7%
400	1000	8.964	Natural Gas	0.0%	0.0%	36.6%
221			Nuclear	0.0%	0.0%	9.3%
200	#2023 Aven	CA Utility	Other	0.0%	0.0%	0.1%
0		×.	Unspecified Power'	44.6%	0.0%	3.7%
0.550.010	New York		TOTAL	100.0%	100.0%	100.0%
Percentag	e of Retail Sales C	overed by Retire	d Unbundled RECs ² :	5%	0%	
² Unspecified po ⁹ Renewable energ (RECs) represe The unbundled R SDCP received t	wer is electricity the y credits (RECs) and int renewable generic tECs retired in assi- these RECs from Si- hergy project built i	t has been purch tracking instrum alion that was not power mix or 0 ociation with SD DG&E via a state before the state?	flect RPS compliance, which is and through open market to generation source. In the source of the source of advanced to renve rotal saled HIG emissions internities abo CP's portfolio were produce -approved allocation proce Is location-based renewable ut via email at info@duccement	erations and a eration. Unbun I. Unbundled Ri W0. d by an eligibi ss. The RECs o energy law to	s not traceable i died ronewable ECs are not refi e ronewable w were generated ok effect. For a	energy cred ected in the ind resourc 5 by a legac

The prevention drith represents energy procured during 2023 and is provided in the 'Annual Report to the California Energy Commission Rever Source Discourse Registrant' This information is required by the California Energy Commission to be malked to active Community Rever & cualisment: A particul of Community Deven's energy comes from clean, large hydrawidchir pawar Jatakows, Devent California Energy Reportecherics process relation: do not quality are eligible memember essences. Reventinger may not total KIOK due to rounding to rounding to rounding the community of the communit

As your local clean energy provider, San Diego Community Power exists to serve you with reliable, clean energy.







Public Comment for Item No. 13

Item No. 14

2026-2028 Strategic Plan Process Overview

Recommendation:

Recommendation: Receive and file Strategic Plan Process Overview.



<u>Presenter</u>: Karin Burns, Chief Executive Officer



San Diego Community Power

Strategic Planning Update

Presentation to the Board of Directors

Presenter: Karin Burns, CEO

November 21, 2024

Strategic Planning History

- Initial SDCP strategic plan developed and adopted in Q3 2022
- Plan reviewed on April 21, 2023 decided to stay the course
- Early 2024 decided again to stay the course
- Late 2024/ early 2025 We are ready for the development of our next 3-year plan (FY 2026-2028):

Tremendous growth of both customers, operations and staff

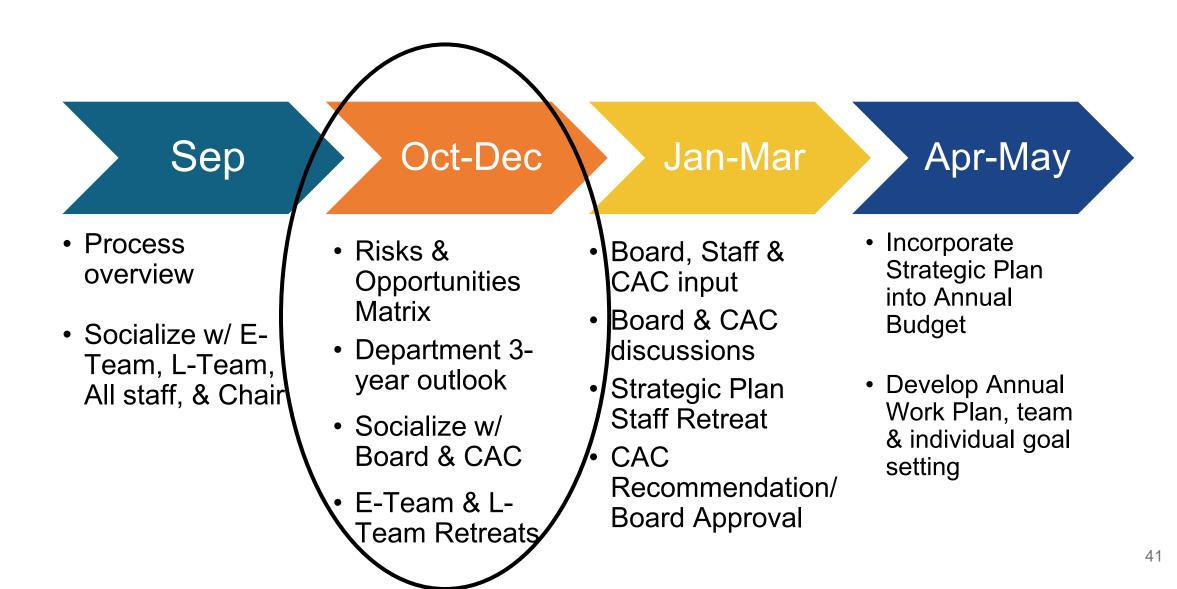
5 new departments

Operational programs

SD Regional Energy Network approved and launching

• Visibility into our 3rd 'core growth' phase

SDCP Strategic Plan High Level Timeline



Four High Level Themes

Infrastructure

- Enterprise Data Platform
- Information Technology
- Legal Support
- Policy Review and Updates
- Standard Operating Procedures
- Short-Term Office Space
- Brand
 Recognition and Web Design

Customer Affordability

- Pre-Pay Bonds
- Rate Products
- RPS Trajectory
- Leg and Reg Strategy
- SD REN
- Expanded Flex Load & VPP
- Customer Bill & Energy Education

Fiscal Sustainability

- Build Reserves
- Sign LT PPAs
- Manage Risk
- Launch ETRM
- Leg/Reg
 Changes
- External funds
- ST vs LT RPS
- Reduce
 - arrearages
- Credit rating
- Slice of Day costs

People / HR

- Institutional culture of best practices for all managers
- Continue to build core team
- Retention, continuity & succession plans
- Resource constraints
- Career growth
- JEDI goals
- Team optimization & utilization



September

Strategic Planning Process overview



Ongoing: October - December (Opportunities & Risks, Department 3-year Outlook; Board & CAC process overview)



Expected: January - March (Board & CAC input, Strategic Plan Workshop & Approval)

Board Orientation 1/17

First Draft SP – 1/23

All Hands Retreat – 1/31

Incorporate JEDI Actions - 1/31 CAC & Board SP Goals Briefings – 2/3 – 2/11

Second Draft SP 2/12

CAC & Board SP Presentation – 2/13; 2/27 Final Draft SP 3/5

CAC Recommend Adoption 3/13

All Hands 3/19

Board Adoption of SP 3/27

Expected: April - May

(Strategic Plan Informs the Annual Budget, Annual Work Plan, and Individual & Team Annual goals)

Incorporate Strategic Plan into annual budget, hiring, investments, etc.

by 4/15

Develop Annual Individual & Department Goals

by 4/30

Develop Annual Individual & Department Work Plans

by 5/15

Next Steps – Board of Directors

- Seeking Initial Feedback
 - **Core Process**
 - **Engagement level**
 - Timing
 - High level themes

Public Comment for Item No. 14

Report by Chief Executive Officer

Recent Events



Vikings Energy Farm Ribbon Cutting

Energy Academy

Recent Panel Participation



Lesley K. McAllister Symposium





California Efficiency + Demand Management Council Fall Conference

Power Association of California Southern California Networking Event

Out & About in the Community



ULI Sustainability and Urban Resilience Forum

Understanding Your Energy Bill Workshop with Groundwork San Diego

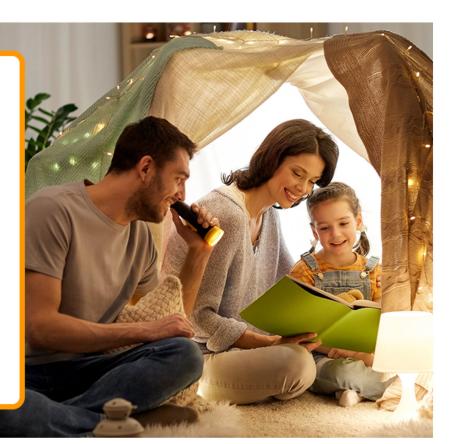
Customer Survey

SHARE YOUR FEEDBACK &

WIN A \$500 GIFT CARD!

TAKE OUR SURVEY





We're Hiring!

Open Positions

- Associate Director of IT and Data Analytics
- Senior Program Associate

Interview Stage

- IT System Analyst
- Director of Portfolio Management

Final Stage

- Origination Manager
- Senior Counsel/Assistant General Counsel
- Rates Analyst
- Finance Manager SDREN

Starting December 3

Brittany Smith,
Senior Cyber
Security Analyst

Directors' Comments

Adjournment



Next Regular Board of Directors Meeting

December 12, 2024