



Regular Board Meeting

December 30, 2021

Item 4: Consider Adoption of Resolution No. 2021-017, Amending Resolution No. 2021- 007, Setting Rates for CEA

Item 4: Resolution Setting Rates for CEA

- Recommendation:
 - Adopt Resolution No. 2021-017, amending Resolution No. 2021-007, setting rates for Clean Energy Alliance and direct staff to adjust the rate schedule as appropriate to ensure all rates are treated equitably regarding achieving savings compared to the San Diego Gas & Electric 2022 rate schedules.

CEA Rate Setting Process

- Mirror SDG&E Rate Schedules for ease in customer understanding and comparison
- Start with SDG&E rates and adjust for exit fees, then apply 2% discount
- Review resulting revenue to determine if sufficient to cover costs
- If not reduce discount until sufficient revenue is generated

Considerations Taken into Account in CEA Rate Setting

- Rates sufficient to generate revenue to cover costs
- Goals of CEA
 - Minimum 50% renewable energy
 - Target 2% generation savings compared to SDG&E
- Financial Stability of Program
 - Meeting minimum 5% reserve
 - Meeting JPMorgan Credit Covenants
- Competitiveness with SDG&E
- Impact to Customers
- Value of product to customers
- Set rates to provide rate stability – minimize rate changes

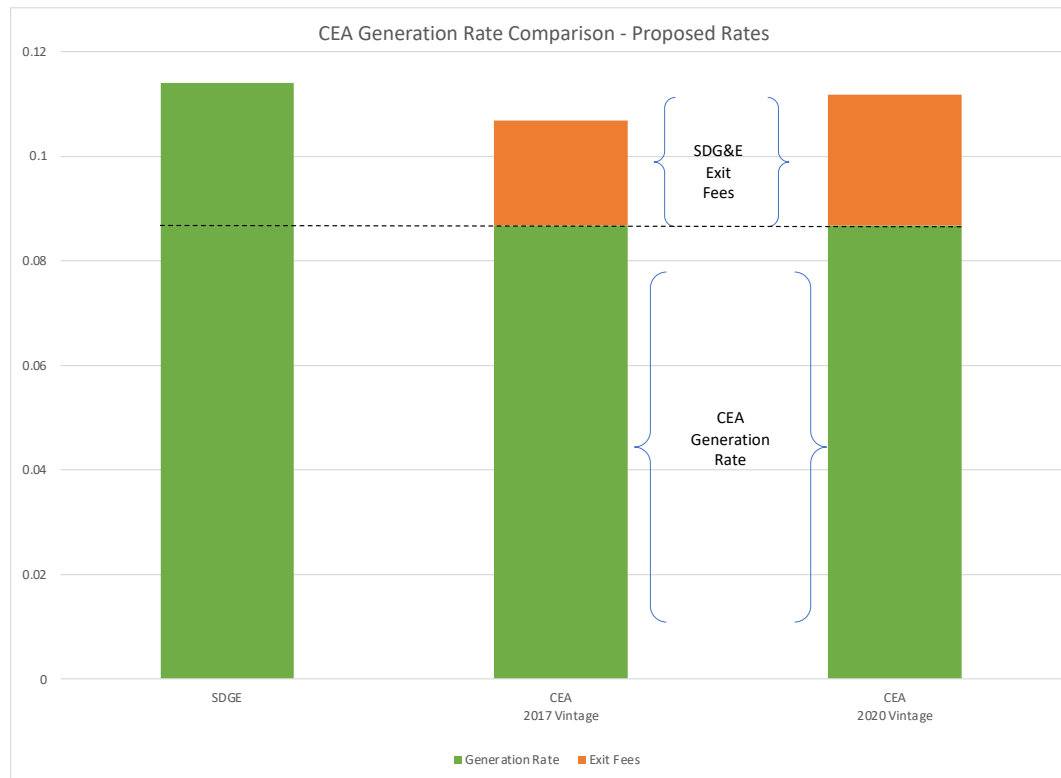
CEA Proposed Rates Effective 1/1/2022

- Rates sufficient to generate revenue to cover costs over the long term
 - Rates are effective for partial FY 2022 year – CEA will require line of credit increase from JPMorgan
 - Board to consider line of credit increase at adjourned meeting
- Achieve target 2% generation savings on Clean Impact power supply compared to SDG&E
- Achieves Financial Stability of Program
 - Meeting minimum 5% reserve
 - Meeting JPMorgan Credit Covenants

2022 Rate Setting

- SDG&E sets generation rates and exit fees in ERRA process
 - ERRA begins in May, updated in November, approved December, effective January 1
 - SDG&E 2022 Generation Rates Increasing
 - SDG&E 2022 Exit Fees Decreasing
- Timeline of SDG&E ERRA process does not provide a long window for CEA to have visibility into rates in advance of effective date
- CEA can use November update to develop rate schedule
 - Will need to be reviewed and adjusted for variances in final individual rate schedules to ensure equity among customers

CEA vs SDG&E Generation & Exit Fees



12/30/21

Projected Residential Bill Comparisons for Clean Impact - 2020 Vintage PCIA (Carlsbad & Del Mar)

Rate: Residential DR

	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
SDG&E PCIA & FF	\$ 14.64		\$ 10.90			
Total Generation Related Costs	\$ 44.77	\$ 45.80	\$ 48.65	\$ 49.64	8.67%	8.38%
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
TOTAL AVERAGE MONTHLY BILL	\$ 116.03	\$ 117.06	\$ 119.91	\$ 120.90	3.34%	3.28%
GENERATION COST SAVINGS		-2.25%		-1.99%		
TOTAL BILL SAVINGS		-0.88%		-0.82%		

* 3.3% Avg Bill Increase

* 2021 delivery rates used in comparisons. 2022 delivery rates are likely to increase but are not known at this time.

Projected Residential Bill Comparisons for Clean Impact - 2017 Vintage PCIA (Solana Beach Customers)

Rate: Residential DR	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
SDG&E PCIA & FF	\$ 16.78		\$ 8.75			
Total Generation Related Costs	\$ 46.91	\$ 45.80	\$ 46.50	\$ 49.64	-0.87%	8.38%
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
TOTAL AVERAGE MONTHLY BILL	\$ 118.17	\$ 117.06	\$ 117.76	\$ 120.90	-0.35%	3.28%
GENERATION COST SAVINGS		2.42%		-6.33%		
TOTAL BILL SAVINGS		0.95%		-2.60%		

* .3% Avg Bill Decrease

* 2021 delivery rates used in comparisons. 2022 delivery rates are likely to increase but are not known at this time.

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Questions/Discussion

Item 5: Consider Adoption of Resolution No. 2021-019 Approving Implementation Plan Addendum No. 1 Addressing Service Expansion to the Cities of Escondido and San Marcos

Item 5: Resolution Approving Implementation Plan Addendum No. 1

- Recommendation:
 - Adopt Resolution No. 2021-019 approving Implementation Plan Addendum No. 1 addressing service expansion to the cities of Escondido and San Marcos and direct staff to file the Implementation Plan with the California Public Utilities Commission.

Item 5: Resolution Approving Implementation Plan Addendum No. 1

- Escondido and San Marcos has recently joined CEA
- Anticipated CEA service expansion to new members April 2023
- CPUC requires Implementation Plan amendment for CCE service expansion
- Amendment reflects the results of the assessment report prepared as part of evaluation of cities joining CEA

Item 5: Resolution Approving Implementation Plan Addendum No. 1

	Escondido	San Marcos	Current CEA	Expanded CEA
Total Accounts	56,348	36,820	60,000	153,168
Annual Energy (MWh)	538,000	353,000	600,000	1,491,000

Service expansion will add approx. 93,168 accounts and more than double annual electric demand

Item 5: Resolution Approving Implementation Plan Addendum No. 1

- The Implementation Plan highlights key impacts and consequences associated with expanding service to Escondido and San Marcos
- Findings of the assessment report determined that the expansion has a positive impact to CEA
- The Implementation Plan Amendment reflects the findings of the assessment report

Item 5: Resolution Approving Implementation Plan Addendum No. 1

- CEA is required to file the Implementation Plan Amendment with CPUC by January 1, 2022 for service in 2023
- CEA staff is ready to make the necessary filings by end of day tomorrow to meet the CPUC deadlines
- CPUC will have 90 days upon which to review and certify the Amendment

Item 5: Resolution Approving Implementation Plan Addendum No. 1

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Questions/Discussion