



Regular Board Meeting

July 28, 2022

Item 3: CEO & Regulatory Report

Item 3: CEO Report

- SDG&E Rate Adjustment
 - Approx 4% rate decrease effective 6/1/22
 - CEA along with San Diego Community Power filed protest with CPUC
 - Rates based on outdated assumptions
 - Rates not reflective of current market conditions
 - SDG&E now undercollecting revenue
 - CPUC Agreed with the CCAs and set aside the Advice Letter
 - Rates still moved forward and went into affect
 - CPUC may still take action related to the protest filed by CEA

Item 3: CEO Report

- CEA rates set in January 2022, and adjusted February 2022, met goal of 2% generation cost savings
 - CEA's rates reflective of current market conditions
 - Provide sufficient revenue to cover operational costs
 - SDG&E's rate decrease results in average bill for customers in 2020 PCIA vintage (Carlsbad & Del Mar) slightly higher than SDG&E
 - 2017 PCIA vintage customers (Solana Beach) average bill lower than SDG&E

Item 3: CEO Report

Average Bill Comparison PCIA Vintage 2017 - Rates Effective 6/1/2022

PCIA Vintage 2017 City of Solana Beach	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: TOU-DR1				
Generation	\$ 60.07	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2017 Vintage	\$ -	\$ 10.11	\$ 10.11	\$ 10.11
Generation Related Costs	\$ 60.07	\$ 54.24	\$ 54.65	\$ 57.34
SDG&E Delivery	\$ 95.37	\$ 95.37	\$ 95.37	\$ 95.37
Total Average Monthly Bill	\$ 155.44	\$ 149.61	\$ 150.02	\$ 152.71
Average 413 kWh Usage				

\$ Savings to SDG&E - Total Bill	\$ (5.83)	\$ (5.42)	\$ (2.73)
% Savings to SDG&E - Generation Costs	-9.71%	-9.99%	-5.00%
% Savings to SDG&E - Total Bill	-3.75%	-3.49%	-1.76%

Item 3: CEO Report

Average Bill Comparison PCIA Vintage 2017 - Rates Effective 2/1/2022

PCIA Vintage 2017 Solana Beach	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: TOU-DR1				
Generation	\$ 62.54	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2020 Vintage	\$ -	\$ 10.11	\$ 10.11	\$ 10.11
Generation Related Costs	\$ 62.54	\$ 54.24	\$ 54.65	\$ 57.34
SDG&E Delivery	\$ 92.46	\$ 92.46	\$ 92.46	\$ 92.46
Total Average Monthly Bill	\$ 155.00	\$ 146.70	\$ 147.11	\$ 149.79
Average 413 kWh Usage				

\$ Premium to SDG&E - Total Bill	\$ (8.30)	\$ (7.89)	\$ (5.20)
% Premium to SDG&E - Generation Costs	-13.27%	-14.54%	-9.52%
% Premium to SDG&E - Total Bill	-5.36%	-5.09%	-3.36%

Item 3: CEO Report

Average Bill Comparison PCIA Vintage 2020 - Rates Effective 6/1/2022

PCIA Vintage 2020 Carlsbad & Del Mar	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: TOU-DR1				
Generation	\$ 60.07	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2020 Vintage	\$ -	\$ 16.97	\$ 16.97	\$ 16.97
Generation Related Costs	\$ 60.07	\$ 61.10	\$ 61.51	\$ 64.20
SDG&E Delivery	\$ 95.37	\$ 95.37	\$ 95.37	\$ 95.37
Total Average Monthly Bill	\$ 155.44	\$ 156.47	\$ 156.88	\$ 159.57
Average 413 kWh Usage				

\$ Premium to SDG&E - Total Bill	\$ 1.03	\$ 1.44	\$ 4.13
% Premium to SDG&E - Generation Costs	1.71%	2.36%	6.71%
% Premium to SDG&E - Total Bill	0.66%	0.93%	2.65%

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Item 3: CEO Report

Average Bill Comparison PCIA Vintage 2020 - Rates Effective 2/1/2022

PCIA Vintage 2020 Carlsbad & Del Mar Residential: TOU-DR1	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Generation	\$ 62.54	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2020 Vintage	\$ -	\$ 16.97	\$ 16.97	\$ 16.97
Generation Related Costs	\$ 62.54	\$ 61.10	\$ 61.51	\$ 64.20
SDG&E Delivery	\$ 92.46	\$ 92.46	\$ 92.46	\$ 92.46
Total Average Monthly Bill	\$ 155.00	\$ 153.56	\$ 153.97	\$ 156.66
Average 413 kWh Usage				

\$ Premium to SDG&E - Total Bill	\$ (1.44)	\$ (1.03)	\$ 1.66
% Premium to SDG&E - Generation Costs	-2.30%	-1.68%	2.69%
% Premium to SDG&E - Total Bill	-0.93%	-0.66%	1.07%

Item 3: CEO Report

- Benefits of CEA
 - Reduce greenhouse gas emissions
 - Minimum 50% renewable energy
 - Customers defaulted into 75% carbon free
 - SDG&E - 31% renewable sources
 - 100% renewable energy available – average \$3 per month
 - SDG&E 100% renewable - average \$100 monthly premium
 - SDG&E seeking to eliminate program
 - Meet Climate Action Plan Goals
 - Local Control
 - Board from member agency elected officials
 - Community Advisory Committee
 - Revenue stays local for benefit of communities
- This is a temporary situation and expected to turn around in a **CLEAN ENERGY** few months

Item 3: CEO Report

- May 31 - SDG&E Filed 2023 Energy Resource Recovery Account (ERRA)
 - Sets generation and PCIA rates for 2023
 - Forecasts generation rates increasing
 - Forecasts PCIA rates decreasing
 - Will result in CEA's costs being lower than SDG&E
- Annual Joint Rate Mailers
 - Due to customers by September 1
 - Will be based on rates effective 6/1/2022

Item 3: CEO Report

- CEA Expansion
 - Escondido & San Marcos – April 2023 Launch
 - Timeline:
 - Implementation Plan Amendment Certified by CPUC – RECEIVED!
 - April 2022 – Include energy usage in CEA Year Ahead Resource Adequacy(RA) Filing with CPUC – First Procurement Related Action - FILED
 - May 2022 – Energy Hedge Procurement Begins
 - July 2022 – RA requirements received from CPUC – Procurement Obligations
 - August 2022 – CAC Input into marketing and outreach strategy
 - October 2022 – Contracts for RA finalized; submittal to CPUC
 - October 2022 – Marketing & Outreach Begins
 - February 2023 – Required Noticing begins
 - April 2023 – Service Enrollments

Item 3: CEO Report

- CEA Expansion
 - Oceanside, Vista, San Clemente – 2024 service
 - Timeline:
 - April 2022 – Results to cities
 - May 2022
 - May 3 - Vista Council Workshop
 - May 26 – CEA Board Update
 - June 2022 - Cities consider resolution to join CEA and Ordinance establishing CCA
 - June 8 & 22 – Oceanside City Council Approved Resolution to Join CEA and Ordinance
 - June 28 – Vista City Council Approved Resolution and Introduced and Adopted Ordinance
 - July 2022
 - July 12 – San Clemente Community workshop
 - July 19 – San Clemente City Council Voted to Table Consideration of Joining
 - July 28 - CEA approve cities joining; direct preparation of Implementation Plan Amendment
 - August 2022 – New Board Members Oath of Office
 - October 2022 – Draft Implementation Plan Amendment to CEA Board for approval
 - December 2022 – File Implementation Plan Amendment with CPUC

Item 3: CEO Report

- Community Advisory Committee
 - Applications being accepted through 7/31/22 for vacancies for City of Del Mar and City of Solana Beach
 - Information and application on website
 - www.TheCleanEnergyAlliance.org

Questions/Discussion

Item 4: Consider Resolution 2022-004 Authorizing Oceanside & Vista to Become Parties to JPA and Members of CEA

Item 4: Authorize Oceanside & Vista to Join CEA

- Recommendation:
 - Adopt Resolution 2022—004 authorizing cities of Oceanside & Vista to become parties to the JPA and members of CEA;
 - Schedule approval of the Amendment of the JPA for August 25, 2022;
 - Direct staff to prepare and Implementation Plan Amendment reflecting service expansion into Oceanside & Vista and return to Board for approval October 27, 2022

Item 4: Authorize Oceanside & Vista to Join CEA

- Background:
 - Section 2.4 of JPA – Addition of members
 - Adoption of Resolution authorizing membership – 2/3 vote of Board
 - May be denied if Board determines within 60 days after submittal of feasibility study that the addition would create an undue risk or financial hardship to CEA or to the achievement of the Climate Action Plan goals of the parties
 - Adoption of CCA Ordinance by proposed new member
 - Approval and execution of the JPA Agreement and other necessary agreements by the proposed new member
 - Payment of a membership fee, if any
 - Satisfaction of any other conditions established by the Board

Item 4: Authorize Oceanside & Vista to Join CEA

- Assessment Report prepared based on each agency's electric usage
- Results reflect sufficient revenue can be generated with rates increased from CEA's current rates
 - Savings may be achieved using the adjusted rates based on current assumptions

Item 4: Authorize Oceanside & Vista to Join CEA

Oceanside Financial Assessment – Current Rates

	FYE 2024	FYE 2025	FYE 2026
Revenue	\$9.86	\$53.55	\$53.82
Power Costs	-\$8.88	-\$50.54	-\$49.50
Other Costs	-\$0.65	-\$1.60	-\$1.61
Net Operating Margin	\$.33	\$1.41	\$2.71
5% Operating Reserve	-\$0.49	-\$2.68	-\$2.69
Surplus/(Deficit)	(\$0.16)	(\$1.27)	\$0.02

Figures shown in millions
FYE 2025 is first full fiscal year

Item 4: Authorize Oceanside & Vista to Join CEA

Oceanside Financial Assessment – 2.5% Increase to Rates

	FYE 2024	FYE 2025	FYE 2026
Revenue	\$10.11	\$54.89	\$55.17
Power Costs	-\$8.88	-\$50.54	-\$49.50
Other Costs	-\$0.65	-\$1.60	-\$1.61
Net Operating Margin	\$0.58	\$2.75	\$4.06
5% Operating Reserve	-\$0.51	-\$2.74	-\$2.76
Surplus/(Deficit)	\$0.07	\$0.01	\$1.30

Figures shown in millions
FYE 2025 is first full fiscal year

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Item 4: Authorize Oceanside & Vista to Join CEA

Oceanside Bill Comparison – based on 2.5% rate increase

City of Oceanside	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: DR				
Generation	\$ 49.86	\$ 36.70	\$ 36.70	\$ 36.70
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.32	\$ 2.43
SDG&E PCIA+FFS - 2022 Vintage	\$ -	\$ 9.73	\$ 9.73	\$ 9.73
Generation Related Costs	\$ 49.86	\$ 46.43	\$ 46.75	\$ 48.86
SDG&E Delivery	\$ 73.08	\$ 73.08	\$ 73.08	\$ 73.08
Total Average Monthly Bill	\$ 122.94	\$ 119.51	\$ 119.83	\$ 121.94
Average 324 kWh Usage				

\$ Savings to SDG&E	\$ (3.44)	\$ (3.11)	\$ (1.00)
% Savings to SDG&E	-2.79%	-2.53%	-0.81%

Item 4: Authorize Oceanside & Vista to Join CEA

Vista Financial Assessment – Current Rates

	FYE 2024	FYE 2025	FYE 2026
Revenue	\$6.19	\$32.96	\$33.12
Power Costs	-\$5.62	-\$31.49	-\$30.85
Other Costs	-\$0.32	-\$0.85	-\$0.85
Net Operating Margin	\$0.25	\$0.62	\$1.42
5% Operating Reserve	-\$0.31	-\$1.65	-\$1.66
Surplus/(Deficit)	(\$0.06)	(\$1.03)	(\$0.24)

Figures shown in millions
FYE 2025 is first full fiscal year

Item 4: Authorize Oceanside & Vista to Join CEA

Vista Financial Assessment – 2.5% Rate Increase

	FYE 2024	FYE 2025	FYE 2026
Revenue	\$6.34	\$33.78	\$33.95
Power Costs	-\$5.62	-\$31.49	-\$30.85
Other Costs	-\$0.32	-\$0.85	-\$0.85
Net Operating Margin	\$0.40	\$1.44	\$2.25
5% Operating Reserve	-\$0.32	-\$1.69	-\$1.70
Surplus/(Deficit)	\$0.08	(\$0.25)	\$0.55

Figures shown in millions
FYE 2025 is first full fiscal year

Item 4: Authorize Oceanside & Vista to Join CEA

Vista Bill Comparison – based on 2.5% rate increase

City of Vista	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: DR				
Generation	\$ 52.63	\$ 38.73	\$ 38.73	\$ 38.73
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.34	\$ 2.57
SDG&E PCIA+FFS - 2022 Vintage	\$ -	\$ 10.26	\$ 10.26	\$ 10.26
Generation Related Costs	\$ 52.63	\$ 48.99	\$ 49.34	\$ 51.56
SDG&E Delivery	\$ 77.14	\$ 77.14	\$ 77.14	\$ 77.14
Total Average Monthly Bill	\$ 129.77	\$ 126.13	\$ 126.48	\$ 128.70
Average 342 kWh Usage				

\$ Savings to SDG&E	\$ (3.64)	\$ (3.29)	\$ (1.07)
% Savings to SDG&E	-2.80%	-2.54%	-0.83%

Item 4: Authorize Oceanside & Vista to Join CEA

Combined Oceanside & Vista Financial Assessment – 2.5% Rate Increase

	FYE 2024	FYE 2025	FYE 2026
Revenue	\$16.46	\$88.67	\$89.12
Power Costs	-\$14.50	-\$82.03	-\$80.35
Other Costs	-\$0.97	-\$2.45	-\$2.46
Net Operating Margin	\$0.99	\$4.19	\$6.31
5% Operating Reserve	-\$0.82	-\$4.43	-\$4.45
Surplus/(Deficit)	\$0.17	(\$0.24)	\$1.86

Figures shown in millions
FYE 2025 is first full fiscal year

Item 4: Authorize Oceanside & Vista to Join CEA

- Actions Taken by Oceanside & Vista
 - Adoption of Ordinance establishing CCA
 - Oceanside – 6/22/22; effective 7/22/22
 - Vista – 6/28/22; effective 7/28/22
 - Approval & Execution of JPA
 - Oceanside – Approval 6/8/22;
 - Vista – Approval 6/28/22
 - Execution by 8/25/22
 - Oceanside & Vista to split costs of Implementation Plan Amendment per CEA Policy
 - Reimbursable within 3 years of CEA service commencement

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Item 4: Authorize Oceanside & Vista to Join CEA

- JPA Requirements for Addition of Oceanside & Vista have been met.
- Next Steps
 - Members have been provided written notice of the Proposed Amendment to JPA
 - Proposed Amendment to come before Board for Consideration 8/25/22
 - Implementation Plan Amendment to be prepared and come before Board for consideration 10/27/22 & Filed with CPUC by 12/31/22 for 2024 service commencement

Questions/Discussion