



# Regular Board Meeting

January 26, 2023

# Item 6: Consider Adoption of CEA Rates Effective February 1, 2023

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

- Recommendation:
  - Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony and Close the Public Hearing.
  - Adopt Resolution 2023-001, amending Resolution 2021-017, setting rates for Clean Energy Alliance effective February 1, 2023.

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

- Setting rates is a critical function for CEA
  - Appropriate rates are crucial to CEA's operational and financial success
- Goals/Priorities in Rate setting process
  - Generate revenue sufficient to cover costs
  - Fund the minimum 5% Financial Reserve contribution
  - Meet credit facility covenants
  - Maintain competitiveness with SDG&E
  - Provide customer rate stability

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

## Rate Development Process

SDGE Rates – Exit Fee\* & Franchise Fees = CEA Starting Rate  
Discount by 2% - CEA's target minimum = CEA Initial Rate

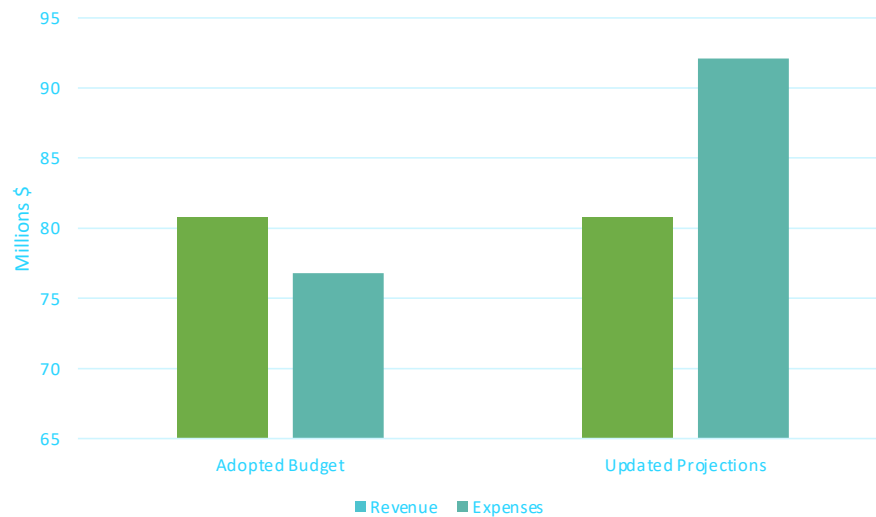
CEA's Initial Rate used to calculate resulting revenue generation to determine if sufficient to cover costs.

If rate is sufficient Initial Rate is Proposed Rate.

\* Highest Exit Fee of CEA's vintages is used

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

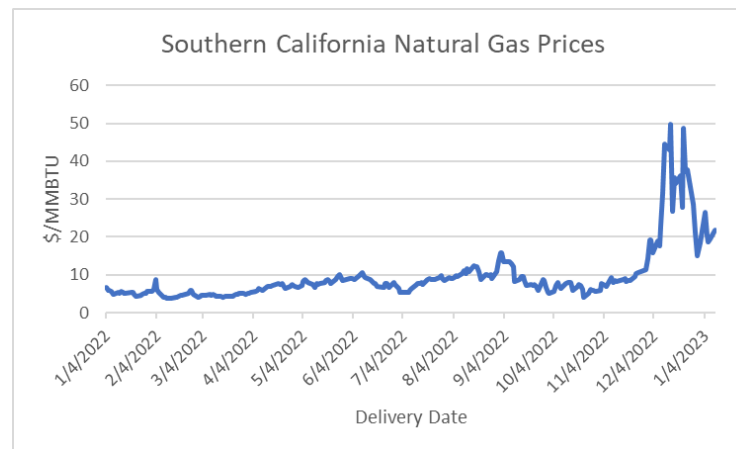
## Projected Revenue & Expenses – Budget and Updated



- Rates when Budget Adopted sufficient to meet projected expenditures
- Energy Market Conditions have driven up expenditure projections
- Current Rates no longer sufficient to meet expenses in current fiscal year

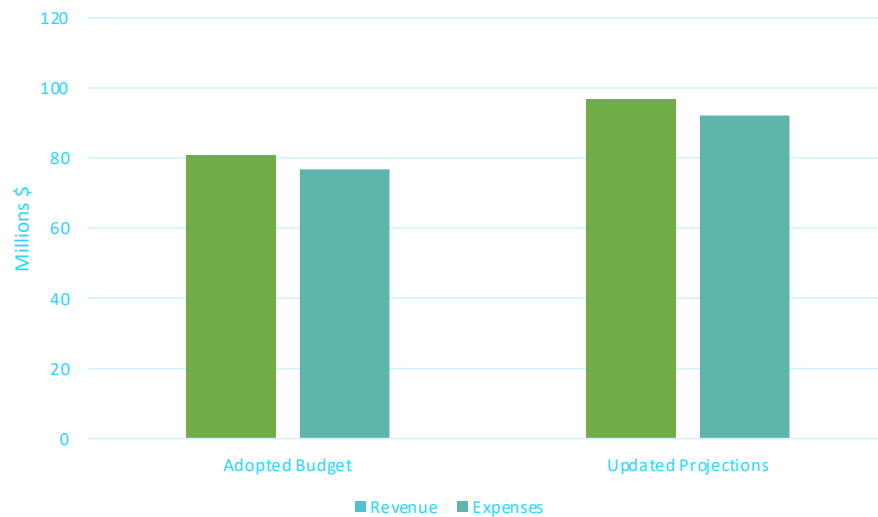
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- Market Conditions Impacting Costs
  - Western US Natural Gas price spikes driving up California power prices



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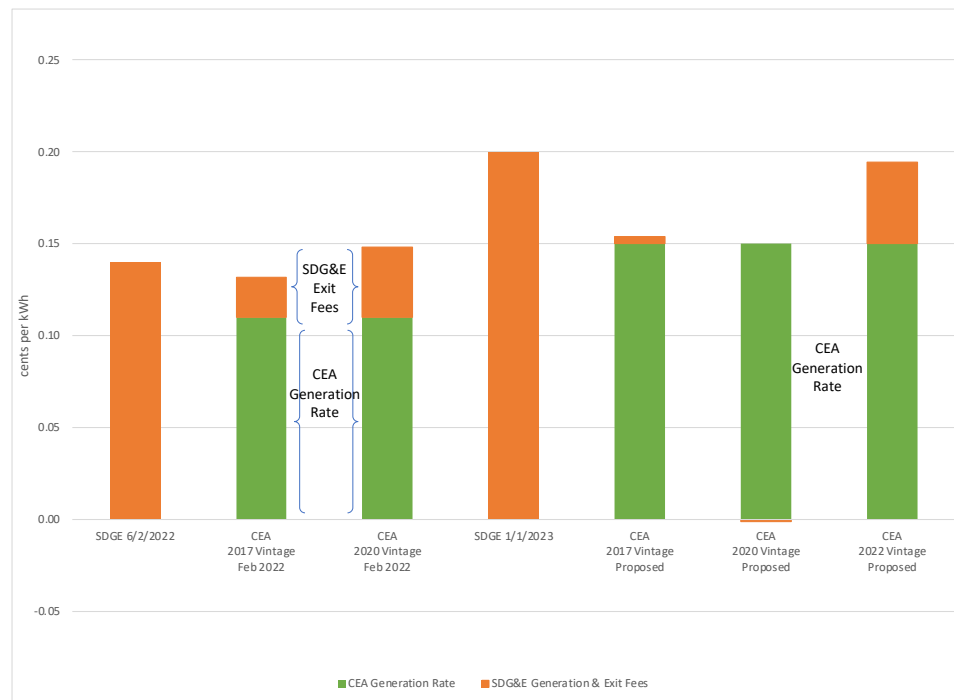
## Projected Revenue & Expenses – With Rate Adjustment



- Proposed Rates generate revenue sufficient to cover costs
- Provide minimum 2% generation savings compared to SDG&E
- Funds to 5% Financial Reserve
- Meet credit covenants



# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023



- CEA/SDGE Comparison of rates for average residential customer
- Left 3 columns rates effective 6/1/2022
- Right 4 columns SDG&E 1/1/23 rates and CEA's proposed Rates
- CEA's Proposed rates 25% below SDG&E average generation rate
- Customer savings based on Exit Fee Vintage

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

## Bill Comparison – Average Residential Usage Rate Schedule TOU-DR1

Residential: TOU-DR-1	SDG&E	CEA Proposed Rates		
		2022 Vintage	2020 Vintage	2017 Vintage
Generation	\$ 80.85	\$ 60.00	\$ 60.00	\$ 60.00
SDG&E PCIA+FFS		\$ 19.23	\$ 0.41	\$ 2.52
<b>Total Generation Costs Clean Impact</b>	<b>\$ 80.85</b>	<b>\$ 79.23</b>	<b>\$ 60.41</b>	<b>\$ 62.53</b>
Clean Impact Plus Premium		\$ 0.41	\$ 0.41	\$ 0.41
SDG&E Delivery	\$ 149.29	\$ 149.29	\$ 149.29	\$ 149.29
<b>Total Average Monthly Bill</b>	<b>\$ 230.14</b>	<b>\$ 228.93</b>	<b>\$ 210.12</b>	<b>\$ 212.23</b>
Monthly Bill Difference CEA vs SDGE		\$ (1.21)	\$ (20.02)	\$ (17.91)
% Total Bill Savings CEA vs SDGE		-0.52%	-8.70%	-7.78%
% Generation Savings CEA vs SDGE		-2.00%	-25.27%	-22.66%

2022 Vintage – Escondido & San Marcos – Enrolling April 2023

2020 Vintage – Carlsbad & Del Mar

2017 Vintage – Solana Beach

01/26/23

# Item 6: Consider Adoption of CEA Rates Effective 2/1/2023

- Customer Notification of Rate Adjustment
  - Public Hearing Notice Published in Coast News 1/13 & 1/20
  - Press Release issued 1/16
  - Pop-Up Notification on CEA Website
  - Social Media Posts

# Questions/Discussion

# Item 7: Consider Approval of CEA Working with San Diego Community Power in Exploring Establishment of a Regional Energy Network

# Item 7: Consider Working with SDCP in Evaluation Regional Energy Network

- Recommendation:
  - Approve CEA working with San Diego Community Power in exploring establishment of a Regional Energy Network and direct staff to return with results and next steps.

# Item 7: Consider Working with SDCP in Evaluation Regional Energy Network

- Key Goal of CEA Programs to support achievement of Climate Action Plan goals of Member Agencies
- No CEA funds currently available for programs
- Evaluating options for alternative program funding
- Regional Energy Network is one possible alternative to bring program funds to CEA

# Item 7: Consider Working with SDCP in Evaluation Regional Energy Network

- CPUC Energy Efficiency Funding Access Pathways

Elect-to-Administer	Apply-to-Administer	Regional Energy Network
CEA Independent Effort	CEA Independent Effort	Joint Regional Effort
Least Administrative Burden	Most Administrative Burden	Significant Administrative Burden provided by REN
9-12 month timeline	12-24 month timeline	12-24 month timeline
~ 9 CCAs actively administering or pursuing	1 CCA known to actively administering	5 RENS operational in CA – none in San Diego
Restrictive cost-effectiveness thresholds	Restrictive cost-effectiveness thresholds	Not subject to cost-effectiveness thresholds
Declining Available Funds	Significant funding possible	Significant funding possible



# Item 7: Consider Working with SDCP in Evaluation Regional Energy Network

- SDCP reached out to CEA with suggestion to work together in evaluating establishing a REN
- Accessing funds would benefit both CEA and SDCP customers
- SDCP has authorized funding to hire consultant to assist in evaluation and application processes

# Item 7: Consider Working with SDCP in Evaluation Regional Energy Network

- Staff recommends Board approval to work with SDCP in evaluating establishing a REN
- Staff to return with results and next steps

# Questions/Discussion

# Item 9: Receive Report and Provide Direction on Physical Meeting Location

# Item 9: Receive Report and Provide Direction on Physical Meeting Location

- Recommendation:
  - Receive report and provide direction regarding physical location of Clean Energy Alliance Board and Community Advisory Committee Meetings.

# Item 9: Receive Report and Provide Direction on Physical Meeting Location

- Background:
  - Section 4.8 of JPA
    - Board shall establish date, hour, place of regular Board meetings annually by resolution
  - Section 1 of Bylaws
    - Resolution shall set meeting schedule on fiscal year basis
  - May 26, 2022 – Resolution 2022-002 established meeting schedule for July 2022 – June 2023
    - Identified San Marcos as physical location
    - At that time Oceanside and Vista were not members
  - Board requested staff evaluate feasibility of Oceanside as physical meeting location

## Item 9: Receive Report and Provide Direction on Physical Meeting Location

- CEA staff worked with Oceanside staff to evaluate feasibility
  - Oceanside City Council Chambers are available for current Board and CAC meeting dates
  - Oceanside Council Chambers Equipment can accommodate live-stream and recording via Zoom
    - Unable to accommodate live-stream via YouTube
    - Live-Stream via Zoom is sufficient for public viewing
    - Recordings would be posted to CEA's YouTube channel for public access

# Item 9: Receive Report and Provide Direction on Physical Meeting Location

- Steps to Amend Physical Meeting Location
  - Resolution with new Meeting Location to Board for Consideration at February 23, 2023 meeting
  - New meeting schedule effective beginning March 2023
    - Board and Community Advisory Committee meetings would be affected



# Questions/Discussion

# Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

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- Recommendation:
  - Approve CAC 2023 Workplan and Meeting Schedule and provide direction re: CAC Chair

# Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

- Background:
  - Community Advisory Committee Policy establishes the Board sets the CAC annual workplan and meeting schedule.
  - For 2022 the following workplan and schedule were approved:

MEETING DATE	WORK PLAN/TOPICS
February 3, 2022	Review CEA Website & Provide input for Update
April 7, 2022	Receive report from CEA Board Budget Workshop
June 2, 2022	Review CEA Draft FY 2022/23 Budget
August 4, 2022	Marketing and Outreach Strategy for Escondido & San Marcos Launch
October 6, 2022	Education, Outreach and Training Plan re: GHG Emissions Reductions Strategies
December 1, 2022	2022 Achievements and 2023 Workplan Suggestions for Board Consideration

# Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

- During the past year the CAC accomplished the workplan as established by the Board, as well as creating subcommittees to focus on various areas of interest, including:
  - Electric Vehicle
  - Local Programs
  - Outreach to Underserved Communities
- The subcommittees are just getting started developing their purpose and and used the information gathered from their meetings in the proposed workplan for Board consideration

## Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

- In addition to discussing a proposed workplan, the CAC also discussed their meeting schedule and confirmed the current schedule of meeting the Thursday of even months has worked well.
- The subcommittee requests Board consideration of the following workplan for 2023

# Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

MEETING DATE	WORK PLAN/TOPICS
February 2, 2023	Microgrid Program Presentation Review Escondido & San Marcos Marketing & Education for CAC Assistance Assignment; Green Impact Champions Program Overview and Marketing Input
April 6, 2023	Receive report from CEA Board Budget Workshop & Provide Input for Board Consideration Regional Energy Networks Presentation; Presentation Regarding Inflation Reduction Act and Other Grant Opportunities for CEA Programs
June 1, 2023	Review CEA Draft FY 2022/23 Budget Review Website
August 3, 2023	Escondido/San Marcos Enrollment Recap Marketing and Outreach Strategy for Escondido & San Marcos Launch
October 5, 2023	Review Subcommittee Work for Preparation to Present to Board Consider current structure of CAC in light of CEA growth
December 7, 2023	2023 Achievements and 2024 Workplan Suggestions for Board Consideration in January



# Item 10: Consider CAC 2023 Workplan and Meeting Schedule and Provide Direction re: CAC Chair

- CAC Chair Discussion:
  - CAC Policy states an Alternate Board Member shall serve as CAC Chair
  - No term limits have been established for the CAC Chair
  - Dwight Worden, Alternate Board Member Del Mar, has served as CAC Chair since December 2020
- The Board requested the topic of CAC Chair be brought to the Board for discussion.



# Questions/Discussion