



May 28, 2021

**VIA EMAIL**

Charles Marchesano  
Chief, Energy and Sustainability Program  
Department of General Services  
County of San Diego

RE: Response to County of San Diego re: Request for CCE Information

Mr. Marchesano,

Clean Energy Alliance (CEA) appreciates the County of San Diego's consideration of CEA in bringing community choice energy (CCE) to County residents and businesses. We are confident that CEA is the right choice for the County in meeting its CCE Guiding Principles that were adopted by the County Board of Supervisors at its April 6, 2021 meeting.

As demonstrated in the chart and descriptions below, CEA's policies, goals and priorities are in alignment with the County's Guiding.

CEA DOCUMENTS TO COUNTY GUIDING PRINCIPLES	GP 1	GP 2	GP 3	GP 4	GP5	GP6
CEA Joint Powers Agreement	✓	✓	✓			✓
CEA Inclusive & Sustainable Workforce Policy	✓		✓	✓	✓	
CEA Bid Criteria Policy	✓		✓	✓	✓	
CEA Adopted Rates		✓				
CEA Power Supply Product Offerings			✓			

1. Prioritize social equity and environmental stewardship.

CEA's commitment to social equity and environmental stewardship are evidenced in the following documents and policies:

- CEA Joint Powers Agreement (JPA) (Attachment A)
  - Commitment to addressing climate change by reducing greenhouse gas emissions.
  - Minimum 50% renewable energy increasing to 100% by 2035.
- CEA Inclusive and Sustainable Workforce Policy (Attachment B)
  - Policy affirms commitment to inclusiveness and diversity in its staffing, supply chain, procurement and business practices.
- CEA Bid Criteria Policy (Attachment C)
  - Specifically identifies environmental stewardship and social equity as criteria to be evaluated in bid processes.

2. Provide cost competitiveness compared to the incumbent utility.

- Recital 6(b) of CEA's JPA establishes that CEA will seek to provide electric generation rates that are competitive with San Diego Gas & Electric (SDG&E) with a target 2 percent below SDG&E's base product generation rate.
- CEA's initial adopted rates provide a 2.2% savings for CEA's Clean Impact generation rate compared to SDG&E's base product for customers in the 2020 Power Charge Indifference Adjustment (PCIA) vintage.

3. Achieve 100% renewable electricity by 2030; encourage within-County buildout of renewable energy, battery storage and energy efficiency programs; and prioritize Category 1 renewable energy.

- CEA's JPA Section 6.4 and 6.5 address CEA's renewable portfolio standards and power supply requirements. Specifically, CEA is to provide its customers with energy primarily from Category 1 and 2 renewable resources, and to achieve, and sustain, a portfolio with 100% renewable energy, at competitive rates, within the authority territory, by no later than 2035. Section 6.5 further states that CEA's base product will be sourced from minimum 50% renewable generation, and that the Board shall offer power supply products at higher renewable content, that members may select as their default.
- CEA's approved power supply product offerings include:
  - Clean Impact – a 50% renewable power supply that increases to 100% by 2035.
  - Clean Impact Plus – Takes Clean Impact and adds additional carbon free energy to bring it to total 75% carbon free. This power supply was selected as the default power supply by all three current member agencies.
  - Green Impact – 100% Renewable Energy power supply available for member agencies to select as default and customers to opt-up to.
- CEA's base products will be over 80% renewable by 2030, with Green Impact's 100% renewable being available for the County to select as its default to achieve Guiding Principle 3.
- CEA's Inclusive and Sustainable Workforce and Bid Criteria policies support and encourage development of projects with San Diego County.

4. Support requirements for prevailing wages, as defined in California Labor Code section 1770 et seq., and skilled and trained workforce, as defined in California Public Contract Code section 2601, for CCE-owned generation, feed-in-tariff, and energy efficiency projects.

- CEA's Inclusive and Sustainable Workforce and Bid Criteria policies support and encourage prevailing wage, the use of local skilled and trained workforce for CEA owned generation, feed-in-tariff and energy efficiency projects.

5. Encourage the development of an equitable jobs pipeline for individuals from communities of concern; the use of a bid evaluation policy prioritizing the selection of new local renewable energy and storage projects; and the workforce development criteria prioritizing the use of State-certified apprenticeship and proper assignment of work to crafts that traditionally perform the work, as permitted by applicable law.

- CEA's Inclusive and Sustainable Workforce and Bid Criteria policies support and encourage job growth and employment of workers from the San Diego County area; places a high ranking for projects located within San Diego County and encourages the assignment of work to crafts that traditionally perform the work, as permitted by applicable law.

6. Limit General Fund Liability.

- CEA is a separate governmental entity from its member agencies. Section 3.5 of CEA's JPA provides that the debts, liabilities and obligations of CEA shall not be the debts, liabilities and obligations of the member agencies. Also, all CEA contracts provide that the vendor's or consultant's only legal recourse under the contract is against CEA and not the member agencies.

Below are responses to the additional questions posed in the letter:

1. What are the anticipated rate discounts versus SDGE?

- CEA's current adopted rates provide a 2.2% discount on generation related costs for Clean Impact power supply compared to SDG&E's comparable rates for their default power supply for customer in the 2020 PCIA vintage (Carlsbad & Del Mar). Achieving a 2% discount on generation costs is a target for CEA, but cannot be guaranteed, due to the uncertainties of SDG&E's competing generation rates and PCIA rates. CEA is putting considerable resources into participating in SDG&E's rate proceedings to protect CEA's customers.

2. What is the anticipated "membership fee", if any, that would be required? Are there any other payment requirements to join?

- CEA's Board has adopted a Policy for Adding New Members (Attachment D) which addresses fees associated with joining CEA. Pursuant to the policy, the County would be responsible for the upfront direct costs related to the evaluation of financial impact to CEA of the County joining and costs related to the Implementation Plan process that must be followed related to expanding CEA into the County area. These costs are estimated at an amount not to exceed \$50,000. The County would be eligible for reimbursement of these costs within three years of CEA serving customers in the County territory. In the event other agencies are interested in joining CEA at the same time, the cost can be shared among the prospective members.

3. Aside from payments required in connection with joining the JPA, are there any current or anticipated payment obligations of JPA Members?

- There are no current or anticipated payment obligations of CEA members. Current CEA members are currently providing limited in-kind services, which are being reimbursed, while CEA is in the initial formation.

4. What liabilities would the County be expected to incur by joining the JPA?

- There are no liabilities expected for the County to incur by joining CEA, other than payment of the initial direct costs related to the County joining CEA and which the County would be eligible for reimbursement.

5. Will you offer the same rate for all members or is there going to be a “newcomers” rate?

- CEA anticipates have one rate schedule for generation services applicable to all customers within its territory. Customers in all areas, including “newcomers” will pay CEA the same per kWh for each applicable rate schedule. Total costs to customers may differ to the extent that those customers enroll at different times and are in different SDG&E PCIA vintages. These are costs assessed by, and collected by, SDG&E.

6. Please explain the process and any deadlines for the County to join in 2021?

- The deadline for the County to join CEA is driven by the California Public Utilities Commission (CPUC) timeline related to the CCE implementation, which requires an Amended Implementation Plan related to the CCE expansion to be filed by January 1, 2022 for a 2023 CCE rollout. The following is a high level schedule related to the process:
  - July 2021 – County notifies CEA of interest in joining CEA; provides historical usage data & executes agreement related to direct costs.
  - August 2021 – CEA completes usage data analysis and Pro Forma.
  - September 2021
    - Pro Forma results to CEA Board & County
    - County adopt resolution joining CEA
    - CEA Board adopt resolution approving County joining
  - October 2021 – CEA prepares Amended Implementation Plan
  - November 2021/December 2021 – CEA Board approves Amended Implementation Plan & files with CPUC

7. If the County were to join in 2021, how do you anticipate the rollout going in 2023? All at once or in phases?

- The usage data analysis will inform CEA and the County as to the best approach to take regarding the rollout of the CCE (whether in a single phase or several).

8. What functions would County staff be expected to perform after joining the JPA?

- As a CEA member, the County would have one Director position to serve on the CEA Board, to be selected from the County’s Governing Body. That Director would be required to participate in, and prepare for, CEA Board meetings. CEA does not expect County staff to perform any CEA functions.

9. Please provide your most recent proforma budget.

- See Attachment E for CEA’s most current proforma.

CEA looks forward to continuing the discussion regarding the County joining the JPA. Please contact me with any questions either via email to [ceo@thecleanenergyalliance.org](mailto:ceo@thecleanenergyalliance.org) or directly at (661) 510-0425.

Best Regards,

Barbara Boswell  
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Clean Energy Alliance