

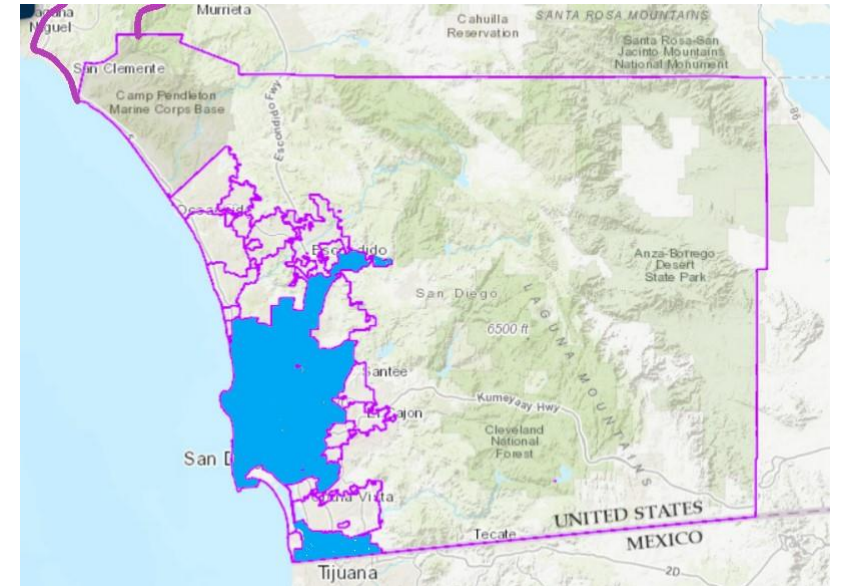
City of San Diego

Compliance Review Committee SDG&E Gas and Electric Franchises

Franchise Compliance Review Committee
January 18, 2023



- **1970: 50-year SDG&E Franchise expires June 2020**
 - Undergrounding program added in 2001
 - Extended 1-year to finalize bid terms and negotiations
- **The Gas and Electric Franchise awarded to San Diego Gas & Electric (SDG&E) came into effect July 8, 2021**
 - 10 + 10 year term
 - Revenue: 3% Gross Receipts annually + \$10M in 2021-25, 2030-31
 - Compliance Review Committee
 - Admin MOU
 - Undergrounding MOU
 - Energy Cooperation Agreement





Supporting Documents

Franchise

Administrative MOU

- * Defines administrative practices and timelines for execution of work in the Public Right-of-Way (PROW) under the Franchise
- * Establishes project guidance and criteria for expedited permitting for certain SDG&E projects
- * Details data-sharing expectations for SDG&E projects and facilities
- * Outlines procedures and responsibilities on coordination of city infrastructure projects with SDG&E assets and projects
- *2-year review/amend/execute cycle

Undergrounding (UUP) MOU

- * Establishes processes, requirements, and responsibilities for Undergrounding Program
- * Design & construction by SDG&E
 - *Reimbursement to SDG&E
- * Design & construction by City (“Joint projects”)

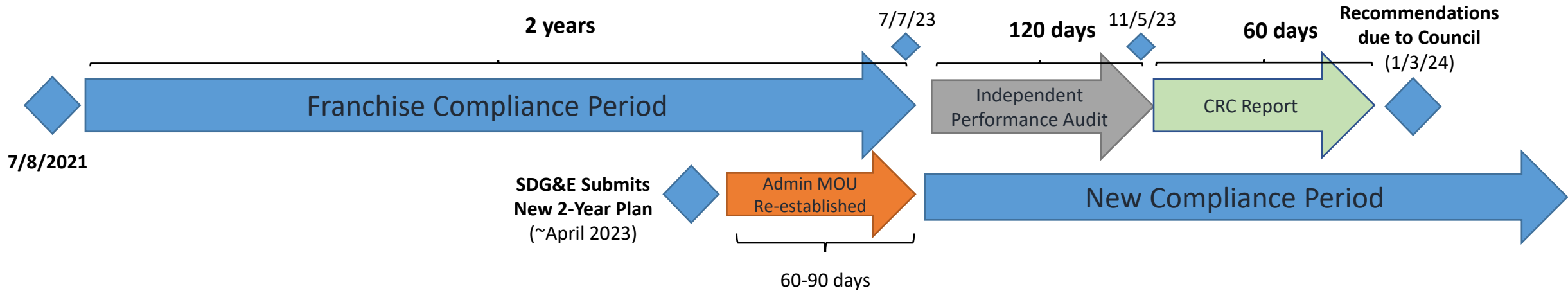
Energy Cooperation Agreement

- * Commitments by SDG&E on items on areas of policy or operational importance outside the PROW
 - * Alignment with Climate Action Plan
- * Cooperation with San Diego Community Power (SDCP)
- * Coordination and data sharing with SDFD and OES on wildfire safety and emergency operations
- * Equity programs for rooftop solar, affordable housing, workforce development, energy efficiency
- * Regular meetings / presentations to Council/Committees, City staff, and Compliance Review Committee



Compliance Review Committee Oversight

Franchise (6.b): “The Review Committee shall review the independent auditor’s report and shall provide the auditor’s report and its own written report and recommendations to the City Council within one hundred eighty (180) calendar days of the end of each two-year period of the Franchise term. The Review Committee shall provide a recommendation to the City Council on the question of the automatic renewal for the secondary term of the Franchise, based on compliance with the Franchise and the Energy Cooperation Agreement.” [O-21328]





Progress to Date

Current Status

- Independent Auditor RFP
- COO Meetings
- SDG&E Presentations
 - Rate Transparency
 - December 7, 2021
 - October 18, 2022
 - Major Projects & Undergrounding
 - October 13, 2022
 - Climate Equity
 - May 26, 2022
 - January 19, 2023
 - Customer Equity
 - January 19, 2023
- \$2M Annual Climate Equity Fund payment
- Solar Equity program set up through Center for Sustainable Energy



Next Steps and Timeline

Next Steps

- Develop a Work Plan
 - Topics for more detailed review
 - Additional documents or other

Milestones	End Date
First Franchise Compliance Period	7/7/2023
Independent Audit Performed	11/5/2023
CRC Report Developed	1/3/2024

Thank You