

City of San Diego
Sustainable Energy Advisory Board (SEAB)
May 11, 2017
Meeting No. 131

MINUTES

MEMBERS PRESENT:

Julia Brown (Chair) – At Large Member
Hanna Grene - CSE (Regional Energy)
Sean Karafin – At Large Member
Douglas Kot (Vice Chair) – Building Industry

Jay Powell – Environmental Advocate
Eddie Price – At Large Member Alternate #1
Eric Scheidlinger – At Large Member Alt. #2

MEMBERS ABSENT:

Jason Anderson – Business Community
Tom Brill – SDG&E
Andrew McKercher – Labor Organization

I. Call to Order

Quorum met. Julia Brown called the meeting to order at 10:02 A.M.

II. Introductions

Public introductions.

Julia Brown asked if there were any non-agenda public comment. No non-agenda public comment.

III. Approval of Agenda and Adoption of the Minutes [Action]

Julia Brown opened discussion to move forward with minutes from meeting #130 and agenda of meeting #131.

Agenda approved.

Jay Powell mentioned that Jason Anderson was incorrectly listed as both attending and absent on the minutes of meeting number 130. The Board determined that Jason Anderson was indeed absent.

**MOTION* Jay Powell moved to accept the minutes as distributed with correction of Jason Anderson's attendance; seconded by Doug Kot. Motion passed unanimously 4-1-0, Eric Scheidlinger abstained.*

IV. Announcements

Julia Brown announced she attended a recent Union of Concerned Scientists meeting in Washington, D.C., where she participated in a panel discussion for San Diego's Climate Action Plan. She said she explained that the Climate Action Plan was on schedule with all initiatives. She also spoke with legislators regarding the need for State and Federal level implementations in order to meet energy goals. She further explained her visit as an advocate for the Sustainable Energy Advisory Board and San Diego's Climate Action Plan.

V. Non-Agenda Public Comment

None. (Taken out of order.)

VI. CAP Update

Cody Hooven stated her team continued to work hard to gather data for the next annual report and were trying to improve their data collection efforts. They were also working on grant funding including social equity and sustainability access, as well as processing the feasibility study. Julia Brown asked if Cody Hooven had the draft ready. Cody Hooven stated that her team was still actively working through it. Details of the Climate Action Plan discussed by Board members.

The FY18 proposed budget for the Climate Action Plan was discussed and it is to be approximately \$128 million. Spreadsheet of funding and data available online at: www.sandiego.gov/sustainability. Cody Hooven stated that the majority of the budget has been allocated to the Pure Water program with the Public Utilities Department (approximately \$101 million). Jay Powell brought up concerns for the Climate Action Plan and raised questions as to the impacts of the actions the City had taken thus far. Discussion amongst Board members ensued regarding capacity and consumption.

Julia Brown inquired about the optimum timeline for submittal or recommendations such as the letter to the Mayor's office, from the Board on City budget issues. Discussion followed. Timeline determined to be approximately January or February of 2018. Members continued discussion of budget regarding input and priorities.

VII. Working Group Update

Julia Brown raised the question as to what action or actions the Board should take for the Community Choice Aggregation (CCA) study. Hanna Grene spoke about the feasibility study. Julia Brown further inquired about the CCA and the capacity of the work group. Eddie Price expressed concerns about other options to the CCA and other working groups.

Jack Clark gave a brief overview of the estimated time frame before the study would be brought before Council. Late summer 2017 was given as the estimated time frame for when the documentation would be brought before the Board. Doug Kot discussed the study parameters, documentation size, contents, and other related information.

Julia Brown and Eddie Price raised the question about other options available besides a CCA to procure power on behalf of the whole City. Fritz Ortlieb, Deputy City Attorney, expressed that only two administrative options were viable: either a CCA or a utility.

Discussion amongst Board members followed regarding feasibility and risks as well as time frame for presentation of the study (projected July/August 2017). Options to the study were discussed.

Items to present for the next meeting were discussed including graphical map images. The website for maps and other relevant energy information provided at www.cleanpowerexchange.org.

Jay Powell discussed renewable resource integration and the method or channel in which that would be carried out to accelerate the use of local clean distributed energy resources. Julia Brown and Hanna Grene joined the conversation and discussed the topic.

Conversation moved to the issue of public outreach and stakeholder input. Engagement with the public and stakeholders discussed as it related to the issues of renewable energy. Differences of residential and commercial input were brought up. Julia Brown inquired as to what efforts the Board might assist with to conduct better outreach of shared goals. Jack Clark discussed outreach strategy updates planned for release to Board in June 2017 including benchmarking of CCA or other programs, Municipal Energy Strategy and Energy Ordinance recommendations and initiatives.

Discussion moved to address the differences of administrative measures on behalf of constituents and the measure of practical impact. The topic of economic development brought up as a factor of the Climate Action Plan.

Jay Powell returned the conversation back to the other topics for inclusion in the work plan other than the CCA going forward beyond short term. Hanna Grene interjected with the importance of narrowing options to those that would directly affect the City of San Diego and the CCA. Jay Powell stated that policy decisions were extremely important and necessary to effectively bring about renewable energy change initiatives.

Doug Kot brought up four potential barriers / constraints to policy decisions:

- CCA Exit Fee
- SB-350 Renewable Side and Energy Efficiency Side
- Time of Use Rate Shift
- Program Administration from a Rolling Portfolio Standpoint

Jack Clark advised that there was a lot happening with the CCA and the efforts to change policy for renewable energy initiatives. Essentially, he advised that there were still many challenges and hurdles that lie ahead before policy can become law.

VIII. Legislative, Regulatory and City Updates

Municipal Code Update

Aaron Lu opened with the announcement of various City-side committees and boards that were internally reviewing decisions and policies regarding Municipal Code changes. He reverted the discussion back to the Chair (Julia Brown) regarding the distribution of the letter to address City Management (Mayor and Council Members). Julia Brown asked Board members to review the letter before distribution.

Julia Brown discussed the letter's subject matter and more pointedly, the inclusion of CAP language. Board members discussed the language to be included and other questions, comments, concerns. Any comments should be distributed through the staff and Aaron Lu will disseminate copies of the final letter.

Fritz Ortlieb, Deputy City Attorney, spoke about the issue of CCA Exit Fees. The integrated energy resource and long-term procurement plans have brought forward contracts at different time periods before the CPUC that had already been ordered and approved by the CPUC.

Aaron Lu mentioned that the current cost estimates would be replaced with actual costs, resource adequacy, and renewable energy credits. Hanna Grene stated that these provisions were not as concrete and simple as they may have appeared. Often utilities renegotiate with power providers as needed. The application will cover direct access of CCA. It will also include customer choice as NEM (Net Energy Metering). CCA feasibility will be based on PCIA approach.

Jay Powell questioned whether the City would be able to report back on the status of the franchise agreement for transmission of electricity within City limits. Fritz Ortlieb, Deputy City Attorney, answered that it was in force and would be in place until 2020. Jay Powell questioned the process underway for renegotiation for the terms of the franchise agreement for renewable energy. Fritz Ortlieb, Deputy City Attorney, referred to City Charter, Section 103 and stated that the requirements for open bidding in the Charter would be followed. Jay Powell remarked on the importance of having renewable integration incorporated into the local distribution grid and asked if a formal committee had been designated to review the process for a new franchise agreement. City Staff informed the Board that they were just starting to review the issues.

Aaron Lu announced more regulatory updates:

- Senate Bill 584 is pushing the RPS further from 50% by 2020 to 100% by 2045. Hanna Grene said that Senate Bill 584 had been renamed to Senate Bill 100.
- Energy Storage includes approximately six bills, most notably of which are:
 - Assembly Bill 914
 - Assembly Bill 1030 which has been cancelled, replaced with Senate Bill 700
 - Assembly Bill 1341
 - Assembly Bill 797

Electric Vehicle Initiative topic discussed regarding another form of Energy Storage.

IX. Suggested Guests/Presentations/Tours for Upcoming Meetings

Presentation of Smart Street Lighting to be given by City staff at next scheduled SEAB meeting for June 8, 2017.

X. Membership Discussion

Aaron Lu to check in with Mayor's staff and to follow-up at next meeting regarding any new SEAB membership and/or Board changes.

XI. New Business

Douglas Kot requested that an agenda item be added to the next meeting to identify a *lead* and an *alternate* for the Development Services Department Technical Advisory Committee (DSD TAC).

Adjourn: Julia Brown adjourned the meeting at 12:02 P.M.

Note: An audio recording of this meeting is available upon request.