

San Diego Sustainable Energy Advisory Board

June, 2017 Semi-annual Report

Councilmember David Alvarez

Chair, Environment Committee

The Sustainable Energy Advisory Board (SEAB) was established by the San Diego City Council to serve as an advisory board to the Mayor, City Council and City Manager on energy policy and future energy needs for the metropolitan San Diego area and to assist the City's attainment of its energy independence and renewable energy goals. The duties and functions of SEAB are described in section 26.04 of the San Diego Municipal Code.

SEAB is required to report its progress to the City Council Committee on the Environment every six months. The purpose of this memorandum is to provide that report. If you would like to have a presentation at a meeting of the Committee on the Environment, that can be arranged.

Municipal Code Provision Recommendations. Portions of the Municipal Code were identified as needing updating by SEAB and recommendations were adopted in May 2015. Mayor was undertaking a review of boards and committees. To assist in this review, SEAB has forwarded a marked-up copy of the relevant section of the San Diego Municipal Code to the Mayor and City Council by letter dated May 15, 2017.

We are informed that the City Auditor has issued a "Performance Audit of the City's Management of Its Advisory Boards" that includes a number of recommendations for steps to improve the process for filling available positions, to help increase transparency, promote public participation and monitor efficiency and effectiveness. We look forward to working with the Mayor and City Council in addressing these recommendations.

SEAB Membership

San Diego Municipal Code defines SEAB membership as follows:

1. San Diego Regional Energy Office
2. San Diego Gas & Electric
3. Environmental Advocate
4. Labor Organization
5. Solar Power System Manufacturer or Installer
6. Building Industry
7. Chamber of Commerce/Business Community
8. Two regular at-large members
9. Two at-large alternate members

The recommendations we have provided update the first seat to indicate the practice of designating that seat from the Center for Sustainable Energy. In addition, recommendations are provided to clarify the terms and duties of members.

Currently there are four seats whose terms have expired effective March 1, 2017. In accord with Municipal Code and City policy, three of those appointed members are continuing to serve until they are reappointed or other appointments are made.

John Bumgarner of Solar Power Systems (designated as the Solar Power System Manufacturer or Installer member) is the fourth seat whose term has expired. Mr. Bumgarner informed SEAB and staff that he was resigning effective May 2015. Prior to his resignation, Mr. Bumgarner served as SEAB chair for several years. In April, Julia Brown, a regular at-large member, was appointed SEAB chair by the Mayor. A qualified representative of the solar manufacturing or installation industry should be recruited to the board to replace Mr. Bumgarner and the individuals who have indicated their willingness to continue in Seats number 3, 6, and 9 should be reappointed or new members appointed and confirmed for those seats.

It is our understanding from the findings of the Performance Audit that the City Council can make appointments to these seats if the Mayor does not appoint within 45 days of the expiration of those terms.

San Diego Climate Action Plan

Since passage of San Diego's Climate Action Plan (CAP) in December, 2015, SEAB has focused its effort in three primary areas:

1. Municipal Energy Strategy
2. Residential and Commercial Energy Ordinances
3. Community Choice Aggregation and/or Other Program(s)

City staff participates regularly in SEAB meetings and presents an update on progress of the CAP and other energy and sustainability efforts at every meeting.

Actions taken December 2015-June 2017

Since the formal report at the Environment Committee in November 2015, the board has taken the following actions:

Climate Action Plan (CAP) review and recommendations. Board submitted comments on the PEIR and implementation of the City Climate Action Plan.

Board provided Guiding Principles for the Feasibility Study for Community Choice Aggregation proposal based on working group recommendations and public stakeholder input and testimony and is preparing to review the results of that study in Fiscal Year 2018.¹

Board adopted a work plan to review three main actions items regarding energy and water efficiency and achievement of the 100% Renewable Energy Goal.

¹ Neither these guiding principles nor any other SEAB recommendations on the subject of Community Choice Aggregation reflect the input or recommendations of SDG&E, which has refrained from participating in discussions on this subject in compliance with the Community Choice Code of Conduct that has been adopted by the California Public Utilities Commission.

Municipal Energy Strategy: An ad hoc working group, led by at-large alternate member Eric Scheidlinger, was established to develop recommendations. The committee looked for recommendations on content of the plan, goals of the plan and recommendation on implementation, summarized relevant sections of the CAP and comments previously adopted by the board. In addition, the committee reviewed energy strategy of certain other municipalities. Proposal developed by the committee was reviewed in February by the full board. Input from other board members was incorporated. SEAB unanimously approved the Municipal Energy Strategy recommended by the working group at the March meeting. The document has been provided to City staff.

Recommendations on an Energy and Water Benchmarking and Transparency Policy: An ad hoc working group, led by building industry representative, Douglas Kot, was established to develop recommendations for an energy and water benchmarking and transparency policy which should include commercial, multifamily, institutional and municipal buildings. California AB 802 requires energy and water use benchmarking for buildings of 50,000 sq. feet or more. This would represent 58.9% of the total floor area in San Diego's commercial real estate inventory. To encompass 80% of total floor area, San Diego City Council should consider expanding the benchmarking requirement to buildings of 20,000 sq. feet or more. The working group's draft was discussed by the full SEAB board at its April meeting. The board recommended that City staff should finalize the policy after doing stakeholder outreach and should consider a phased implementation. Data privacy aggregation rules, including customer confidentiality as established by the State of California, should be followed. SEAB unanimously approved the proposal. The document has been provided to City staff.

Recommendation to the Mayor and City Council for Funding for Implementation energy related item in the CAP in the Fiscal Year 2018 Budget. On behalf of SEAB, Julia Brown, SEAB Chair, sent a letter to the Mayor requesting adequate funding for full implementation of San Diego's Climate Action Plan in the FY 2017-2018 City Budget for the Environmental Services Department to support these items.

Goals for the Next Period

The City of San Diego commissioned a feasibility study for Community Choice Aggregation to support the goal of achieving 100% renewable electricity generation by 2035. SEAB will receive the report during the summer and expects to spend several meetings reviewing it, providing for public and stakeholder input and providing comments and recommendations to the Mayor and City Council on that and/or other programs to achieve the 100% renewable energy goal. In addition, we will review the staff recommendations for the Municipal Energy Strategy and proposed ordinances for Energy and Water Benchmarking.

Respectfully submitted,

Julia R. Brown, SEAB Chair

Cc Mayor Kevin Faulconer
Council President Myrtle Cole and City Councilmembers

City Attorney

City Audit Committee