From: <u>City of San Diego Official Website</u>

To: <u>Commissions Public Comment</u>; <u>Ong, Megan</u>

Subject: [EXTERNAL] Webform submission from: Meeting Agenda Public Comment

Date:Wednesday, March 5, 2025 8:15:47 AMAttachments:sdbec-letter-fcrc-eca-sb1221-mar-2025.pdf

Submitted on Wed, 03/05/2025 - 08:10

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BOARD OR COMMISSION:

Franchise Compliance Review Committee

MEETING DATE:

2025-03-06

COMMENT TYPE:

Agenda Comment / Closed Session Comment

AGENDA ITEM NUMBER:

7

COMMENTS:

We request that the FCRC recommend that in the ECA, SDG&E be required to submit at least 5 pilot sites located within the city of San Diego for the SB 1221 program (neighborhood decarbonization zones), implemented utilizing a skilled and trained local workforce.

ATTACHMENTS:

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http://url2691.sandiego.gov/ls/click?

upn=u001.GU29Y3w697O4BiLuqdC8hqx6Vxig1uceQqynffcGjUyhea7CTkW04-2BviIyvqnlGwVrA0pN-2F6flJ44wJoluNYTA9YNCF3tqhLBqQOsK2IwnxotrkZl6s6m5GJlppaFLb4tgpf9vgD-2Fl2D3y1PTPsIhIMmmqDxIgpnZkhBLMx8rls-3DHaw7 qwHip9CwNQF-2FU511xFjb4huji3-

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2BYyUohX8XuiukrgXU29V5DSIWQuFTJRx38yxznZ12LJNhKNty6oeKwJkZObn98hsldSa-2BVTe42KKh3sJNhepZcC1i3ZvPGRB6OEOWIY-2FtZ9iH-2BDCp8V-2BRs3loep4gzJKYTCo-2BaOjV61xym3s8vA-3D-3D

5 March 2025

To: Members of the City of San Diego Franchise Compliance Review Committee (FCRC)

Subject: 3/6/25 Meeting Item 7: FCRC should Provide Recommendations on the Energy Cooperation Agreement.

We are contacting you on behalf of the <u>San Diego Building Electrification Coalition</u> (SDBEC). We are an alliance of over 45 community, business, faith, justice and environmental organizations coming together to equitably accelerate electrification in residential and commercial buildings. Building electrification is essential to meeting California and San Diego's ambitious climate goals by reducing greenhouse gas emissions, improving air quality in our homes and buildings and protecting public health.

We request that the FCRC provide recommendations on the Energy Cooperation

Agreement (ECA) between the City of San Diego and SDG&E. This is an opportunity to
include community feedback in this agreement that is associated with the Franchise Agreement.

We specifically request that the FCRC recommend that in the ECA that SDG&E be required to submit at least 5 pilot sites located within the city of San Diego for the SB 1221 program, implemented utilizing a skilled and trained local workforce.

SB 1221 (2024) provides an opportunity for gas utilities throughout the state to voluntarily participate in up 30 cost-effective decarbonization pilots in priority neighborhood decarbonization zones. These pilots redirect funding from replacing old gas pipelines to decarbonizing neighborhoods.

These pilots provide numerous benefits:

- 1. **Cost savings**: SB 1221 allows SDG&E to implement neighborhood decarbonization projects instead of replacing old gas pipelines, but only if these projects are less expensive. This approach can lead to significant cost savings for both the utility and ratepayers, as electrification or thermal energy networks may be more cost-effective than maintaining aging gas infrastructure.
- 2. **Climate benefits**: By transitioning neighborhoods from gas to electric or other zero-emission alternatives, the city can make substantial progress in reducing greenhouse gas emissions from buildings. This aligns with the city's ambitious climate goals and demonstrates local leadership in addressing climate change.
- 3. **Improved safety**: Replacing aging gas pipelines with electric infrastructure or thermal networks can enhance public safety by reducing the risk of gas leaks and associated hazards.

- 4. **Economic opportunities**: The transition to zero-emission alternatives can create new job opportunities, particularly in the installation and maintenance of electric appliances or thermal energy networks.
- 5. **Workforce benefits:** The pilot criteria includes a preference for projects that provide prevailing wages and use high road job programs
- **6. Energy affordability**: SB 1221 aims to create long-term energy affordability for Californians by reducing reliance on volatile natural gas prices and leveraging more stable electricity rates.
- 7. **Equity considerations**: The bill prioritizes benefits to communities of concern, improving air quality in communities historically more significantly impacted.
- 8. **Pilot program advantages**: Participating early gives the city an opportunity to shape the future of building decarbonization and potentially secure additional resources and support.
- 9. **Managed transition**: By participating in SB 1221, the city can ensure a coordinated, neighborhood-scale approach to decarbonization rather than relying on piecemeal individual efforts.
- 10. **Avoiding stranded assets**: As more customers transition to all-electric homes, those remaining on the gas system may face higher costs. Participating in SB 1221 helps mitigate this risk by proactively managing the transition.

As you know, the City of San Diego has ambitious Climate Action targets for reducing natural gas usage in existing buildings:

2030 Target	2035 Target
Phase out 45% of natural gas usage from existing buildings	Phase out 90% of natural gas usage from existing buildings

Requiring SDG&E to participate in these pilots demonstrates the city's commitment to supporting its climate initiatives and positions it as a leader in the clean energy transition. And it won't cost the city anything during a tough budget year.

SDBEC is urging you to recommend this requirement in the ECA.

Thank you for your consideration on this important issue.

Sincerely,

Ann Feeney, co-chair San Diego Building Electrification Coalition

From: <u>City of San Diego Official Website</u>

To: <u>Commissions Public Comment</u>; <u>Ong, Megan</u>

Subject: [EXTERNAL] Webform submission from: Meeting Agenda Public Comment

Date: Wednesday, March 5, 2025 4:55:24 PM

Attachments: <u>letter-to-fcrc-re-energy-cooperation-agreement.pdf</u>

Submitted on Wed, 03/05/2025 - 16:48

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BOARD OR COMMISSION:

Franchise Compliance Review Committee

MEETING DATE:

2025-03-06

COMMENT TYPE:

Agenda Comment / Closed Session Comment

AGENDA ITEM NUMBER:

#7

COMMENTS:

We request that the FCRC provide recommendations on the Energy Cooperation Agreement (ECA) between the City of San Diego and SDG&E.

ATTACHMENTS:

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upn=u001.GU29Y3w697O4BiLuqdC8hqx6Vxig1uceQqynffcGjUyhea7CTkW04-2BviIyvqnlGwVrA0pN-2F6flJ44wJoluNYTKoUEsb3lbTft6Xt6ku0DAWN-2BeM1pIrlDub1-2F7biM9MSjjHUg4WDIUo3iY-2Be9bwMFxAz6ZxBLtNxF-2FSPgzGmFDk-3DP9eg_qwHip9CwNQF-2FU511xFjb4huji3-2F3LkrikQhGswYqBk0drmNISuKEjRKEXRZ79CeAGDTRdSB4ILVNmECbYJwB1IDA7LI-2FDs-2BuyFoE-2B7iOL9uy8Q5UrqjF041a5Sh2bfVPP-2BbrPzXUmY3BTeRvLtUY-2Fwc-2B1Ie0delD5qvIiP-2BYDrMBsClgsmTU7wJ5sexdadQ4SBeiu0zUYsbI2G84ObxFxA-3D-3D



March 3, 2025

To: Members of the City of San Diego Franchise Compliance Review Committee (FCRC)

Subject: March 6, 2025 Meeting Item 7: FCRC should provide recommendations on updates to the Energy Cooperation Agreement

We are contacting you on behalf of SanDiego350, an organization that is building a movement to prevent the worst impacts of climate change and climate injustice through education and outreach, public policy advocacy, and mobilizing people to take action.

We request that the FCRC provide recommendations on the Energy Cooperation Agreement (ECA) between the City of San Diego and SDG&E. This agreement merits ongoing review and input from the FCRC as well as the public. Specifically, we request that the FCRC recommend that as a part of the ECA SDG&E commit to improving alignment with the City's goals. We have listed a number of recommendations below.

The Energy Cooperation Agreement between the City and SDG&E states that "...SDG&E has committed to cooperate in good faith on principles and policies for the attainment of the City's Climate Action Plan". Unfortunately, SDGE's "Path to Netzero" (net zero emissions by 2045) is not consistent with the city's CAP goals. Therefore, we suggest stronger measures in the ECA to urge SDG&E to act more consistently in alignment with CAP goals. Importantly in a challenging budget year, each of these recommendations will not only help the City meet its CAP commitments, but each can be met without any cost to the city.

- 1. We recommend that as a first step, the goals of SDG&E's "Path to Net Zero" be revised to match those of the City's Climate Action Plan. This would demonstrate a "good faith" effort on the part of SDG&E.
- 2. We recommend that the Energy Cooperation Agreement between the City of San Diego and SDG&E require SDG&E to submit at least 5 pilot sites located within the city of San Diego for the SB 1221 program, implemented utilizing a skilled and trained local workforce.

There are several benefits to this action:

- Pilot benefits: Participating in this pilot program will help the City study impacts and best
 practices of decarbonization in different communities in our region, in terms of the technical
 work and the workforce transition. The state has already established a process for conducting
 these pilots. SDG&E must complete the mapping to comply with legislation, and the PUC will
 identify priority communities.
- Only projects where neighborhood decarbonization is less expensive than replacing gas pipelines will be approved, creating **cost savings** for the utility and ratepayers.
- Transitioning from gas to electric will allow the City to advance its Climate Action Plan goals for reducing greenhouse gas emissions from buildings.
- These pilots (and broader adoption of neighborhood gas phase outs) will create new green
 jobs, and include a preference for projects that provide prevailing wages and use high road
 job programs.

- The bill prioritizes pilots in communities of concern, to provide health benefits such as improved indoor air quality, especially important where there are multiple contributors to poor indoor air quality.
- The pilots **increase safety and reduce the risk of gas leaks** and explosions by replacing aging gas pipelines with electric infrastructure or thermal networks.
- **3.** We recommend increased Access to Clean and Renewable Energy: Equity-Focused Solar Expansion. The Equity-Focused Solar Expansion program has been tremendously successful. We recommend including the amendment adopted by the Environment Committee on February 13, 2025 to increase the commitment of SDG&E shareholder funds from \$1 million annually to \$1,150,000 annually, to account for inflation.
- **4. We recommend that there be more concrete activities in the ECA and that there be regular reports on these activities and their implementation.** SDG&E says that they're sensitive to energy costs, but what steps will they take to address these issues? Will they accept less profit to lower their rates? SDG&E had \$1B in profit in 2023. Using a percentage of these profits to lower energy costs, especially for lower income families, would show true cooperation. Another approach could be using rate tiering to lower rates for those who use very little energy.
- **5.** We recommend that the City require commitments from SDG&E to be more transparent and collaborative in the interests of San Diegans. For example, adding a requirement that in informational presentations to the City Council or Council Committees, the chair and council members have the opportunity to submit written questions in advance and require that these be addressed in the presentations. As an alternative, if a motion is passed related to unanswered questions during the SDG&E presentation, SDG&E will be required to submit written responses.

Thank you for your consideration of these recommendations. We appreciate the opportunity to submit our comments to the Franchise Compliance Review Committee.

Sincerely,

Joyce Lane

Board President

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