

City of San Diego Climate Advisory Board

Date: April 7, 2026

Chair: Tanisha-Jean Martin

Vice Chair: Kelly Lyndon

Item 1: Call to Order and Roll Call

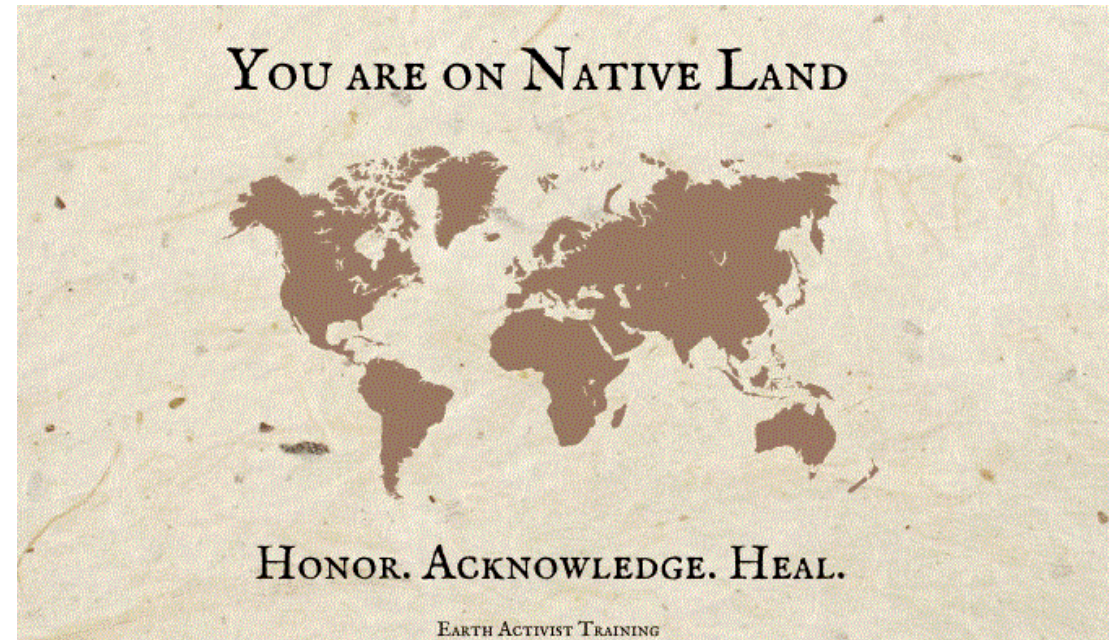
Item 2: Land Acknowledgment

We acknowledge that the land on which the City of San Diego is built is the unceded territory of the Kumeyaay Nation.

The Kumeyaay people have lived on and cared for this land for over 10,000 years and have demonstrated resilience and adaptability in the face of colonization, land loss, and environmental change.

Today, the urgency of climate action compels us to confront these environmental crises with the same dedication to stewardship that has sustained this land for millennia.

In this acknowledgment, we recognize the importance of immediate and bold actions to protect the environment, honor the history of this land, and ensure a sustainable future for all.



**Item 3: Adoption/Modification of
Agenda**

Item 4: Approval of Minutes

Item 5: Announcements

Item 6: Non-Agenda Public Comment

Instructions for the public:

- Raise your hand by either:
 - tapping the “Raise Your Hand” button on your computer, tablet, or Smartphone, or
 - dialing *9 on your phone.
- You will be taken in the order in which you raised your hand.
- When the Chair indicates it is your turn to speak, either:
 - click the unmute prompt that will appear on your computer, tablet or Smartphone, or
 - dial *6 on your phone.
- There is a two-minute limit per comment

Item 7:
**Consider Support for Mobility Board
Priorities for the City's Budget**

SUBJECT: CAB Letter of Support for FY 2027 Draft Budget – San Diego Mobility Board Priorities

Honorable Mayor Todd Gloria & Honorable City Council Members,

On behalf of the Climate Advisory Board (CAB), we write to endorse the Mobility Board Priorities for the FY 2027 Draft Budget. **These recommendations are submitted in support of the following Climate Action Plan Items:**

- **MLU 3.1 - Safe and Enjoyable Routes for Pedestrians and Cyclists**
- **MLU 3.2 - Increase Safe, Convenient, and Enjoyable Transit Use**
- **MLU 3.4 - Reduce Traffic Congestion and Improve Air Quality**
- **MLU 3.6 - Vehicle Management**

To ensure the City's budget is appropriately addressing the City's Mobility & Land Use goals, the CAB supports the recommendations provided by the Mobility Board on January 7, 2026 with one refinement regarding micromobility (i.e., bike share) - we recommend considering a regional approach that explores public-private partnerships to reduce costs..

The Mobility Board's January 7th letter regarding the draft FY 2027 budget is attached.

Please do not hesitate to contact us with any questions or requests for clarification.

Sincerely,
City of San Diego Climate Advisory Board

Cc: Planning Director Vonblum

Item 8:

Consider Support for Circulate San
Diego Recommendations for
Neighborhood Homes for All of Us

SUBJECT: CAB Letter of Support for Circulate San Diego's Neighborhood Homes for All of Us Program and Feasibility Study Priorities

Dear Director Vonblum,

On behalf of the Climate Advisory Board (CAB), we write to provide recommendations to inform the City of San Diego's [Neighborhood Homes for All of Us](#) program and its associated Strategic Plan. **These recommendations are submitted in support of Climate Action Plan Item MLU-3.5, Climate-Focused Land Use.**

Increasing housing supply is an essential strategy for reducing vehicle miles traveled (VMT). Building walkable, bike-friendly, and transit-supportive neighborhoods reduces reliance on single-occupancy vehicles while strengthening the viability of transit. Additional housing density also helps stabilize housing costs, enabling more people to live and work in San Diego.

Strategic land use planning plays a critical role in reducing citywide emissions by fostering communities where residents can live, work, and access daily needs in close proximity. The City's ongoing efforts to update community plans, zoning regulations, and development policies are key to advancing neighborhood improvement, housing affordability, and reduced dependence on personal vehicles.

Initiatives such as Blueprint SD provide a framework for guiding growth in a climate-responsible manner. Corridor-specific plans in alignment with a bold new "Complete Streets Design Manual" per the [Complete Streets Policy \(#900-23\)](#) and NACTO guidelines further integrate land use with active transportation and transit access, aligning with Climate Action Plan goals. Programs such as [Complete Communities](#) prioritize housing near transit while enhancing pedestrian, bicycle, and transit infrastructure. Similarly, amendments to parking requirements within Transit Priority Areas (TPAs) advance affordability and transportation demand management objectives.

To ensure the Neighborhood Homes for All of Us program meaningfully advances housing production and climate goals, the **CAB supports the recommendations provided by Circulate San Diego** (now Circulate Planning & Policy) on February 24, 2026, **the letter is attached.**

Understanding how these policy variables affect project economics will help ensure the program delivers meaningful housing production while advancing climate objectives.

The CAB supports the City's efforts to expand housing opportunities in a manner consistent with the Climate Action Plan. Thoughtful program design and rigorous feasibility analysis will be essential to achieving both housing and climate goals.

Sincerely,

City of San Diego Climate Advisory Board

**Item 10:
Public Power Feasibility Study
Phase 2**

CHANGES & UPDATES FROM PHASE 1

While the conclusion of financial feasibility remains consistent with Phase I, the underlying technical information has evolved considerably in a materially different regulatory and policy environment

**Detailed
Technical
Information**

**Policy and
Regulatory
Environment**

**Phase II
Report**

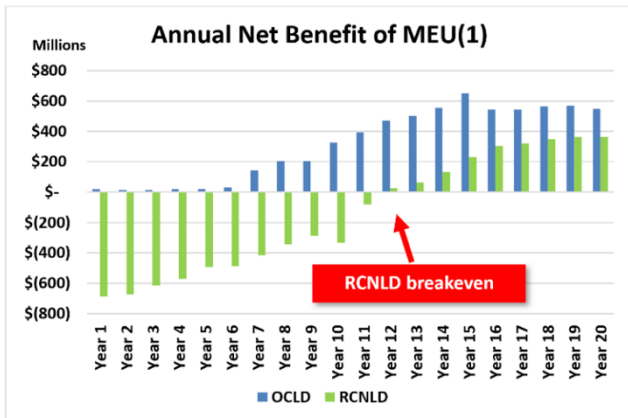
A CHANGING LANDSCAPE FROM PHASE 1

- Phase II results include substantial more system assets detail based on data provided by SDG&E (Phase I only used public FERC/CPUC data)
- Phase II has much better data about the cost of physically separating the system from SDG&E that inform new financials and capital planning for MEU, including ongoing capital investment requirements
- Process continues to evolve as a result of San Francisco moving forward on their potential acquisition of PG&E assets.
 - CPUC process underway to determine valuation and exit costs.
- Additional risks and considerations identified – climate change, commodity, and wildfire mitigation expenditures and requirements post-separation

PHASE II APPROACH

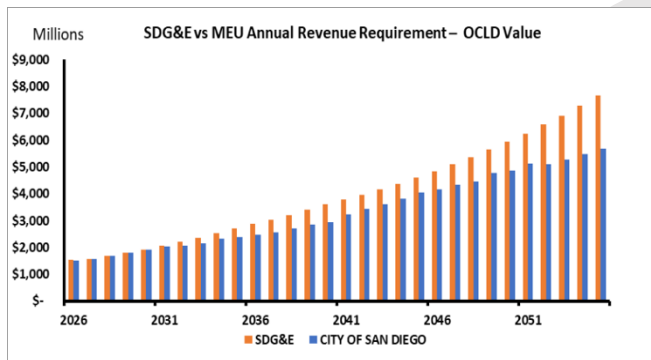
- Phase II feasibility findings are based on a 30-year projected cash flow comparison on an all-in cost basis using a number of long-term assumptions, including:
 - MEU would solely manage the electric T&D infrastructure within the City, including future operating and capital investment costs
 - SDCP would continue to operate as the default energy supplier
 - Ongoing costs include metering, customer service, A&G expense, public benefits programs, undergrounding, non-bypassable charges, payments in lieu of franchise fees, and all other currently applicable state approved charges for T&D within the City
 - This approach isolates the financial comparison to these costs where the current opportunity for greater efficiency, local control, and potential cost savings exists

PHASE II REPORT OVERVIEW



- Economically feasible - assuming moderate value acquisition price and 4% annual rate increase by SDG&E over the next 30 years

- 30-year cumulative savings of approximately 16% under the lower valuation scenario and approximately 6% under the higher valuation scenario.
- Equates to approximately \$19B financial benefit at lower asset price and \$7B financial benefit at higher asset price over 30 years



- Technically feasible – costs for separating systems have come down with greater technical clarity to approximately \$612M
- Timeline – 10 to 15 years minimum with multiple off-ramps still incorporated into process

POTENTIAL PURCHASE PRICE AND UPFRONT COSTS

- Phase II evaluates potentials results within a range for the potential purchase price based on a cost-based methodology
 - **@\$2.4B**, the valuation is based on the original cost of the asset less depreciation and is akin to book value (OCLD)
 - **@\$7.6B**, the valuation is based on the current replacement cost for assets less depreciation (RCNLD)
- A prudent seller would be unlikely to accept OCLD, and a prudent buyer is unlikely to accept RCNLD
 - The age of the assets should matter in the context of any purchase
 - This **difference of \$5.2B is significant** and based on the age of the assets
- It is further assumed that there would be an additional **\$912M in upfront costs** to fund separation and start-up costs and **\$470M in additional working capital** to support operations

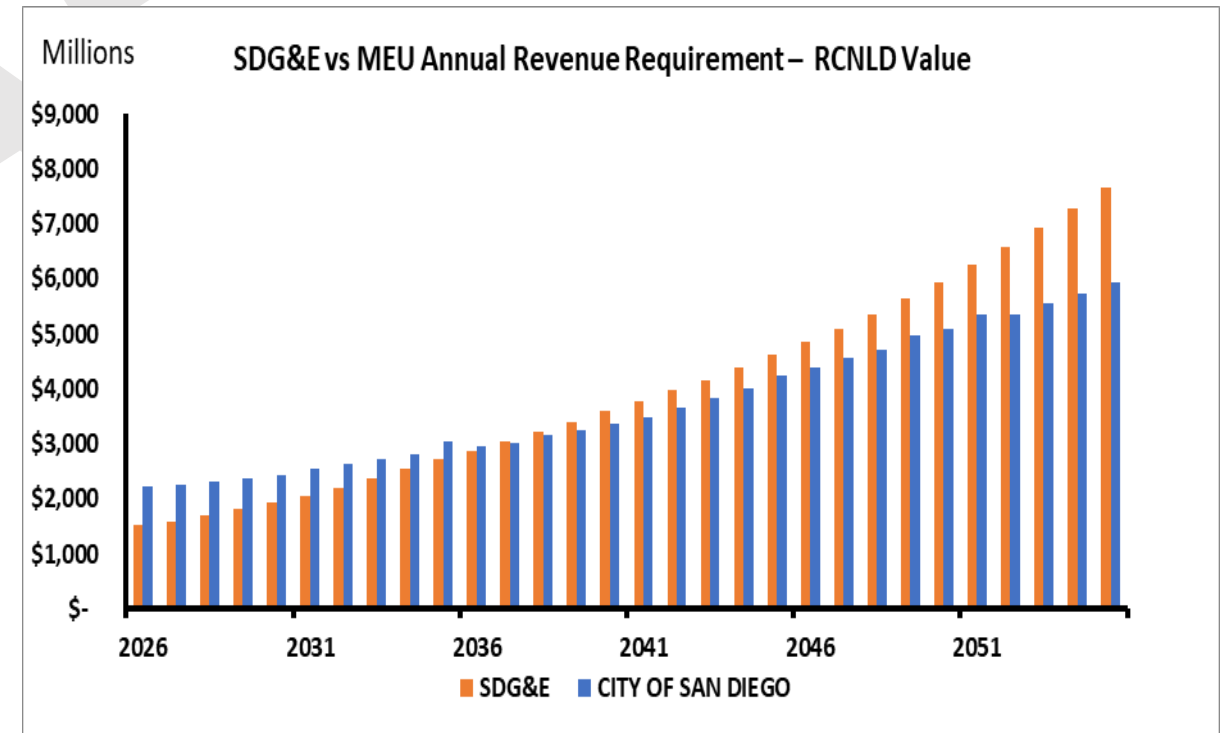
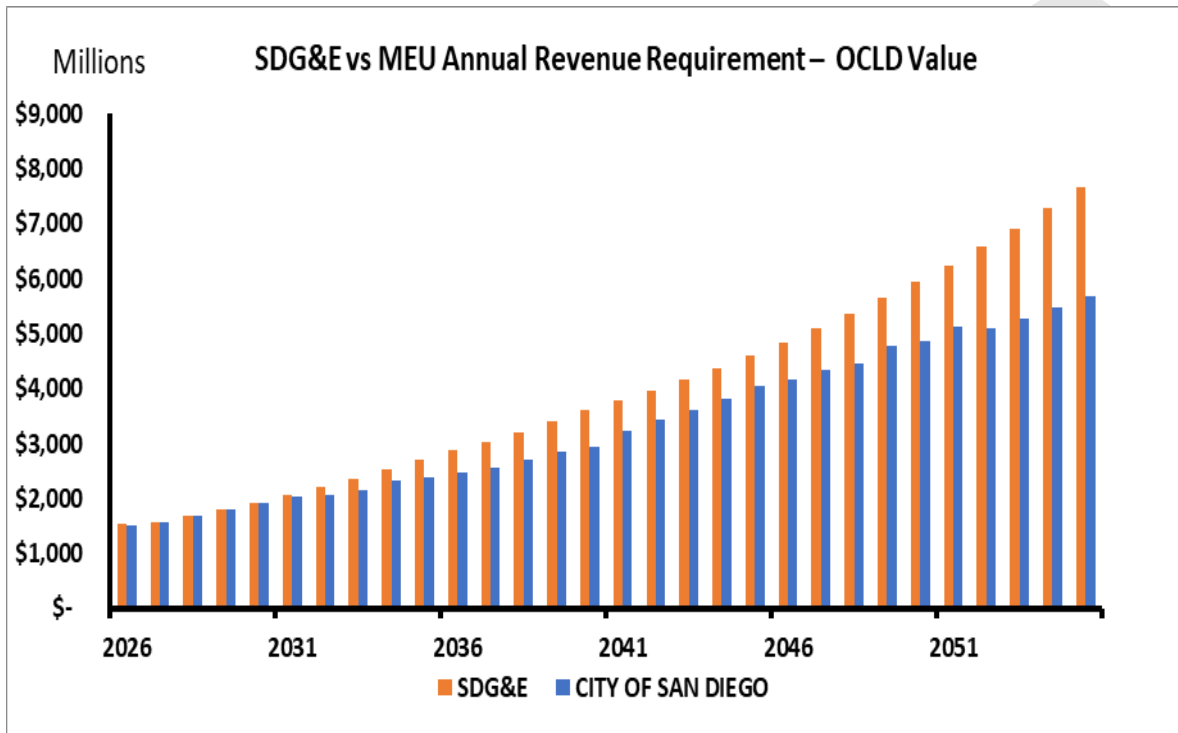
SUMMARY OF KEY ASSUMPTIONS

- Phase II analysis is based on a number of assumptions, including:

CATEGORY	PHASE II
Purchase Price	\$2.4B (OCLD) to \$7.6B (RCNLD)
Long-term SDG&E Rate Growth	4.00%
Long-term O&M Growth	3.00%
Payment in Lieu of Franchise Fee	6.53%
Public Benefits	2.85%
Separation Costs	\$612M
Start-Up Costs	\$300M
Upfront Working Capital	\$470M
Staffing	1,900 FTEs

FINANCIAL RESULTS – REVENUE REQUIREMENTS⁽¹⁾

- Respective long-term revenue requirements depend on the purchase price

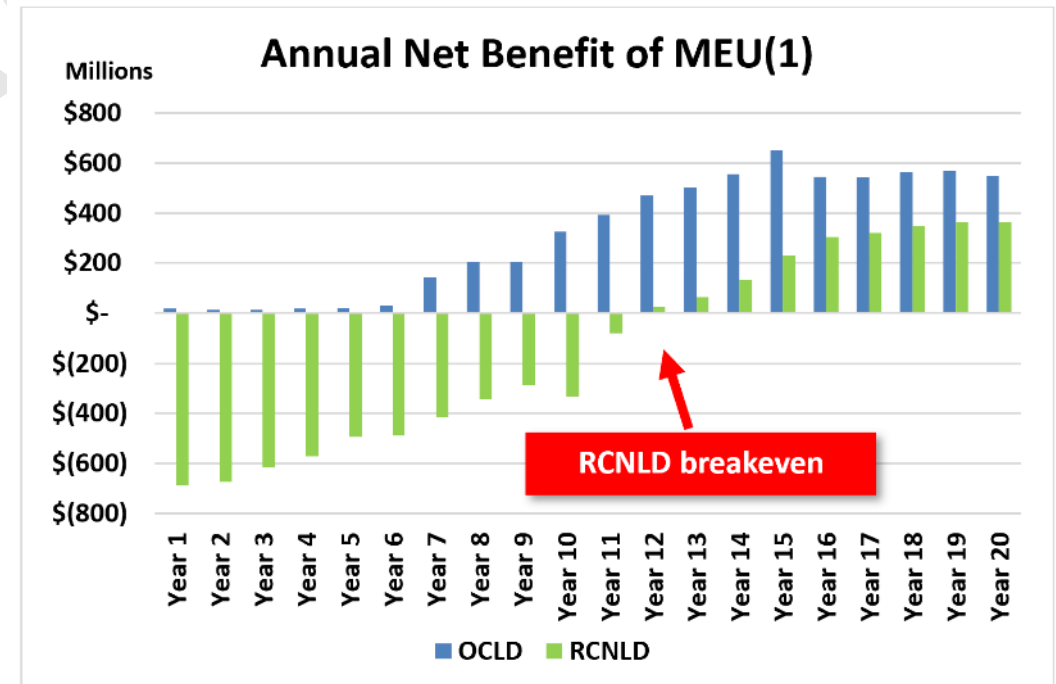


(1) For illustration Purposes ONLY; Actual Results will vary.

SUMMARY OF FINANCIAL RESULTS – BREAK-EVEN

- OCLD is cashflow positive from Year 1
- RCNLD is cashflow positive from Year 12

Est. Cum. Benefit ⁽¹⁾	Year 10	Year 20	Year 30
OCLD (\$)	\$1B	\$6B	\$19B
OCLD (%)	5%	11%	16%
RCNLD (\$)	(\$5B)	(\$3B)	\$7B
RCNLD (%)	(25%)	(5%)	6%



(1) For illustration Purposes ONLY; Actual Results will vary.

KEY CONSIDERATIONS MOVING FORWARD

- There are ample and material considerations to monitor and evaluate moving forward that will impact future feasibility, including:
 - Climate change, policy direction, and consumer preferences surrounding electrification and the impact on projected load growth
 - A decided shift in broader policy objectives focused on affordability while recognizing the need for ongoing investment
 - An evolving regulatory and legislative environment
 - CPUC Proceeding on San Francisco will set precedent but is currently still nascent
 - Legislation such as SB 875 (Wiener) to expedite San Francisco municipalization could inform future actions / decisions
 - Impact of CPUC decision on how to calculate SDG&E wildfire investments past and future and “just compensation” is a significant unknown variable

CONCLUSION AND KEY TAKE-AWAYS

- **Phase II has significantly refined the financial projections based on a detailed asset inventory**
 - The age of certain assets are materially older, creating a significant disparity in valuation between Original Cost Less Depreciation (OCLD) and Reproduction Cost New Less Depreciation (RCNLD)
- Phase II still finds financial and technical feasibility with the opportunity to save billions of dollars over time for ratepayers
 - The biggest driver is the assumed SDG&E long-term growth rates
 - Potential savings and financial benefit is an estimate – **there are no guarantees**
- **The legislative and regulatory environment is both fluid and evolving**, including critical issues in cost reimbursement, valuation, and potentially process – **all of which could impact long-term feasibility**
- **Overall, the results are more defined but significant unknowns and variables remain**

**Item 11:
San Diego Climate Week**

**Item 12:
Update from the Ad Hoc
Committee on Climate Action Plan
Transparency and Public
Understanding to Recommend
Initial Plan**

Item 12: CAP Dashboard Transparency

- Presented by Ad hoc committee on CAP Transparency and Public Understanding to Recommend Initial Plan
- **Purpose:** To improve how the CAP Dashboard supports public understanding of progress.
- **Key Focus Areas:** Simplified navigation and layout, engaging messaging and educational metrics, visual clarity.

Item 12: CAP Dashboard Transparency

- **Outcome Goal:** A more intuitive and transparent dashboard that enables residents
 - to:
 - Understand CAP progress
 - Interpret data accurately
 - Engage with climate action efforts
- **Timeline:**
 - Ad Hoc Committee Work: **Present - May 2026**
 - Recommendation to CAB for City Staff: **June 2026**
 - Committee sunset following recommendation.

Item 13:

Update from the Ad Hoc Committee on Building Decarbonization to Align With Staff to Plan and Sequence Climate Advisory Board Engagement

Climate Advisory Board

Ad-hoc Sub Committee Reporting Out

[Ad Hoc Committee on Building Decarbonization to align with staff to plan and sequence CAB engagement]

Members of ad-hoc sub committee: Whitney Pearce (chair), Josh Dean, Kelly Lyndon, Cristina Marquez, Tanisha-Jean Martin (CAB chair)

- **CAP update** - work will start in the next 2-3 months (May-June 2026), target to complete end of calendar 2027
- **Building Decarbonization Roadmap/Plan**
 - This initiative will be funded as part of the CAP update funding from SANDAG
 - Bldg Decarb Roadmap effort will be frontloaded & will inform the updated CAP
 - Bldg Decarb Roadmap will look at available policy measures, funding sources, existing policy
 - City is utilizing as-needed environmental contracts for this work, will bring on new consultants as needed
 - Documents will be public, progress will be shared intermittently with CAB
- **Building Performance Standards (BPS)**
 - BPS is a strategy to reduce emissions of larger existing buildings over an extended period
 - Despite being a goal in the current CAP, there are no plans to move forward until after the CAP update (2028+)
 - Will be informed by SB48 State strategy report due Aug 1st
- **Benchmarking:**
 - Since 2019, city has required larger existing buildings to annually report energy usage, prereq for BPS
 - Compliance is improving year to year, roughly 60%. City is working on compliance improvement via outreach.

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Ad-hoc Sub Committee Recommendations

Recommendations

- **JUNE - JULY 2026:** CAB would like to hear a status update on the Building Decarbonization Roadmap process & efforts, e.g. which contractor will be doing the analysis, what is their scope/deliverables, what is the next milestone to report out to CAB
- **SEPT - OCT 2026:** CAB would like to hear an update on the City's benchmark data analysis
 - How have the compliance rates changed over time, how does this compare to other comparable cities, what are next steps to improve?
 - Have buildings improved their energy usage since reporting started?
 - CAB could assist the City with an analysis of other municipalities' methods for improving compliance on benchmark reporting

**Item 14:
Reports on Related Boards**

Item 15:
**City Activities Supporting Climate
Action Plan Implementation**

Upcoming milestones for City initiatives supporting climate action

Lead Department	Item	Milestone(s)	Estimated Date (subject to change)	Website
Information Technology	Broadband Master Plan	City Council Active Transportation and Infrastructure Committee	April 23, 2026	https://www.sandiego.gov/it/broadband-master-plan
General Services	Public Power Feasibility Study, Phase 2	City Council Environment Committee	April 2026	https://www.sandiego.gov/general-services/energy/muni-energy/public-power
All departments	Budget Review Committee budget presentation meetings	Presentations by City departments and Office of the Independent Budget Analyst	May 4-8, 2026	https://www.sandiego.gov/finance/draft
Engineering & Capital Projects	Mission Bay Park Programmatic Environmental Impact Report	Mission Bay Park Committee	May/June 2026	https://www.sandiego.gov/cip/project-info/project-profiles/mission-bay-peir
City Planning	2025 Annual Climate Action Plan Report	Release report to public	June 2026	https://www.sandiego.gov/planning/work/working-on/cap
City Planning	Bicycle Master Plan Update	Release draft to public	Fall 2026	https://www.sandiego.gov/planning/work/working-on/bicycle-master-plan
City Planning	Street Design Manual	Finalize revision of manual	2027	https://www.sandiego.gov/planning/work/working-on/street-design-manual-update

**Item 16:
Proposed Agenda Items
for Future Meetings**

Item 17: Adjournment