

Date: July 18, 2023

To: Megan Ong, Program Coordinator, Sustainability and Mobility Department

From: Jeff Kavar, Franchise Compliance Review Committee

Subject: Follow-up Questions related to the Energy Cooperation Agreement (ECA)

- 1) The ECA Implementation Plan was presented to the City's Council's Environment Committee on 3-18-22. Has the Plan been presented to the full City Council as contemplated in Section 2 of the ECA? If not, is there a plan to do so.
- 2) Section 4 of the ECA discusses the costs for mutually agreeable projects and programs. It provides that project funding may include ratepayer funding with approval from CPUC; CEC, local, state, and federal grants; and other sources. Are there projects in the Implementation Plan that are fully (or partially) funded with discretionary SDG&E funding (like shareholder funds – funding other than grant or CPUC approved ratepayer revenue)? Can estimated costs and funding sources be included/noted for each identified project in the Implementation Plan?
- 3) What is the current percentage/number of City of San Diego residents purchasing electricity through SDCP and what percentage/number opted out to continue purchasing electricity through SDG&E? Same question for business or industrial entities in the City of San Diego.
- 4) Slide 6 references the goal of planting 2,500 trees in 10 years and indicates that 980 of the 1,360 trees planted to date (72%, or 39% of total goal) were planted in just three communities (Allied Gardens, Cherokee Point, Bay Terraces). This seems a little imbalanced. How are prioritization decisions made as to where to plant trees? How is go-forward tree maintenance covered/ensured? Does SDG&E plan to stop or continue planting trees once it reaches the 2,500-tree goal?
- 5) How are EV charging stations (like those installed in SDG&E's PYD program) funded? Is SDG&E responsible for the ongoing maintenance of these stations.
- 6) Slide 9 mentions three new battery storage microgrids in the City of San Diego. Including these three, what is the total number of microgrids in the City and how many customers could they potentially support? How many more are planned for the years ahead? Are all or most microgrids ratepayer funded and are they considered to be an expensive source of electricity? If so, is there an expectation that the cost of these projects might come down and become more competitive with other energy projects/sources anytime soon?

- 7) A recent news story indicated (as of 3-31-23) SDG&E had approximately 337,000 residential customer accounts with statements more than one month past due with an average debt of about \$744. This represents a notable increase that is being experienced throughout the state. How is SDG&E working with their delinquent customers? Does SDG&E expect this higher delinquency experience will continue or believe that it might adversely impact rates?
- 8) With respect to Section 6(a), has SDG&E made any investments (or have plans to make) in new fire-fighting air resources to protect the City since the inception of the ECA? The Implementation Plan notes SDG&E has provided funding for Community Emergency Response Teams (CERTs) and Fire Safe Councils (FSCs) in communities of concern across San Diego – can the Committee receive information on how much funding was provided and when? Has the plan to achieve the goal of continued support for CERTs and FSCs in underserved communities been planned or facilitated yet?
- 9) What are examples of Distributed Energy Resource (DER) project opportunities discussed in Section 7 of the ECA? (solar panels, battery storage, ???). Specific City examples? SDG&E examples? Why does SDG&E think SDCP has not yet identified any DER project opportunities? Do all DER projects need to be coordinated with SDG&E's power distribution network?
- 10) Slide 16 notes CPUC approval of the Microgrid Incentive Program (MIP) in April 2023. The MIP would provide funding for the development of clean energy microgrids for vulnerable communities impacted by grid outages. SDG&E mentioned there would be \$200 million available statewide for underserved communities. At this point, can SDG&E estimate how much of this \$200 million statewide might be available for City of San Diego communities? What is the process for securing a MIP funding commitment from the State?
- 11) How has SDG&E helped their customers understand the recent change in the format of customer bills given the recent migration of most SDG&E customers to SDCP for electricity procurement? How has SDG&E worked with SDCP in this regard? Are customers directed to ask some bill questions to SDCP and others to SDG&E? From SDG&E's perspective, are there any ongoing challenges in working with SDCP (of any sort) that are being worked on or remain to be addressed?