

REQUEST FOR EXPRESSIONS OF INTEREST

FRANCHISE FOR ELECTRIC AND GAS SERVICES

CITY OF SAN DIEGO, CALIFORNIA

Issue Date: 1/21/2020

Due Date: 2/21/2020

REQUEST FOR EXPRESIONS OF INTEREST CITY OF SAN DIEGO, CALIFORNIA

1. Overview

The City of San Diego is seeking expressions of interest and suggestions from parties interested in the possibility of entering into franchise agreements with the City for the provision of electric and gas services to customers within the City. Existing gas and electric franchises are expiring on January 17, 2021 and this Request for Expressions of Interest (RFEI) is seeking information, ideas, and expressions of interest to inform its development of invitations to bid (ITB) expected to be issued in 2020 for future electric and gas franchises. It is anticipated that the ITB will be issued in the 2nd Quarter of 2020, but that is subject to change in the sole discretion of the City. Interested parties may bid for the electric franchise, the gas franchise or both.

The City Charter requires and the City is committed to free and open bidding for the future franchises and no preference will be accorded to any bidder. Should a non-incumbent entity prevail in a bid for the new electric and/or gas franchises, the City possesses the right of condemnation and the Mayor may recommend to the City Council to exercise that right. Condemnation would be subject to reimbursement by the new franchisee(s), to implement the objective of free and open bidding.

Located on the coast of the Pacific Ocean in Southern California, the City of San Diego (City) is widely known as “America’s Finest City.” San Diego’s population of more than 1.3 million makes it California’s second largest city, and the eighth largest in the United States. With an expected population of 2 million residents by 2050, San Diego is a vibrant, attractive and growing metropolitan area.

San Diego is also home to the largest concentration of military/defense assets in the country, several prestigious research universities, including the University of California, San Diego and San Diego State University, established biomedical and tech sectors including industry leaders, a robust tourism economy, and an unparalleled quality of life.

2. RFEI Objectives

Through the issuance of this RFEI, the City is soliciting information as to the development of terms for potential franchise agreements. The information provided by respondents in response to this RFEI is strictly voluntary and may be used by the City for any purpose.

The City seeks to receive information from parties that have had substantial experience with providing gas and electrical utilities services, and that are potentially interested in submitting proposed franchise options with and intent to bid in response to the ITB.

The City also seeks to receive information from other interested persons that have information or suggestions they believe the City should consider in making decisions related to this RFEI

including any alternatives to the ITB, such as public ownership of electric and/or gas utilities within the City.

This RFEI is not the exclusive method by which the City is seeking information and expressions of interest regarding new electric and gas franchises.

3. Existing Electric and Gas Franchise with San Diego Gas & Electric Company

The City of San Diego's 50-year franchise with San Diego Gas & Electric (SDG&E) for both electric and gas services will expire in January 2021. For your review, the 1970 Franchise and the 2002 Amendment to the Franchise hyperlinks are included as Exhibits A and B to this document.

4. San Diego Community Power

In 2019 the cities of San Diego, La Mesa, Chula Vista, Encinitas, and Imperial Beach established San Diego Community Power (SDCP), a Community Choice Aggregator, with the expectation to procure and serve power to residents and businesses by 2021.

Under Community Choice Aggregation, default commodity service is provided by the CCA and the electric utility continues to serve the commodity needs of customers who opt to remain on bundled service.

The SDCP Business Plan, Joint-Powers Authority Agreement, and Implementation Plan are hyperlinked as C, D and E respectively to this document.

5. City Team

The information received in response to this RFEI will be reviewed and analyzed by representatives of the City's Engineering Department, Debt & Financial Management Departments, Transportation Department, Sustainability Department, City's Attorney's Office, and JVJ Pacific Consulting LLC (energy consultants), and other departments as needed.

6. RFEI Procedure

Respondents may submit written questions to the City to assist in the preparation of responses to this RFEI. The City may, but is not be obligated to, formally respond to such questions. All questions posed to the City, which the City determines to warrant a response, will be anonymously compiled and the responses will be issued in the form of addenda to this RFEI.

Responses should identify the name, address, title, telephone number, and email address of the contact person who will serve as the interface between the City and the respondent and a brief description of the respondent.

To assist the City with the development of the ITB, we are requesting any responses to be delivered by February 21st 2020.

All inquiries, questions and correspondence relating to this RFEI should be submitted by email to:

Lfriedman@sandiego.gov,

Attn: Mr. Lee Friedman, Strategic Energy Initiatives Manager, Smart and Sustainable Communities Branch

7. Costs

The costs and expenses associated with the preparation of a response and preparation of all other information required pursuant to this RFEI will be borne by the respondent. In no event will a respondent have a claim against the City, its staff, or its consultants or agents for reimbursement of any such costs or expenses.

ATTACHMENT A

[San Diego Gas & Electric Franchise Agreement \(1970\)](#)

ATTACHMENT B

[San Diego Gas & Electric Franchise Agreement Amendment \(2002\)](#)

ATTACHMENT C

[Business Plan for the Formation of a Community Choice Aggregation Program for the City of San Diego](#)

ATTACHMENT D

[San Diego Regional Community Choice Energy Authority Joint Powers Agreement](#)

ATTACHMENT E

[San Diego Community Power Implementation Plan](#)