MEMORANDUM

DATE: June 11, 2018

TO: City of San Diego Sustainable Energy Advisory Board (SEAB)

 Chairperson, Members and supporting City Staff

FROM: Jay Powell, SEAB Environmental Advocate Member

SUBJECT: **SEAB REQUESTS FOR INFORMATION FROM SDG&E**

 **SEAB June 14, 2018 Meeting Agenda**

 **Item VI. 4. “100% Renewable Energy Pathway Discussion”**

This memorandum is provided to restate specific Resource Plan Requests for Information that SEAB has requested from SDG&E in regards to the SEAB review of the SDG&E Proposal for “100% Renewable Energy Program”, to request specific information on a “Procurement Review Group” and clarify status of the current proposal review and the process for future requests for information from SDG&E.

SEAB has adopted General Operating Procedures to carry out its duties as defined by City Municipal Code. Those procedures include guidelines for communications between members and for the designation of “Working Groups” to ensure compliance with State and City regulations for public advisory boards and commissions. In addition, they outline the Role of supporting City staff with respect to support for SEAB and procedures for information to be provided to the Board through staff for dissemination to the members.

A SEAB Working Group was designated at the SEAB meeting in March 2018 to review the SDG&E proposal and provide a recommendation to SEAB. A summary of the review conducted is attached as background (Attachment A). A recommendation letter to Mayor, City Council and City Staff was adopted at the May 10 SEAB meeting.

SEAB found the proposal to be “ incomplete at this time” and It was noted that specific information and responses to questions were either not provided or not sufficient for SEAB to recommend the enterprise partnership (with the City) that SDG&E has proposed.

It was also noted in conclusion that “a partnership between the City and SDG&E is critically important for the City to meet the CAP mandates.” Competencies and areas for collaboration and cooperation were noted and SEAB indicated it is prepared to assist in developing a partnership strategy to achieve renewable energy targets and the potential benefits of a community-based distributed renewable energy system.

Since the SEAB work plan includes review and potential actions that will necessarily involve review of SDG&E Resource plans and projects, it is important that information is provided to SEAB to discharge its duties as outlined in the Municipal Code.

Memorandum

RE: SEAB June 14, 2018 Agenda Item VI. 4

June 11, 2018

Currently there are requests for information pending that can help inform SEAB on achievement of the CAP goals.

It is requested that the following information be provided by SDG&E to SEAB via City staff:

1. **Electrical Resources**. Provide the following additional information to the *attached* Chart of information provided by SDG&E labeled “SDG&E RPS Contracts as of end-March 2018” through City staff on April 10, 2018 as “SEAB Portfolio Request v2”:

a) updates of any additional RPS contracts and identification of contracts with Sempra affiliates; b) the information previously requested on transmission of renewable energy from locations outside of San Diego County, indicating the pathway transmission line and length and estimated losses in the line from transmission; c) a listing of *non-renewable* electric energy resources in similar chart format with the same information categories and indicating the transmission information where applicable; d) a listing of electric battery storage resources as authorized by CPUC in similar chart format with the same information categories as applicable; and e) any clarifying cover statement to help avoid misinterpretation of the information provided.

2. **“SDG&E Procurement Review Group (PRG)”.** Provide information on the charter, funding and composition of the PRG (referred to in SDG&E response to the MRW Peer Review Report questions) and to make available to SEAB information on the SDG&E 100% Renewable Energy Program provided to and from the PRG and CPUC staff.

3**. Responses to pending questions.**  Provide responses to questions from City Staff and the Peer Review Report including the specific questions listed in the City Sustainability Officer Memorandum dated April 24.

The specific clarification sought on process for future information requests from SDG&E by SEAB or by Working Groups set by SEAB is to confirm the understanding that requests are to be provided either at a SEAB meeting and/or in writing through assigned City Staff to SDG&E and that SDG&E will seek any clarifications needed through the assistance of City staff in order to provide responses in a timely manner.

This memorandum has been referenced for discussion and/or action or referral as necessary or desirable on Agenda Item # VI. 4. 100% Renewable Energy Pathway Discussion” for the June 14 SEAB meeting.

(file: SOLARSD/SEAB MEMO RE Info Requests from SDG&E 060718 includes ATTACHMENT A)

ATTACHMENT A to June 11, 2018 Memorandum to SEAB, RE: SEAB June 14, 2018 Agenda

**Background Summary of SEAB Review of SDG&E Resource Information and 100% Renewable Energy Program Proposal, February – May 2018**

At the February 8, 2018 SEAB meeting SDG&E representatives provided a presentation outlining statewide and SDG&E requirements for energy, capacity and a detailed table of *California Mandated Procurement Programs for all Load Serving Entities (LSEs).* SDG&E indicated that they would provide additional information requested by Board members such as sources of renewables from Sempra affiliates and length of and ability to renegotiate contracts for power.

SEAB members were encouraged to review the SDG&E proposal and send questions for collation and transmittal by City staff to SDG&E prior to the March 8 meeting.

On February 1 staff distributed the SDG&E 100% Renewable Energy Program proposal and solicited questions from SEAB members. On March 1 staff transmitted ten questions regarding the SDG&E proposal submitted by SEAB members to SDG&E representatives in preparation for a March 8 meeting presentation by SDG&E on their 100% Renewable Energy Program proposal.

At the March 8, 2018 SEAB meeting a presentation was made by SDG&E representatives regarding the SDG&E Proposal for a 100% Renewable Energy Program. Public testimony was received and Board members and SDG&E representatives discussed questions previously submitted to SDG&E by SEAB members and additional questions. It was stated that SDG&E would follow-up with written responses to questions previously submitted by the Board through staff. A handout was provided indicating how SDG&E proposal addressed portions of the SEAB Guiding Principles. It was indicated that SDG&E was scheduling discussions with City staff regarding how the proposal addressed the SEAB “Minimum Performance Criteria”.

A Working Group was designated to review the proposal and responses to questions and formulate comments on the SDG&E proposal. It was indicated that the Working Group may have additional questions of SDG&E.

On March 13 specific questions on SDG&E Resources Procurement were directed to Staff in preparation for Working Group review and meeting. On March 22 written responses from SDG&E to SEAB questions reviewed at the March 8 were provided.

The Working Group met March 29 and directed additional questions through City staff to SDG&E including a request on March 30 and April 3 for Renewable Resources Portfolio information:

*"Please provide a list of all renewables counted towards the SDG&E RPS percentage cited in the SDG&E Proposal for 100% Renewable Energy and the SDG&E Resource Procurement Plan with the following info:  Name of facility, location by county, peak capacity, renewable resource (solar,wind,other listed), average Gwhs per year for period of operation/contract,  entity providing power (contracted with), period of contract (start and end dates),  price per Gwh (or indication why that information is not provided), transmission path (size, length est. in miles, designation of line), estimated power loss in transmission. “*

 A substantial response to that request was provided through City staff in a chart form on April 10 (“SEAB Portfolio Request v2”) indicating that they had tried to identify the transmission path and estimated power loss in transmission (for resources generated outside of San Diego County) information but did not have access to that information. It was indicated that they “would do further investigation to identify public information on that question.”

On March 29 City staff distributed the Peer Reviews conducted by MRW on the CCA Feasibility Study and the SDG&E 100% Renewable Energy Program Proposal.

At the April 12 SEAB meeting the Board received a presentation on the Peer Review Report on the SDG&E proposal which had been distributed prior to the meeting and reviewed by the Working Group. An “Initial Draft” recommendation letter from the Working Group on the SDG&E proposal was distributed for Board review and discussion.

It was agreed that SDG&E would be afforded an opportunity to address questions included in the Peer Review and those provided by SEAB and provide additional responses and information requested to the Working Group and Board for consideration at the May 14 SEAB meeting. SDG&E indicated that it wanted to clarify information in the Renewable Resources Chart to ensure that is was not misinterpreted.

On April 18 a request was sent to staff to relay a reminder and request to SDG&E to *“ provide answers to the rest of questions regarding their RPS resources including the transmission loss and cost estimates and provide the cover memo regarding the information they are providing to ensure clarity in interpretation”* to be available for the next working group meeting prior to the May SEAB meeting.

On April 24 an email inquiry was made to Staff regarding status of previously requested information on the resources chart (both RPS and other *non-renewable* resources) and request to provide those responses and post them to the City Sustainability web site prior to the Working Group ‘s meeting scheduled for May 3. It was noted that *“ (the resources) information is necessary to evaluate the timing and location and full costs of resources that are under contract or provided by SDG&E, since they would be necessary to implement the program they have proposed in the timeframe they have proposed.”*

On April 26 Staff provided a copy of SDG&E response to the Peer Review Report questions

(“Response to MRW’s Peer Review of SDG&E’s 100% Renewable Energy Proposal to the City of San Diego”) and a copy of an April 24 response memo from the City Sustainability Officer to SDG&E Director of Public Affairs requesting that *“concrete and quantitative information be provided in writing”* in order for City and City consultant to prepare an independent cost analysis of the SDG&E proposal. The memo lists six specific information request items.

In April 26 email SDG&E representative Kendall Helm communicated to staff that due to commitments regarding CPUC hearings on PCIA during the week of May 7 she and SDG&E Procurement Team would not be available to dialogue about the SDG&E proposal and noted that the minutes of the April 12 meeting should reflect that *“due to the requirements of an RFP submission, some of SDG&E’s information may not be presented in a completely* *clear fashion and SDG&E is actively working to clarify information for the City and a broader audience.”*

The Working Group met May 3 to review any changes in information available from SDG&E. It

reviewed responses to the Peer Review Report questions submitted by SDG&E to the City on April 20 *(“Response to MRW’s Peer Review of SDG&E’s 100% Renewable Energy Proposal to the City of San Diego”).* The SDG&E responses to questions referred reviewers to agency proceedings and reports for answers (eg, *“Future estimates for City load can be gleaned from California Energy Commission load forecasts…”* and *“SDG&E’s estimates of banked resources are in SDG&E’s publicly available 2017 RPS Compliance Report.”*).

The SDG&E response also referred to an *“SDG&E Procurement Review Group (PRG)”* consisting of “stakeholders that represent the CPUC and groups that represent customer interests, environmental interests and labor groups” that meet monthly. SDG&E indicated that they have “..informed and will continue to inform, interested non-market stakeholders within (the PRG regarding) … the procurement nature of this proposal.”

At the Working Group meeting staff confirmed that SDG&E had not and would not be providing additional information or responding to additional questions regarding their proposal at that time and would not be available to respond to questions at the May Board meeting due to prior commitments to participate in the CPUC PCIA hearings.

On May 6 the Working Group communicated actions taken at the Working Group meeting and provided previous and additional requests for information from SDG&E.

The Working Group reviewed the Scope of Work issued for the sole responder City RFP for the SDG&E proposal and they amended the Working Group “Initial Draft” recommendation letter to reflect responses to questions received and transmitted a revised recommendation letter to the Mayor and City Council and Staff to SEAB members via staff prior to the May 10 SEAB meeting.

The Recommendation letter was reviewed and adopted at the May 10 SEAB meeting by motion accepting amendment language indicating that “SEAB finds the proposal for (the SDG&E) 100% Renewable Energy Program incomplete at this time” for transmittal to the Mayor and City Council and Staff. It was noted that specific information and responses to questions were either not provided or not sufficient for SEAB to recommend the enterprise partnership (with the City) that SDG&E has proposed.

It was also noted in conclusion that “a partnership between the City and SDG&E is critically important for the City to meet the CAP mandates.” Competencies and areas for collaboration and cooperation were noted and SEAB indicated it is prepared to assist in developing a partnership strategy to achieve renewable energy targets and the potential benefits of a community-based distribute renewable energy system.