January 10, 2019

San Diego City Councilmember Jen Campbell, Chair, and Members of the Committee on the Environment

**Re:** **Sustainable Energy Advisory Board Semiannual Report for Period July through December 2018**

The Sustainable Energy Advisory Board (SEAB) was established by the San Diego City Council to serve as an advisory board to the Mayor, City Council and (formerly) City Manager on energy policy and future energy needs for the metropolitan San Diego area and to assist the City’s attainment of its energy independence and renewable energy goals. The duties and functions of SEAB are described in section 26.04 of the San Diego Municipal Code.

SEAB is currently required to report its progress to the City Council Committee on the Environment every six months (commencing in January 2004). The purpose of this memorandum is to provide that report. If you would like to have a presentation at a meeting of the Committee on the Environment, that can be arranged.

**San Diego Climate Action Plan Energy Goals**

The City of San Diego adopted its Climate Action Plan in December of 2015. It includes ~~a goal of~~ three major energy goals: achieving 100% renewable energy on the city-wide electrical grid by 2035 adoption of a Municipal Energy Strategy for City facilities and operations to support that goal, and adoption and implementation of ordinances for building efficiency. Action 2.1 is to present to the City Council for consideration a Community Choice Aggregation (CCA) or another program that increases the renewable energy supply on the electrical grid.

For the last two years, SEAB’s focus has been on these three goal areas with special emphasis and attention on assisting the City to evaluate strategies for achieving the goal of 100% renewable energy on the city-wide electrical grid by 2035. This has included reviewing both the CCA Feasibility Study and the alternate approach offered by SDG&E. SEAB’s comment letter on the CCA Feasibility Study was submitted to the Mayor and City Council in late November 2017. SEAB’s comment letter on the alternative proposal presented by SDG&E was submitted to the Mayor and City Council on May 15, 2018.

SEAB provided Guiding Principles for the Feasibility Study for Community Choice Aggregation proposal based on working group recommendations and public stakeholder input and testimony.[[1]](#footnote-1)

The City engaged Willdan Financial Services to prepare a feasibility study for a community choice aggregate. Based on the positive outcome of the CCA feasibility study for the City of San Diego, city staff commissioned development of a CCA Business Plan in 2018. The consulting firm, MRW, was retained to develop the CCA Business Plan. SEAB received the Business Plan in late October 2018 and MRW joined our November meeting telephonically to give a brief presentation of the plan and respond to Board questions. SEAB voted to be on record as supporting formation of community choice provided that further attention is given to certain issues in the implementation plan as specified in a January 3, 2019 letter to the Mayor and City Council.

**Other Items Reviewed by SEAB during the Report Period**

In July, Andy Hoskinsen, of the Centre for Sustainable Energy, gave a presentation to SEAB on California’s Electric Vehicle Infrastructure Project and Sustainability staff member Lorie Cosio-Azar made a presentation on the status of the proposed Municipal Energy Strategy.

In August, Michael Favaloro of the Public Utilities Department gave a presentation on Pure Water and the Water/Energy Nexus. SEAB was dark in September because several board members planned to attend the Global Climate Summit in San Francisco.

In October the Board discussed suggestions for operating procedures from Sustainability Department staff and accepted those suggestions not in conflict with the adopted SEAB General Operating Procedures. Priorities for future presentations and the 2019 work plan were discussed.

Cody Hooven, Chief Sustainability Officer for the City of San Diego and Mark Fulmer, of MRW, presented the CCA Business Plan in November and the Board took action as described above. SEAB scheduled a presentation on Socioeconomic Equity in November but the speaker from the Greenlining Institute was not able to attend.

While the December meeting did not achieve a quorum for action items, Board members present received presentations by SDGE representatives on their Energy Storage projects and proposed plans under review by the CPUC. The Office of the Mayor Director for Boards and Commissions, Joel Day presented information on City review of recommendations by the City Auditor and discussed the experience and efficacy of SEAB with Board members present who urged the Mayor and City Council not to consolidate the SEAB with other Boards due to the dilution of attention to energy goals which are major components of the City’s Climate Action Plan.

Request for Action by the City Council

1. Municipal Code Provision Recommendations

Portions of the Municipal Code Section 26.04 should be updated. SEAB adopted recommendations in May 2015 which were provided to the Mayor, City Council Environment Committee and the City Attorney. SEAB Chairperson forwarded a marked-up copy of the relevant section of the San Diego Municipal Code to the Mayor and City Council by letter dated May 15, 2017. SEAB respectfully requests that section 26.04 of the Municipal Code governing SEAB be updated. A copy of that Section Marked Up with SEAB recommended updates is attached to this report.

1. SEAB Membership

SEAB currently has two open board seats which we would like the Mayor and City Council to fill. In addition, all current Board seat terms are expired as of March 2018 and current members continue to serve and have indicated their interest in continuing to serve on the Board.

San Diego Municipal Code defines SEAB membership as follows:

1. San Diego Regional Energy Office
2. San Diego Gas & Electric
3. Environmental Advocate
4. Labor Organization
5. Solar Power System Manufacturer or Installer
6. Building Industry
7. Chamber of Commerce/Business Community
8. Two regular at-large members
9. Two at-large alternate members

The Municipal Code recommendations we have provided update the first seat to indicate the practice of designating that seat from the Center for Sustainable Energy (CSE). Hanna Grene, of CSE, accepted a new position with another organization in October. We have been informed that CSE has designated a new representative for Mayoral nomination.

The position for a Solar Power System Manufacturer or Installer was vacated in March 2017 with the resignation of John Bumgarner, who also served as SEAB Chair. We understand that at least one qualified individual has expressed interest in serving in this seat.

It is our understanding that the City Council can make appointments to these seats and expired seats if the Mayor does not appoint within 45 days of the expiration of those terms or vacancy in a seat.

Goals for the Next Period

We will re-schedule our discussion of Socioeconomic Equity and how to ensure sustainable growth in distributed energy resource will benefit all communities. We will continue our discussion of strategies to achieve the City’s goal of 100% renewable energy by 2035. Additional meeting topics in the spring will include developing a robust energy storage program and the potential for installing solar capacity in the City of San Diego. Other topics included in our adopted work plan include review of the Municipal Energy Strategy, Green building efficiency ordinance implementation and presentation on the expiring Franchise Agreement for transmission and distribution of electricity.

We welcome the opportunity to present and discuss these issues with the Environment Committee and to respond to your requests to assist in your work plan priorities related to Energy for the new year.

Respectfully submitted,

Julia R. Brown, Chair

Sustainable Energy Advisory Board

Encl: SEAB Recommended Updates in Mark Up Copy of Municipal Code Section 26.04

Cc Mayor Kevin Faulconer (Attn: Joel Day)

 City Attorney Mara Elliot (Attn: Fritz Ortlieb)

 Deputy COO Erik Caldwell, Sustainability Department

1. Neither these guiding principles nor any other SEAB recommendations on the subject of Community Choice Aggregation reflect the input or recommendations of SDG&E, which has refrained from participating in discussions on this subject in compliance with the Community Choice Code of Conduct that has been adopted by the California Public Utilities Commission. [↑](#footnote-ref-1)