

Community Choice Aggregation Comparison Report

May 2025

Prepared for the City of Coronado



Prepared by the Energy Policy Initiatives Center



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About EPIC

The Energy Policy Initiatives Center is a non-profit research center of the USD School of Law that studies energy policy issues affecting California and the San Diego region. Energy Policy Initiatives Center's mission is to increase awareness and understanding of energy- and climate-related policy issues by conducting research and analysis to inform decision makers and educating law students.

For more information, please visit the Energy Policy Initiatives Center website at www.sandiego.edu/epic.

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1 Introduction

The City Council of Coronado directed staff to research the two community choice aggregation (CCA) options in the San Diego region, San Diego Community Power and the Clean Energy Alliance (CEA). The Energy Policy Initiatives Center (EPIC) was hired to analyze and summarize differences in key areas, including size (cities, number of customers, and customer electricity sales), customers opt-out rates, electricity rates, electricity sources, process to join or leave the CCA, governing structure, operational structures and processes, programs, financials, and other considerations. The City directed that SDG&E should be included in the rate comparison and to discuss what may occur if the city is one of the last remaining non-CCA jurisdictions.

1.1 Key Findings

In general, CEA and SDCP are similar in most areas analyzed. Notable differences between the two programs and other related findings are summarized below.

- **CPUC Rules May Limit CCA Expansion** – A CCA must prove that it can provide reliable electric supply to all customers by meeting federal and state resource adequacy (RA) capacity requirements. The California Public Utilities Commission (CPUC) requires a CCA to meet both current RA system capacity requirements and future year-ahead RA system capacity requirements before it can file an implementation plan for CPUC certification to add new customers and load. This may delay future CCA expansion in the San Diego region. (Section 3.1)
- **Customer Enrollment is Most Certain in 2028 or Later**– It is not possible to enroll customers in CEA in 2027. It could be possible for SDCP to submit an amended implementation plan to the CPUC by December 31, 2025, if load data is obtained and negotiations begin in June 2025, and all City and CCA approvals are complete by November 2025. This would allow enrollment in 2027. However, given the current timing and need to procure RA resources for new load, implementation plan submission would likely occur by the end of 2026 with enrollment in 2028 or after. (Sections 3 and 3.1)
- **SDCP is Significantly Larger than CEA** – SDCP is significantly larger than CEA by number of customers, retail sales, and size of its service territory. (Section 2)
- **CEA's Energy Portfolio Had a Cleaner Supply Portfolio and Lower Emissions Rate in 2023** – In 2023, the last year for publicly reported data, CEA's overall portfolio comprised 77% renewable and zero carbon resources compared to 58% for SDCP. As a result, CEA's overall GHG emission rate for 2023 was 217 pounds of carbon-dioxide equivalent per megawatt-hour (lbs. CO₂e/MWh) compared to 428 lbs. CO₂e/MWh for SDCP. (Section 10)
- **CEA and SDCP Offer the Same Number of Energy Products but With Different Attributes** – CEA offers 50% renewable energy (opt-down), 75% renewable and zero carbon (default), and 100% renewable (opt-up) service options. SDCP offers 45% renewable (opt-down), 50% renewable and zero carbon (default), and 100% renewable (opt-up) service options. New jurisdictions can determine the default product at enrollment for their citizens, who can then opt-up, opt-down, or opt-out of CCA service (Section 8).

- **SDCP Has an Optional Weighted Voting System** – SDCP has an optional weighted voting systems that assigns weight to participating jurisdictions based on population; to date, a voting shares vote has never been called. (Section 4)
- **CCA Residential Rates Vary by Less Than 2%, Other Customer Classes Vary More** – Rates for residential customers vary by less 2% between CEA and SDCP. Two other customer classes show notable differences. CEA’s average rates for small commercial customers are about 17% lower than SDCP, and lighting rates are 5.5%-7% lower. For all other customer classes, the difference between CEA and SDCP are less than about 3.5%. (Sections 9 and 14)
- **Both CCAs Have Lower Average Electric Rates than SDG&E for Most Service Options** – Average CCA rates for both default and opt-down service are lower than SDG&E service for all customer classes. Rates for CEA’s opt-up service are between 9% lower to 2.5% higher than SDG&E service. SDCP’s opt-up service is 1.5% to 2.5% higher than SDG&E. A similar pattern holds for customer bills. (Sections 9, 14, and 15)
- **Municipalization in the City of San Diego Could Cause Uncertainty for SDCP** – It is currently unlikely that the City of San Diego will move forward with municipalization in the near term given structural budget issues. Any potential future City of San Diego’s municipalization of SDG&E’s transmission and distribution system within its jurisdictional boundary may create legal and operational uncertainty for SDCP depending on the type of publicly-owned utility formed (e.g., city department versus municipal utility district). Municipalization may occur either through a voter led proposition, if it meets thresholds for inclusion in a future election, or through City Council action with an unknown timeframe. (Section 12)
- **Remaining on SDG&E Service Likely Poses Minimal Cost and Supply Mix Risk** – Given the scale of remaining customers served by SDG&E, the ability of similarly sized CEA and direct access providers to maintain competitive rates, the CPUC regulatory framework to ensure just and reasonable costs and to encourage best fit least cost resources, and benchmark costs from CCAs and other suppliers, there is likely minimal risk of higher rates beyond existing differences for customers remaining on SDG&E service. Regarding supply mix, CCA supply portfolios contain more clean energy than SDG&E. In the short run, this difference could reduce additional GHG emissions. However, as California approaches its statutory deadlines for 60% renewable electricity by 2030, 90% renewable and zero carbon electricity in 2035, and 100% by 2045, the gap between CCAs and SDG&E will diminish. (Section 11)

2 CCA Size

CEA launched in May 2021 and is currently composed of the Cities of Carlsbad, Del Mar, Escondido, Oceanside, San Marcos, Solana Beach, and Vista. The enrollment of the Cities of Oceanside and Vista added 106,684 new accounts after accounting for opt-outs to CEA beginning in April 2024, which was forecasted to increase demand of 859,390 MWhs and resulted in an increase of 791,945 MWhs in 2024.¹

SDCP launched in March 2021 and includes the Cities of San Diego, Chula Vista, La Mesa, Encinitas, Imperial Beach, National City, and the Unincorporated County of San Diego. Table 1 summarizes key data related to the size of CEA and SDCP.

There are no plans for additional expansion for either CCA currently.

Table 1 Current Retail Sales, Customer Accounts, and Participation Rates

Data Category	Clean Energy Alliance	San Diego Community Power
2023 Actual Retail Sales (MWh)	1,076,224	7,375,894
2024 Actual Retail Sales (MWh)	1,868,169	7,962,503
Current Customer Accounts (March 2024)	255,017	956,091
Customer Opt-Out (March 2024)	6.45%	4.60%
Total Opt-Out Customers (March 2024)	17,595	46,063

3 Process to Join and Exit

The timeline to join a CCA's JPA can take 6-18 months, CPUC certification of an amended implementation plan can take 2-6 months once it is received, and the total process from inception of negotiations to completion of customer enrollment can take 18-36 months or more.

The process to join either SDCP or CEA is controlled by Public Utilities Code and the specific Joint Power Agreement (JPA) of the CCA. The City of Coronado is authorized to join an existing CCA under Public Utilities Code § 331.1 through an ordinance required by Public Utilities Code § 366.2(c)(12) that authorizes CCA formation and directs the commencement of negotiation. Once an ordinance is either introduced or adopted stating the intent to form and/or join a CCA, negotiations may commence with CEA and SDCP.

Based on feedback from CCAs, if the City intends to join a CCA, it should prioritize obtaining its electricity load (load) data from SDG&E for the data year most relevant for the proposed year of enrollment. Obtaining load data can take 1-2 months. If negotiations reach an agreement to move forward, the SDCP or CEA board then performs a pro forma analysis that includes a technical feasibility/load impact analysis to evaluate the financial and operational impacts as well as discussions around shared goals and objectives. The City of Coronado will be required to pay a fee for this analysis and other enrollment costs,² but this fee has been waived for recent additions to both CEA and SDCP if the jurisdiction joins the CCA.

Where the pro forma analysis results in a positive outcome for the CCA, the CCA board will move forward with discussions of new membership. If the City of Coronado elects to join the CCA, it will adopt an ordinance if not already adopted, and authorize the applicable official, such as the mayor or city manager, to execute the JPA. This sets in motion the planning process to onboard new customers to the CCA, which includes amendment and filing of an updated implementation plan to the CPUC for certification that state law is met as well as beginning the process to procure electricity supply and capacity for reliability. It also sets in motion notice to SDG&E, two notices to customers of the transition timeframe, and notice of the timeframe for customer opt-out with no cost within 60 days and with minimal cost after the 60 days.

The JPA governs the withdrawal of a JPA party. SDCP's JPAs make withdrawal effective at the beginning of the applicable fiscal year and require at least 180 days of notice.³ CEA's JPA requires a one-year notice unless a shorter notice and/or withdrawal period is approved by the CEA board. For both CCAs, withdrawal requires an affirmative vote of the City's City Council or an adopted amendment of the JPA. Both CEA and SDCP JPAs include "Continuing Liability; Further Assurance" clauses that subject a withdrawing party to costs that include power purchase agreements, other contracts, and other operational obligations. These clauses require action by the JPA Board and withdrawing party to ensure an orderly withdrawal, including negotiating any potential assignment of costs. It requires that the withdrawal, to "the maximum extent possible, without compromising the viability of ongoing" CCA operations, use rates collected from CCA program customers located in the withdrawing party's jurisdiction to fund associated costs of withdrawing to avoid using general fund revenue from the withdrawing party. To date, there is now one example of a fully enrolled party to a CCA JPA voting to withdraw from a CCA with the City of Irvine voting in December 2024 to withdraw from Orange County Power Authority in 2025.⁴ However, there is no

clarity on timing and cost at this time of this withdrawal. It remains to be determined how a withdrawal would be effectuated under the applicable clauses and through any negotiation with either CEA or SDCP.

Additionally, SDG&E Rule 27 governs the return to SDG&E service, including the fees associated with such a transition.⁵

3.1 CPUC Limit on CCA Expansion for Reliability Concerns

Reliability is demonstrated by procuring adequate energy capacity for the highest demand hours of each day and the highest demand days of each year as mandated by federal and state resource adequacy (RA) requirements. Based on the current state of RA in CEA, 2028 is the earliest that RA supply could be procured to support new load. SDCP can potentially serve new load in 2027 if all 2025 City and SDCP timeframes are met, and all current and future RA obligations are or can be met. In both cases, the CCA must meet system RA capacity requirements in the years leading up to enrollment per CPUC requirements, which makes enrollment in 2028 the most certain.

Expansion of CCA service territory is dependent on demonstrating sufficient year-ahead RA system capacity using a new 24-hour “slice-of-day” (SOD) capacity planning analysis that was tested in 2024 for peak summer months (June-October) and is binding in 2025. SOD requires that each load serving entity (LSE) demonstrate sufficient capacity to satisfy its specific gross load profile, including the planning reserve margin (PRM), in all 24 hours on the California Independent System Operator’s (CAISO) “worst day” in that month. The CPUC in D.22-06-050 defined “worst day” as the day of the month that contains the hour with the highest coincident peak load forecast, while it acknowledged that this definition could evolve over time if another attribute (e.g., steepest ramping requirement) is found to be more challenging to reliability than the coincident peak.⁶

Through 2025, the SOD is based on a 17% planning reserve margin (PRM)⁷, with uncertainty as to how much that margin will increase in 2026 and after.⁸ This is currently being adjudicated in Track II of proceeding R. 23-10-011 with many actions scheduled to occur in May 2024 to determine the 2026 PRM. The outcome of this will further determine each CCA’s ability to meet its RA obligation from new load in 2027 and after.

Grid reliability and RA capacity is a paramount concern for the CPUC because of resource constrained months of July, August, and September; LSEs failing to meet system RA requirements; and the difficulty of procuring sufficient RA capacity because of competition for RA capacity and mandates on investor owned utilities to retain RA capacity as providers of last resort (POLR).⁹ In the recent past, planning and enrollment of new customers into CCA service can take anywhere from 12- to 18-months subject to implementation plan amendment and certification, electric supply procurement, billing transitions, and meeting resource adequacy (RA) requirements for reliability.

In July 2023, the CPUC changed reliability requirements to now mandate that a CCA cannot file an implementation plan to expand its service territory to serve new load until it is demonstrated that it can meet existing customer need. It limits the expansion of CCA territories when a CCA cannot demonstrate sufficient multi-year ahead supply reserves to meet its RA requirements.¹⁰ This is based on LSEs failing to meet system month-ahead and year-ahead RA requirements, including 18 CCAs failing to meet these requirements in 2023.¹¹ This requirement was not in effect for all past

enrollment of new customers for either SDCP or CEA. This may result in enrollment being delayed for one or more years depending on the CCAs current RA capacity and its ability to cure any RA deficiency below the CPUC mandated threshold of less than 1% of its year-ahead system RA requirement.¹² System RA capacity must be confirmed by the CPUC Energy Division for expansion to occur.

The City should discuss this with each CCA to determine whether enrollment can occur in 2027 or later. Based on CEA's current RA portfolio, 2028 would be earliest that CEA can begin serving new load. It is not foreclosed that SDCP could enrollment new customers in 2027, but this is only technically possible if all City and SDCP deadlines are met for load data, negotiations, pro forma analysis, voting, and implementation plan submission in 2025.

Specifically, SDCP had system, year-ahead RA deficiencies in 2021, 2022, 2023, and 2024 resulting in CPUC citations; CEA had month-ahead system RA deficiencies in August and September 2023 as well as flexible RA deficiencies in November 2023 and September 2024 resulting in citations. CEA also had system, year-ahead RA deficiencies in 2024 resulting in citations.¹³ It is CEA's understanding that its 2024 RA deficiencies would require it to wait until the end of 2026 to submit an Implementation Plan for expansion in 2028. It is unclear whether SDCP's deficiencies limit enrollment to 2028 but current uncertainty around PRM in 2026 and 2027 suggest that 2028 is the most certain year for enrollment but, as previously stated, 2027 enrollment is technically possible.

Additionally, because neither SDCP nor CEA are planning for expansion, both emphasized that starting this process sooner than later is preferable given the uncertainty of RA requirements in and after 2026 and the timeline to submit an amended implementation plan to the CPUC by December 31, 2025 or 2026. For a 2027 enrollment in SDCP, the City must have its 2024 load data in June 2025, complete negotiations to adopt an ordinance to join by October 2025, receive adoption of a CCA board resolution by November 2025 adding the City to the JPA, and SDCP must submit an amended implementation plan to the CPUC by December 31, 2025. For enrollment in CEA by 2028, the City must have its 2025 load data in June 2026, complete negotiations to adopt an ordinance to join by October 2026, receive adoption of a CCA board resolution by November 2026 adding the City to the JPA, and CEA must submit an amended implementation plan to the CPUC by December 31, 2026. In either case, if filing of the amended implementation plan occurs in 2026, earliest enrollment will begin in 2028 assuming the applicable CCA meets RA system capacity requirements in the years leading up to enrollment. A detailed timeline is included in Appendix A (Section 13).

4 Governing Structure

CEA and SDCP are governed by a Board of Directors that meets monthly with each party to the JPA holding one directorship and one alternative director. Both CEA and SDCP operate with seven directors. If the City joins SDCP or CEA, it will become the eighth director of the JPA. Each director must be a member of the Governing Body of the appointing party, however, SDCP's JPA does not require that the alternative director be a member of the Governing Body of the party.¹⁴ Both JPA structures mandate electing a chair and vice chair as well as appointing nondirector secretary, treasurer/chief financial officer (CFO), auditor, chief executive officer (CEO), and general counsel.¹⁵ Both JPA structures empower the Board of Directors to carry out all necessary powers and functions such as adopting budgets, identifying ratepayer needs, approving contracts, setting rates, setting policy, key personnel hires, delegations of authority, creating standing committees, among others. Both JPA structures state "Specific Responsibilities of the Board" with SDCP's JPA including additional responsibilities that: identify party and ratepayers needs and requirements; develops a policy that promotes a local, sustainable, and inclusive workforce; and addresses any concerns of consumers or customers.¹⁶ SDCP's JPA also includes recitals that differ from CEA through a focus on workforce development that support quality workmanship at fair and competitive rates, supplier and workforce diversity, and investment in both communities of concern and that center on economic, environmental, and social equity.¹⁷

Both CEA and SDCP operate with a simple majority quorum and a one vote, one party voting mechanism. SDCP, because the City of San Diego is about 80% of historical load, also operates with the ability for the board to call for a weighted voting shares vote through the request of three or more directors. A weighted voting shares vote requires 66.67% of the voting share for approval with voting shares constituting: City of San Diego (49%), San Diego County (28.75%), Chula Vista (11.06%), Encinitas (3.42%), La Mesa (3.37%), National City (3.34%), and Imperial Beach (1.06%).¹⁸ To date, a voting shares vote has never been called. Both CEA and SDCP have higher vote requirements for special votes: two-thirds vote for bond issuance, adding/removing parties (e.g. local government), removing directors (CEA only), and amending or terminating the JPA. SDCP requires a three-quarters vote for eminent domain. CEA requires unanimous special voting for amendment to purpose of the JPA, compliance with local zoning, voting requirements, eminent domain, power supply requirement, and Solana Energy Alliance Transition.¹⁹

SDCP operates with a Finance and Risk Management Committee, composed of directors, and Community Advisory Committee, composed of members of the public from each member agency, that meets monthly. CEA operates with a Community Advisory Committee, composed of members of the public from each member agency, that meets monthly.

5 Operational Structure

CEA and SDCP have multiple years of operational experience and are beginning to transition from start-up into continuous, sustained operations. This includes recent addition of a chief executive hire at CEA and general counsel hire at SDCP. Both organizations continue permanent staff hires to ensure positions exist and are staffed to perform necessary and priority business needs. CEA recently added a new Board Secretary/Admin Assistant, Key Accounts/Program Managers, Regulatory Analyst, and Power Procurement Manager.²⁰ It is expected that both organizations will continue to hire as budgets allow and needs are identified. Both entities still use outside legal and consulting support, which may continue depending on development of internal expertise and operational need.

Both CEA and SDCP operate with executive management overseen by its board. SDCP operates with a CEO, CFO, chief operating officer (COO), General Counsel, and Managing Director of Power Services. Most of SDCP's 60 staff work under the COO. CEA is smaller with a CEO that oversees approximately eleven board authorized staff positions and multiple consultants and outside counsel.

6 Programs

6.1 Net Energy Metering

Both CEA and SDCP offer net energy metering (NEM), which compensates customers with rooftop solar for the electricity they export to the grid.²¹ For customers in both CCAs that are eligible for NEM 1.0 and 2.0, monthly electricity exported to the grid is compensated at the retail rate customers would have paid for electricity. CEA and SDCP have also created a net billing tariff (NBT) (sometimes referred to as NEM 3.0) that mirrors the tariff adopted by the CPUC in 2023 and is applicable to new systems interconnected after April 15, 2023. Under NBT, CEA and SDCP customers receive a credit for electricity exported to the grid using hourly export compensation rates for the SDG&E electric delivery service area.²² SDCP's NBT, called the Solar Billing Plan, offers an additional credit of \$0.0075/kWh for new residential and commercial customers and an \$0.11/kWh bonus for residential customers eligible to receive discounts from the California Alternate Rates for Energy (CARE) program.²³ CEA's NBT, called Solar Impact, offers solar premium of \$0.01/kWh.²⁴ Table 2 summarizes NEM and Net Billing Tariff credits offered by the CCAs in the San Diego region.

Solar customers also receive a credit for annual excess generation at the end of a customer's 12-month true up period that is above and beyond their total annual electricity consumption – called net surplus compensation (NSC). The compensation customers receive for this varies by CCA but is based on a schedule of NSC rates published by SDG&E for their electric delivery service area. These rates, which are based on wholesale commodity costs, changes monthly.²⁵ SDCP's compensates customer for annual excess generation at the SDG&E NSC rate plus a bonus of \$0.0075/kWh. For example, in April 2025 SDCP's compensation for annual excess generation was \$0.03135/kWh (NSC rate of \$0.02385 plus SDCP Bonus Incentive of \$0.0075).²⁶ CEA's NSC rate is \$0.06/kWh per kilowatt-hour. Both CEA and SDCP issue a check for net excess generation that exceeds \$100 and will roll-over any credit that is less than \$100. Table 2 summarizes solar customer compensation rates.

Table 2 Comparison of Net Energy Metering and Net Billing Tariff Credits

	Export Credits	Net Surplus Compensation
Clean Energy Alliance		
NEM 1.0 and NEM 2.0 (Personal Impact)	Retail rates	\$0.06/kWh
Net Billing Tariff (Solar Impact)	SDG&E service territory Export Credit Rate plus a Solar Premium of \$0.01/kWh	
San Diego Community Power		
NEM 1.0 and NEM 2.0	Retail rates	Varies based on published NSC rate for SDG&E service territory plus adder of \$0.0075/kWh. For April 2025, the NSC rate was \$0.02385/kWh + \$0.0075/kWh adder, for a total of \$0.03135/kWh.
Net Billing Tariff (Solar Billing Plan)	SDG&E service territory Export Credit Rate plus an adder of \$0.11/kWh for Residential CARE customers or \$0.0075/kWh for other residential non-CARE and nonresidential customers	

6.2 Feed-in-Tariff

CEA adopted a feed-in-tariff (FIT) program in March 2024 for projects of 500 kilowatt (kW) to 1 megawatt (MW) with a total project cap of 2 MW and no more than four projects to supply CEA with local renewable energy.²⁷ Additionally, CEA offers a SolarPlus program to offer customers access to solar and batteries through a no upfront cost solar lease/power purchase agreement under which CEA pays a set rate for all excess solar generation and claims the renewable energy benefit.²⁸

SDCP offers a FIT that allows new eligible, small-scale (i.e., less than one megawatt (MW)) renewable generating systems to supply SDCP with local renewable energy.²⁹ The program is capped at 6 MWs with 10-, 15-, and 20-year contract terms.

6.3 Other Renewable Energy and Efficiency Programs

SDCP is also in the process of piloting and implementing programs that support local renewable energy and energy efficiency. These include: a Disadvantaged Communities-Single-Family Affordable Solar Homes (DAC-SASH) Readiness pilot with Grid Alternatives to provide roof repairs and replacements; Solar for Our Community to implement CPUC approved Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs³⁰ that provide renewable energy options to low-income customers; a Solar Battery Savings program; and formation of a Regional Energy Network (REN) to fill gaps in the existing CPUC approved energy efficiency program (application approved by CPUC on August 7, 2024) for all customers in SDG&E's electric delivery service area. SDCP is also pursuing the procurement of a distributed energy management system (DERMs) as part of its Flexible Load Strategy with a three-year and two optional one year extension, \$2.4 million contract executed on September 28, 2024 with Virtual

Peaker, Inc. pursuant to approved funding under the 2024-2025 Fiscal Year.³¹ Finally, SDCP is offering both Community Grants and Member Agency grants to support energy projects.³²

CEA operates several programs that include a PeakSmart Savers program that reduces rates in exchange for customers reducing their demand during called event days at times of peak energy usage, a Solar+Storage program, and works to support a Self-Generation Incentive Program (SGIP) to install solar and batteries on the homes of customers eligible for CARE and Family Electric Rate Assistance Program (FERA).

7 Financial

Both CEA and SDCP use a June-July fiscal year with each reporting positive net operating positions that reflect adequate revenue relative to liability caused by the cost of enrolling new customers, paying off debt, and paying off startup costs.³³ Actual versus budgeted revenue fluctuates based on seasonality, such as a mild winter or warm summer, that can decrease or increase retail sales as well as costs increases from more expensive electric supply procurement and volatility in wholesale markets.

Both CEA and SDCP operate with targets for reserve funding amounts with SDCP’s budget contributing annually up to 15% of gross revenue for a minimum reserve equivalent to 90-days (\$250 Million) and a targeted reserve equivalent to 180-days (\$500 Million) of total operating expenses.³⁴ At the end of 2024, SDCP reported a reserve of \$424 million in unrestricted cash.³⁵ CEA is targeting an annual 5% contribution of revenue to reach a minimum of 25% and then 40% of revenue operating reserve.³⁶ While CEA did not budget for its reserve in 2023-2024 because of start-up costs for new accounts, CEA reported a positive unrestricted cash positions at the end of 2024. CEA seeks to contribute 5% to its reserve at the stated rate by the end of fiscal year 2024-2025 budget that accounts for the April 2024 enrollment of Oceanside and Vista and the revenue collection normalization that occurs within 90 days of enrolling new customers. Table 3 summarizes net positions during the second half of 2024 and first months of 2024.

Table 3 2023 Financial Information for CCAs

Financial Category	Clean Energy Alliance	San Diego Community Power
Audited Net Financial Position (June 2024)	(\$10,537,096)	\$369,226,921
Unaudited Q3 2024 Net Position	\$23,158,872	\$463,901,916
Unaudited Q4 2024 Net Position	\$28,285,000	\$425,681,131
Unaudited February 28, 2025 Net Position	\$21,877,110	\$426,721,309

Procurement of supply and resource adequacy are major costs drivers for both CEA and SDCP. Several factors, including inflation, supply chain issues, difficulty in siting and construction new power projects, and transmission constraints, have driven up cost for both CEA and SDCP as each has expanded in size and customers served.

7.1 Financing and Credit Ratings

Both CCAs can access revolving credit necessary for funding the enrollment of new customers caused by the expansion of their service territories and ensuring procurement of electricity supply. In Q1 2024, JPMorgan increased CEA’s Revolving Credit Agreement from \$25 to \$40 million with access to another \$10 million if conditions are met. SDCP’s signed a new Revolving Credit Agreement with JPMorgan that increased its credit from \$50 to \$150 million.

CEA ended June 2024 with \$33.95 million in debt reflecting utilization of its additional line of credit and new customer costs. CEA made payments of \$19.5 million during Fiscal Year 2023-2024 to

reduce its debt.³⁷ SDCP paid off a \$5 million loan in August 2022 and a \$31 million loan in 2023 to exit a revolving line of credit agreement with River City Bank to begin a new credit line agreement with JPMorgan. In 2023, SDCP borrowed about \$36 million under this new agreement. SDCP makes monthly interest payments and must pay off the principal by a maturity date of February 28, 2028.³⁸

Additionally, SDCP joined the California Community Choice Financing Authority (CCCFA) in October 2024 as a member. CCCFA decreases costs to CCAs for procuring electricity by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the members by issuing or incurring bonds and entering related contracts with its members.³⁹ This is in addition to an RFP issued in May 2024 soliciting for energy prepayment counsel to support this effort.

SDCP seeks to obtain an investment grade credit rating by November 2025. This is an objective for CEA, but it is not determined when it will target a credit rating. A credit rating requires specific liquidity levels to be met with the result being that each CCA can issue bonds to prepay energy costs at a low interest rate or finance capital projects like a solar power plant.

7.2 Delinquent Customer Accounts

Both CCAs face expenses related to delinquent customer accounts because of the high cost of electricity when CCA costs are combined with the total costs of SDG&E services and CPUC mandated regulatory fees. Both CCAs also have a collection and bad debt policy for bills past due.⁴⁰ Both CCAs project uncollectible accounts in their approved budgets to determine net operating revenue and reduce electricity sales revenue by the amount of recorded uncollected accounts.

SDCP reported an allowance for uncollectible accounts totaling about \$22 million in its audited Financial Statement at the end of its June 2023 fiscal year and about \$38 million in its audited Financial Statement at the end of its June 2024 fiscal year. SDCP's amended its mid-year 2023-2024 adopted budget by increasing its estimated uncollectible rate to 4.5% from 4% for uncollected customer accounts based on gross ratepayer revenues, which then totaled about \$61 million for the current 2023-2024 fiscal year.⁴¹ SDCP updated this percentage to 1.75% in its mid-year 2024-2025 adopted budget reflecting a reduction in projected arrearages with a budgeted uncollectible amount of \$55.5 million.⁴² SDCP reported to its Board in April 2025 a total balance of about \$68 million for accounts that are 120-days past due.⁴³ CEA showed a \$1.6 million allowance for uncollectible accounts in its audited June 2023 Financial Statement and an estimated bad debt expense of \$4.6 million in its Adopted 2023-2024 Budget and Forecast.⁴⁴ This amount increased to about \$3.3 million in the audited June 2024 Financial Statement.⁴⁵ Ultimately, these revenue decreases could affect the total costs to all customers and decrease contributions to reserve and unrestricted cash positions.

8 Electric Service Options

CCAs offer a range of service options that vary by cost and the amount of renewable and zero carbon electricity. Because CCAs are opt-in programs, where all eligible residents and businesses are automatically opted in, the CCAs have default service options to which customers are initially subscribed. Customers have the choice to stay with the default option, change or “opt-down” to service that typically has a lower cost but lower renewable and zero carbon electricity content, or change or “opt-up” to service that has a higher renewable or zero carbon content but may cost more. The following sections that discuss electricity rates, customer bills, and electricity generation sources and emissions will use this “opt-down”, “default”, and “opt-up” nomenclature. Table 4 summarizes these characteristics for the three service options each CCA offers.

Table 4 Characteristics of CCA Service Options

	Clean Energy Alliance			San Diego Community Power		
	Clean Impact	Clean Impact Plus	Green Impact	PowerBase	PowerOn	Power100
Type	Opt-Down	Default	Opt-Up	Opt-Down	Default	Opt-Up
Cost ¹	Opt-Up is 2%-3% higher than Opt-Down			Opt-up is 3%-5% higher than Opt-Down		
Renewable and Zero Carbon Content	Low	Medium	High	Low	Medium	High

¹This range reflects the difference in cost for the lowest cost and highest cost service options based on average rates for all customer classes

9 Customer Electricity Costs

There are two metrics to assess customer electricity costs – rates and bills. Electricity rates are the amount paid for each unit of electricity measured in kilowatt-hours (kWh). Customer bills are the total amount a customer pays each billing period. Comparisons can be made between CCAs and SDG&E and between the two CCAs. The sections below summarize information about electricity cost.

9.1 Electricity Rates

CCAs only supply and collect costs for the energy commodity (i.e., electricity) that equate to about 45% of electricity bills and are not responsible for the transmission, distribution, and other non-bypassable charges collected by SDG&E that comprise about 55% of electricity bills.⁴⁶ CCAs generally update rates once per fiscal year based on earning sufficient revenue to cover costs and in response to rate changes by the incumbent utility.

CEA and SDCP do not compete on price or for customers with each other. Instead CCA rates structures are designed to compete with the incumbent electric utility. Table 5 shows average rates by customer class and service option for all effective rate structures offered by both CCAs and SDG&E. It compares the total electricity rates between CCAs and SDG&E that are included in the most recent Joint Rate Comparisons (JRC). The values represent average costs for rate options included in both the CEA and SDCP JRC. While average rates for each customer class are similar among all suppliers, some differences exist. Values presented here are averages of all the rate options in a customer class.

Note that CEA's default service option (Clean Impact Plus) was not included in the latest JRC but is only slightly higher (\$0.001/kWh) than the Clean Impact (Opt-Down) service option. For comparison purposes, these two service options have roughly the same cost.

Table 5 Average Rates by Customer Class and Service Option (\$/kWh)⁴⁷

Customer Class	CEA ¹ - SDG&E Comparison			SDCP - SDG&E Comparison			
	CEA Clean Impact (Opt-Down)	SDG&E CEA (Default)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDG&E SDCP (Default)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Agriculture	\$0.26	\$0.26	\$0.27	\$0.25	\$0.26	\$0.26	\$0.27
Lighting	\$0.25	\$0.28	\$0.25	\$0.26	\$0.27	\$0.26	\$0.27
Medium/Large Commercial	\$0.30	\$0.33	\$0.31	\$0.31	\$0.31	\$0.31	\$0.32
Residential	\$0.36	\$0.36	\$0.37	\$0.35	\$0.36	\$0.36	\$0.37
Residential - CARE	\$0.25	\$0.25	\$0.26	\$0.25	\$0.25	\$0.25	\$0.26
Residential - FERA	\$0.33	\$0.33	\$0.34	\$0.33	\$0.33	\$0.33	\$0.34
Small Commercial	\$0.33	\$0.34	\$0.34	\$0.40	\$0.40	\$0.40	\$0.41

¹Rates for CEA's default offering (Clean Impact Plus) were not included in the most recent Joint Rate Comparison.

Because of rounding, the absolute differences in rates among suppliers may not be readily apparent in Table 5. Table 6 compares CCA electric rates relative to SDG&E in terms of percentage difference. Green cells signify that average rates for the CCA are below SDG&E rates. Red cells signify that average rates for the CCA are above SDG&E rates. CEA’s rates for Lighting are 9% to 11% lower and medium/large commercial are about 8% to 10% lower than SDG&E’s default option. For all other customer classes, the difference between CEA and SDG&E is less than 4%. For SDCP, all average rates are between less than 1% to 3% lower than SDG&E for all customer classes under the PowerBase (opt-down) and PowerOn (Default) service options. For SDCP’s Power100 (opt-up) service option, all average rates are higher than SDG&E by between 1.5% and 2.5% for all customers classes.

Table 6 Percent Difference of Average Customer Electric Rates – CCA Relative to SDG&E

Customer Class	CEA Relative to SDG&E		SDCP Relative to SDG&E		
	CEA Clean Impact (Opt-Down)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Agriculture	-0.6%	2.5%	-2.2%	-1.3%	2.5%
Lighting	-11.2%	-9.3%	-2.0%	-1.2%	2.5%
Medium/Large Commercial	-9.7%	-8.3%	-2.3%	-1.4%	1.6%
Residential	-1.2%	0.5%	-1.8%	-1.1%	1.4%
Residential - CARE	-1.6%	1.4%	-3.1%	-1.9%	2.1%
Residential - FERA	-1.3%	1.0%	-2.4%	-1.4%	1.6%
Small Commercial	-3.7%	-1.4%	-1.1%	-0.5%	2.0%

Table 7 summarizes the differences in average rates between the two CCAs. Two customer classes show notable differences. CEA’s average rates for small commercial customers are about 17% lower than SDCP, and lighting rates are 5.5%-7% lower. For all other customer classes, the difference between CEA and SDCP are less than about 3.5%. For residential customers, the difference is less than about 1.5%, depending on whether customer choose to opt-down or opt-up.

Table 7 Percent Difference of Average Customer Electric Rates – CCA Relative to Each Other

Customer Class	CEA Relative to SDCP		SDCP Relative to CEA	
	Opt-Down	Opt-Up	Opt-Down	Opt-Up
Agriculture	2.2%	0.6%	-2.1%	-0.6%
Lighting	-5.5%	-7.0%	5.8%	7.5%
Medium/Large Commercial	-2.1%	-3.5%	2.2%	3.7%
Residential	1.6%	0.1%	-1.6%	-0.1%
Residential - CARE	1.6%	-0.7%	-1.6%	0.7%
Residential - FERA	0.8%	-0.9%	-0.8%	0.9%
Small Commercial	-16.5%	-17.0%	19.7%	20.5%

9.2 Customer Bills

Customer rates describe one view of electricity costs. Average monthly bills provide insight into how much customers actually pay. Table 8 shows average monthly bills by customer class and service option for all effective rate structures offered by both CCAs and SDG&E. Similar to rates, average customer bills vary by supplier, customer class, and service options. The values presented here are averages across all local jurisdictions in each CCA and SDG&E and may not accurately estimate customer bills in the City of Coronado due to climate and other factors. Also, comparing customer bills between each CCA and SDG&E makes sense since the bill is estimated using the same monthly sales (kWh). Comparing the CCAs may not make sense since the average sales values are different.

Table 8 Average Monthly Bills by Customer Class and Service Option (\$/month)

Customer Class	CEA ¹ - SDG&E Comparison			SDCP - SDG&E Comparison			
	CEA Clean Impact (Opt-Down)	SDG&E CEA (Default)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDG&E SDCP (Default)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Agriculture	\$3,415	\$3,363	\$3,510	\$3,658	\$3,737	\$3,689	\$3,834
Lighting	\$226	\$261	\$234	\$495	\$507	\$500	\$524
Medium/Large Commercial	\$12,037	\$13,563	\$12,369	\$12,787	\$13,086	\$12,906	\$13,344
Residential	\$200	\$203	\$204	\$186	\$190	\$188	\$193
Residential - FERA	\$122	\$124	\$125	\$118	\$121	\$119	\$123
Residential - CARE	\$98	\$99	\$101	\$94	\$97	\$96	\$99
Small Commercial	\$751	\$773	\$769	\$864	\$881	\$871	\$898

¹Rates for CEA's default offering (Clean Impact Plus) were not included in the most recent Joint Rate Comparison.

Table 9 shows the percentage difference when comparing average monthly bills for each CCA and SDG&E. Results are similar to the same comparison above of electric rates. Average monthly bills

for CEA are 5% to 14% lower than SDG&E for lighting and 9% to 11% lower for Medium/Large Commercial customers. All other differences in average rates between CEA and SDG&E are less than 4%, the difference for average residential rates is less than 2%. For SDCP, average customer bills are about 1% to 3% lower than SDG&E for all customer classes under the PowerBase (opt-down) and PowerOn (default) service options. All SDCP average bills are about 1.5% to 2.5% higher than SDG&E for all customer classes under the Power100 (opt-up) service option.

Table 9 Percent Difference of Average Monthly Customer Electric Bills – CCA Relative to SDG&E

Customer Class	CEA Relative to SDG&E		SDCP Relative to SDG&E		
	CEA Clean Impact (Opt-Down)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Agriculture	1.5%	4.0%	-2.2%	-1.3%	2.5%
Lighting	-13.6%	-5.4%	-2.5%	-1.5%	3.1%
Medium/Large Commercial	-11.3%	-9.3%	-2.3%	-1.4%	1.9%
Residential	-1.7%	0.3%	-1.9%	-1.1%	1.5%
Residential - CARE	-1.6%	0.8%	-2.5%	-1.7%	1.6%
Residential - FERA	-1.0%	2.1%	-3.2%	-1.0%	2.0%
Small Commercial	-2.9%	-0.5%	-2.0%	-1.2%	1.9%

9.3 Electric Rate Components

Comparing components of the rates in Table 10 can explain some of the differences in rates and bills summarized above. Delivery and generation are the two largest cost components for average electric rates. SDCP generation rates are lower on average than CEA when comparing similar service options (CEA opt-down vs SDCP opt-down). SDG&E delivery costs are similar for both CCAs. SDCP franchise fees are about 15% higher compared to CEA. The PCIA, which previously was a charge, is now a credit (negative number in the table) because the cost SDG&E incurred to procure electricity for customers before they moved to CCA programs is now lower than the price of power in the market.⁴⁸ The PCIA is updated annually and can be a charge or credit, depending on market electricity costs. At some point, once the previous contracts expire, the PCIA will no longer be needed and not included in customer bills. CEA’s PCIA credit is about \$0.03/kWh while SDCP’s credit is about \$0.01/kWh. This difference can be explained in part by when the CCAs were formed and customers enrolled.

Table 10 Comparison of Average of Rate Components

Customer Class	CEA - SDG&E Comparison			SDCP - SDG&E Comparison			
	CEA Clean Impact (Opt-Down)	SDG&E - CEA (Default)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDG&E - SDCP (Default)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Franchise Fees (\$/%)	\$0.003	\$0.003	\$0.003	\$0.004	\$0.004	\$0.004	\$0.004
Generation (\$/kWh)	\$0.152	\$0.135	\$0.160	\$0.142	\$0.137	\$0.144	\$0.154
PCIA (\$/kWh)	(\$0.030)	\$0.000	(\$0.030)	(\$0.011)	(\$0.000)	(\$0.011)	(\$0.011)
SDG&E Delivery (\$/kWh)	\$0.191	\$0.191	\$0.191	\$0.194	\$0.194	\$0.194	\$0.194

9.4 Incomed-Graduated Fixed Charges

On May 9, 2024, the CPUC issued Final Decision D.24-05-028⁴⁹ within the Demand Flexibility Rulemaking (R.22-07-005) to address the income-graduated fixed charges (IGFC) and other requirements of Assembly Bill 205 (Stats. 2022, ch. 61.).⁵⁰ AB 205 allows the CPUC to approve IOU proposals to shift portions of residential customer bills from volumetric rates to fixed charges. AB 205 only authorized fixed charges for the transmission and distribution costs, which means it does not impact CCA rates and instead impacts only SDG&E cost recovery from CCA customers. The CPUC adopted three tiers based on existing, approved income thresholds stated below:

- **Tier 1:** Customers enrolled in the CARE program shall automatically pay the lowest discounted fixed amount (approximately \$6 per month).
- **Tier 2:** Customers enrolled in the FERA program or who live in affordable housing restricted to residents with incomes at or below 80% of Area Median Income shall automatically pay a discounted fixed amount (approximately \$12 per month).
- **Tier 3:** All other customers will pay a fixed amount of \$24.15 per month.

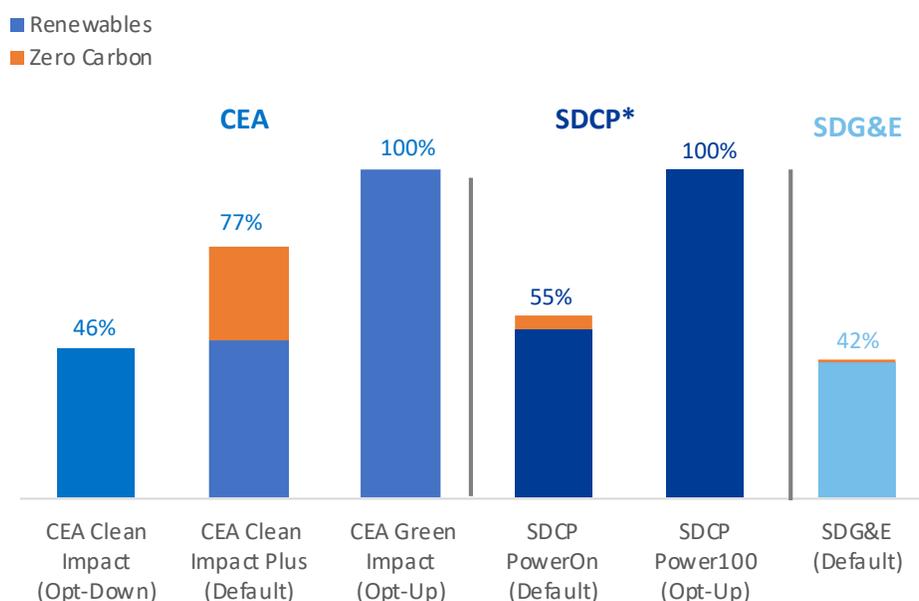
Because the fixed charge is limited in scope to what costs it applies to, it does not appear that it will have a significant impact on either overall affordability or CCA customers. It is possible that fixed charges may expand in the future, but it is unclear how this will support affordability, electrification, and energy efficiency. It is also unclear what other method the CPUC could adopt for the income tiers that can meet existing just and reasonableness standards for ratemaking.

10 Electric Generation Sources and Emissions

CEA and SDCP both set policy targets to supply their customers with 100% renewable and zero-carbon electricity by 2035. This accelerates state mandates that require 60% renewable energy by 2030 and 100% renewable and zero-carbon energy by 2045.⁵¹ CEA’s JPA Section 6.5 also includes a power supply requirement that its base product will be greater or equal to 50% qualified renewable energy and never contain less renewable energy than SDG&E’s base product (41.6% for 2023). CEA also requires its Board to create products with higher renewable energy content and/or GHG-free content resulting in a base product of 50% renewable energy (opt-down), a 75% renewable and zero-carbon product with 50% renewable energy and 25% large hydroelectric generation (default option), and a 100% renewable energy product (opt-up). SDCP’s JPA Recital 7. (c) states that the member parties seek to offer a cleaner power portfolio than SDG&E for similar service and a 100% renewable content option for opt-up that will achieve 100% renewable energy availability and usage at competitive rates by no later than 2035.

Based on data from 2023,⁵² the most recent data year available, CEA’s default service option (Clean Impact Plus) has a total renewables and zero-carbon content of 77%, its opt-down option (Clean Impact) is 46% renewable, and its opt-up option (Green Impact) is 100% renewable. SDCP’s default service (PowerOn) is 55% renewable and zero carbon and its opt-up service (Power 100) is 100% renewable. SDCP recently developed an opt-down service (PowerBase). This option was not available when the 2023 renewable and GHG emissions data was reported. In other documents, this new service option was reported to have 47% renewable when implemented in 2024.⁵³ Figure 1 compares renewable and zero carbon content for all service options included in the most recent data.

Figure 1 Comparison of 2023 Renewable and Zero Carbon Content for CCAs and SDG&E



*Data for PowerBase was not available for 2023.

Table 11 shows retail sales, GHG emission rates, and electricity supply sources for CEA and SDCP service options. Based on 2023 data from the CEC’s Power Source Disclosure Program, 77% of CEA’s overall portfolio is supplied from renewable and zero-carbon resources.⁵⁴ This equates to an average GHG emissions rate weighted by retail sales of 217 pounds of carbon-dioxide equivalent per MWh (lbs. CO₂e/MWh) for all electricity sold. SDCP’s overall 2023 supply portfolio comprised 58% renewable and zero-carbon resources, and a weighted average GHG emissions rate of 428 lbs. CO₂e/MWh. Note that sales for energy service providers supplying electricity under direct access are not represented in Table 11.

Table 11 Electricity Supply Sources and GHG Emissions Rate for CCAs and SDG&E (2023)

	Clean Energy Alliance			San Diego Community Power ¹		San Diego Gas & Electric
	2023 CEA Clean Impact (Opt-Down)	2023 CEA Clean Impact Plus (Default)	2023 CEA Green Impact (Opt-Up)	2023 SDCP PowerOn (Default) ²	2023 SDCP Power100 (Opt-Up)	2023 SDG&E (Default)
Retail Sales (MWh)	13,242	1,050,532	12,450	6,856,871	519,023	4,619,558
% of total Retail Sales	1.2%	97.6%	1.2%	93.0%	7.0%	100%
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)	511	215	0	460	0	537
Portfolio GHG Emissions Rate (lbs CO ₂ e/MWh)	217			428		537
Eligible Renewables ³	46%	48%	100%	51%	100%	41%
Zero Carbon ⁴	0%	29%	0%	4%	0%	0.2%
Total Renewables and Zero-Carbon	46%	77%	100%	55%	100%	42%
Portfolio Renewables and Zero-Carbon	77%			58%		42%

¹SDCP now offers an additional, opt-down service option called PowerBase. Because it was not offered in 2023, it is not reflected on this table.

²PowerOn is the default service option for most cities in SDCP. City of Encinitas made Power100 the default for their jurisdiction.

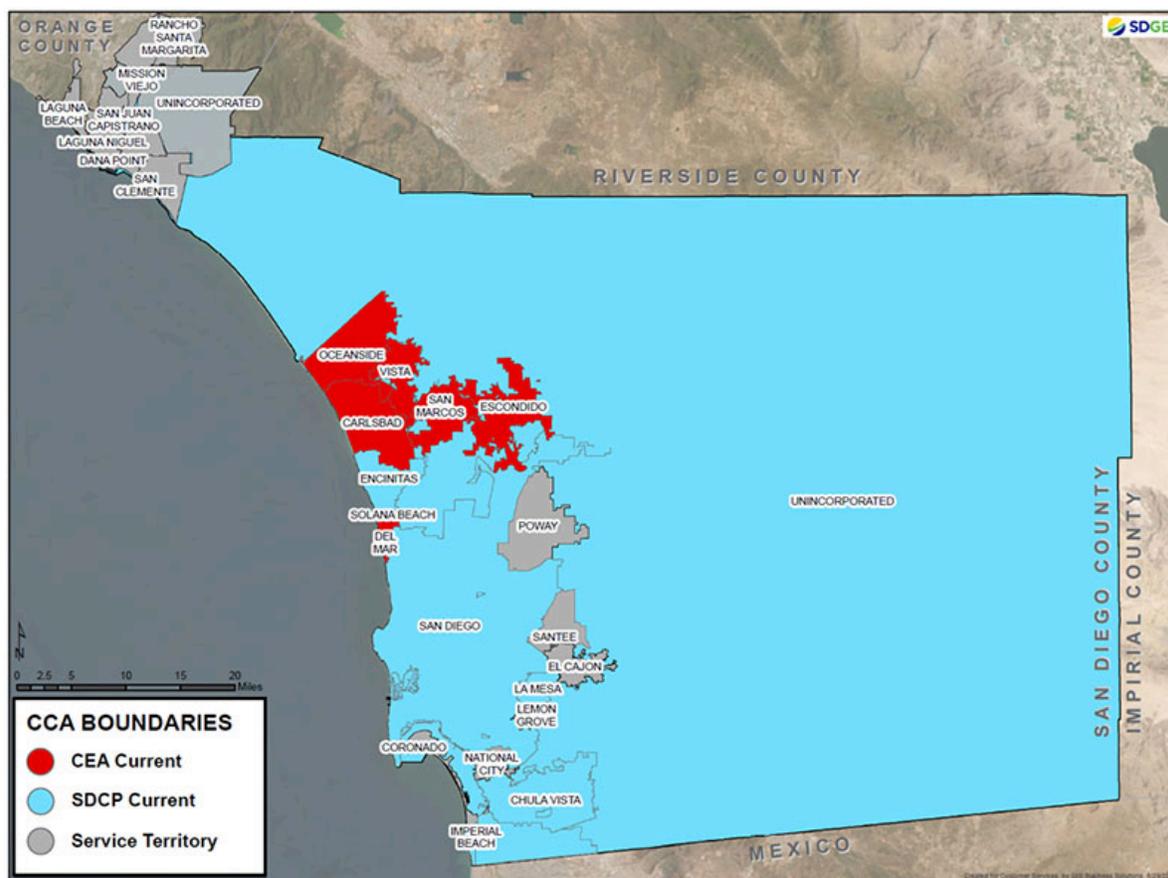
³Eligible renewable electricity supplies include biomass and biowaste, geothermal, small hydroelectric, solar, and wind.

⁴Zero Carbon electricity sources include large hydroelectric and nuclear.

11 Implications of Remaining on SDG&E Service

There are 26 jurisdictions within the SDG&E electric delivery service area, which includes San Diego County and the southern portion of Orange County. Figure 2 shows the jurisdictions that are part of CEA (red), SDCP (blue), and those remaining on SDG&E service (gray). This does not account for the energy service providers that supply electricity to customers under direct access.⁵⁵

Figure 2 Map of SDG&E Electric Delivery Service Area⁵⁶



CEA and SDCP each serve seven jurisdictions. SDCP serves a population that represents about 66% of the entire population within the SDG&E electric delivery service area, CEA serves about 18%, and about 16% receives service from SDG&E (Table 12). This would not account for the impact of customers who opted out of the CCAs. The cities within San Diego County are in bold font in the table. Since electricity sales data is not available for every city in the SDG&E electric delivery service area or direct access customers, population is used here to compare scale. Actual electricity use by city may not correlate to population, but population is a reasonable proxy for purposes of understanding the implications of remaining on SDG&E service. Obtaining the City’s load data and discussions with each CCA would provide a better idea of total numbers of customers and electricity use.

Table 12 Local Jurisdictions by Load Serving Entity

	SDCP	CEA	SDG&E ¹
Jurisdictions Served	Chula Vista Encinitas Imperial Beach La Mesa National City San Diego Unincorporated San Diego County	Carlsbad Del Mar Escondido Oceanside San Marcos Solana Beach Vista	Coronado Dana Point El Cajon Laguan Niguel Laguna Beach Lemon Grove Mission Viego Poway Rancho Santa Margarita San Clemente San Juan Capistrano Santee
Number of Jurisdictions	7	7	12
2022 Population²	2,380,965	648,331	593,590
% of total Population	66%	18%	16%

¹SDG&E procures electricity for the local jurisdictions listed. SDG&E delivers electricity to all customers in all local jurisdictions in their electric delivery service area.

²Values represent populations of local jurisdictions and would not account for the impact of customers that have opted out of CCA service.

Two factors to consider when assessing potential implications for remaining on SDG&E service are cost and renewable content.

11.1 Cost of Electricity

As noted in Section 9, CCA electricity rates are lower than SDG&E for most service options. With a relatively small remaining portion of customers and sales, one concern could be whether the remaining customers provide enough scale to procure electricity at competitive prices. Based on total population, the number of customers remaining on SDG&E service at this time would be roughly similar in scale to CEA, which has been able to achieve competitive rates with relatively small customer base.

Further, the CPUC regulates procurement and rates for SDG&E, which requires a just and reasonableness review accounting for least cost, best fit procurement. The CPUC also acts with market signals from CCAs that shows what competitive rates are for similarly situated providers of electricity procuring the same types of electricity resources. Also, direct access providers serve around 15% of commercial customer load in IOU service territories and do so at competitive rates. The regulatory framework and existence of market benchmarking suggests that SDG&E can procure electric products at competitive rates for its customers even as the total number of customers declines.

Additionally, if SDG&E rates are uncompetitive, Coronado could join a CCA later, subject to CPUC rules described in Section 3.1.

11.2 Renewable and Zero Carbon Content

The renewable and zero carbon content of SDG&E's electricity service was about 42% in 2023, which is close to the content for CEA's and SDCP's opt-down service option, but lower than default options for CEA (77%) and SDCP (55%). As noted in Section 10, California law requires all LSEs to reach 60% renewable supply by 2030 and 100% renewable and zero carbon by 2045,⁵⁷ with interim targets of 90% by 2035 and 95% by 2040.⁵⁸ Assuming all LSEs achieve these statutory targets, the gap in renewable and zero carbon content between SDG&E and CCAs would diminish over time. Nonetheless, achieving targets before the statutory date could result in additional GHG emission reductions.

It will be difficult to achieve the renewable and zero-carbon content target while ensuring reliability, particularly as the requirement increases. There is also uncertainty about the costs to achieve the zero-carbon target, which may require carbon capture and storage for natural gas power plants, and whether the scale of the LSE would affect the cost of compliance.

12 Potential Municipalization of SDG&E's Electric System by the City of San Diego

There are two possible pathways that may result in the City of San Diego forming an electric-only public owned utility (POU) to purchase SDG&E's electric system in the City of San Diego city limits. The first pathway is a voter led proposition that played out in 2024. The Power San Diego⁵⁹ effort sought 80,020 signatures to place the creation of a POU in the form of a city department on the November 2024 ballot. The effort gathered 24,167 verified signatures that, under the City of San Diego's Municipal Code, required the City Council to vote on whether to place the proposition on the November Ballot. In June 2024, the City of San Diego City Council voted 8-0 not to place the proposition on the ballot following an April 2024 decision by the Rules Committee not to advance the ballot initiative. This proposition, if it had been successful, would have maintained SDCP as the supplier of electricity for the new city department POU and would have separated the new POU from the California Independent Systems Operator (CAISO) that manages the wholesale market and transmission system.⁶⁰

The second pathway to evaluate the costs and best structure for municipalization was led by the City of San Diego.⁶¹ This pathway did not specify the POU structure, which could be either a city department or the creation of a municipal utility district (MUD) that is a separate entity from the City of San Diego. This process completed a Phase I report⁶² but Phase II received a \$500,000 budget decrease in the adopted Fiscal Year 2025 Budget⁶³ defunding the work. This funding is not proposed to be restored in the draft Fiscal Year 2026 Budget.⁶⁴ The Phase II work would have provided detailed analysis on POU structure, financial costs, financing, and operational options. The next likely period for this to be reevaluated is when the City of San Diego begins its analysis on whether to renew its current 10-year term electric franchise agreement with SDG&E that ends on June 11, 2031.

There is also general uncertainty over these actions because of the language contained in AB 117 that authorized CCA formations in 2002 and the fact that there is not an example of a POU forming after the creation of a CCA. While POU formation in a CCA service territory is not expressly prohibited by statute, the current statutes do not contemplate this factual situation and there are legal and operational uncertainty with regard to customer opt-out, contractual relationship between a city POU and SDCP, and, if a MUD is formed, whether a CCA can procure and supply power to a MUD when the MUD customers are no longer CCA customers, and what withdrawal costs this may cause under the existing JPA. Additional analysis would be required to understand these uncertainties.

13 Appendix A – Timelines for Enrollment

Specific to timeline for enrollment, below are the key considerations that reflect discussions with each CCA to create two timelines with key time periods and an extended timeframe for RA filings and compliance. The first timeline represents what is only technically possible for SDCP enrollment in 2027, although this is unlikely given current RA uncertainties and load data will not be obtained from SDG&E by June 2025. It will be difficult to implement unless all required milestones are met, including the relevant CCA board vote for enrollment based on negotiations, pro forma results, and the ability to procure supply for both load and reliability requirements for service in 2027. The second timeline is for 2028 service, which assumes there are no reliability deficiencies that prevent CPUC certification of the amended implementation plan for expansion.

Timeline # 1: Technically Feasible for SDCP ONLY Assuming all Deadlines are Met with Load Data Obtained by June 2025

A. Assuming there is no system RA deficiency compliance issue and the CCA can serve the additional load with supply, the key time periods are:

- June 2025: Coronado passes Ordinance to authorize negotiations to join **and** obtains Load Data for pro forma;
- Q3 2025: Coronado and CCA agree to move forward with evaluating membership and pro forma;
- Q3 2025: CCA Completes pro forma;
- Q3-Q4 2025: Coronado ordinance adoption **and** CCA board approval;
- Q4 2025 (**must be submitted no later than 12/31/25**): CCA files amended implementation plan with CPUC;
- April 2026: CCA files 2027 year-ahead load forecast that includes Coronado;
- Q1-Q2 2026: CPUC will certify implementation plan;
- August- October 2026: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements filings for January 2027; and
- 2027: enrollment of Coronado in Q1 or Q2.

B. Below is the extended, detailed timeframe:

- June 2025: City of Coronado votes to join a CCA **and** obtains 2024 load data from SDG&E;
- June or July 2025: CCA will engage with Coronado in discussions on joining and begin pro forma;
- August or September 2025: Pro forma completed in 2-3 months. If positive result, then goes to board to continue negotiations;

- September or October 2025: First hearing for ordinance in Coronado
- October 2025: Filing of 2026 year-ahead RA requirement;
- October or November 2025: second hearing for Coronado ordinance to join CCA;
- November (preferred) or December 2025: CCA adopts resolution for Coronado to join;
- December 2025 (**No later than 12/31/25**): CCA files amended implementation plan;
- February 2026: CCA files updated load forecast for RA May-December 2026;
- March-April 2026: CPUC will certify implementation plan;
- April 2026: CCA files 2027 year-ahead load forecast to CPUC that would include Coronado;
- July 2026: CCA receives year-ahead RA obligation;
- August 2026: final day to revise forecast and receive updated CAM credit, etc.
- September 2026: CCA receives updated RA obligation based on load forecast;
- August- October 31, 2026: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements start January 2027;
- Starting in November 2025 and each month after until October 2026: monthly RA filings for January, etc. in 2026;
- October 2026: January 2027 RA compliance filing due;
- October 2026: 2027 year-ahead filing is due that starts the RA process over;
- 2027: year Coronado can enroll based on CPUC approval of expansion date and CCA meeting RA requirements for 2024, 2025 and 2026.

Timeline # 2: Based on Realistic Timeframe for Load Data, Negotiations, Approvals, and Procurement of Required Supply and Reliability Capacity to Serve Load in 2028

A. Assuming there is no system RA deficiency compliance issue and the CCA can serve the additional load with supply, the key time periods are:

- June-August 2025: Coronado passes Ordinance to authorize negotiations to join **and** authorizes obtaining 2025 Load Data by June 2026 for pro forma;
- Q2-Q3 2025: Coronado and CCA agree to move forward with evaluating membership;
- June-August 2026: Coronado obtains 2025 load data and pro forma begins;
- Q3-Q4 2026: CCA Completes pro forma, if positive then continue negotiations with CCA;
- Q3-Q4 2026: Coronado ordinance adoption **and** CCA board approval;
- Q4 2026 (**must be submitted no later than 12/31/26**): CCA files amended implementation plan with CPUC;

- April 2026: CCA files 2027 year-ahead load forecast;
- Q1-Q2 2026: CPUC will certify implementation plan depending on submission and RA compliance in 2025-2027;
- August-October 2026: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements filings for January 2027;
- April 2027: CCA submits year-ahead load for 2028 that includes Coronado;
- August 2027: final day to revise forecast and receive updated CAM credit, etc.;
- August-October 2027: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements start January 2028;
- 2028: enrollment of Coronado in Q1 or Q2.

B. Below is the extended, detailed timeframe:

- June 2025: City of Coronado votes to join a CCA **and** authorizes obtaining 2025 load data from SDG&E by June 2026;
- June or July 2025: CCA will engage with Coronado in discussions on joining and begin pro forma process (Note: requires 2025 load data pushes pro forma process into 2026);
- October 2025: Filing of 2026 year-ahead RA requirement;
- February 2026: CCA files updated load forecast for RA May-December 2026;
- April 2026: CCA files 2027 year-ahead load forecast to CPUC;
- July 2026: CCA receives year-ahead RA obligation;
- August 2026: final day to revise forecast and receive updated CAM credit, etc.
- August- October 31, 2026: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements start January 2027;
- September 2026: CCA receives updated RA obligation based on load forecast;
- By August or September 2026: Pro forma completed in 2-3 months. If positive result, then goes to board to continue negotiations;
- By September or October 2026: First hearing for ordinance in Coronado
- By October or November 2026: Second hearing for Coronado ordinance to join CCA;
- October 2026: January 2027 RA compliance filing due;
- October 2026: 2027 year-ahead filing is due that starts the RA process over;
- By November (preferred) or December 2026: CCA adopts resolution for Coronado to join;
- Starting in November 2026 and each month after until October 2027: monthly RA filings for January, etc. in 2027;

- December 2026 (**No later than 12/31/26**): CCA files amended implementation plan with CPUC;
- February 2027: CCA files updated load forecast for RA May-December 2027;
- March-April 2027: CPUC will certify implementation plan;
- April 2027: CCA files 2028 year-ahead load forecast to CPUC that would include Coronado;
- July 2027: CCA receives year-ahead RA obligation;
- August 2027: final day to revise forecast and receive updated CAM credit, etc.
- September 2027: CCA receives updated RA obligation based on load forecast;
- August- October 31, 2027: year-ahead showing compliance report, and final year-ahead RA for next three-years; capacity requirements start January 2028;
- Starting in November 2027 and each month after until October 2027: monthly RA filings for January, etc. in 2028;
- October 2027: January 2028 RA compliance filing due;
- October 2027: 2028 year-ahead filing is due that starts the RA process over for 2028;
- 2028: year Coronado can enroll based on CPUC approval of expansion date and CCA meeting RA requirements for 2025, 2026, and 2027.

14 Appendix B – Customer Electric Rates by Rate Schedule

Table 13 shows customer electric rates for the rate schedules included in the analysis here. Note that CEA’s default service option (Clean Impact Plus) was not included in the latest JRC for comparison purposes, these two service options have roughly the same cost.

Table 13 Average Customer Rates by Electric Rate Schedule (\$/kWh)

Customer Class and Electric Rate Schedule	CEA - SDG&E Comparison			SDCP - SDG&E Comparison			
	CEA Clean Impact (Opt-Down)	SDG&E - CEA (Default)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDG&E - SDCP (Default)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Residential							
Standard – DR-Residential	\$0.41	\$0.41	\$0.42	\$0.40	\$0.41	\$0.40	\$0.41
Standard – DR-Residential-CARE	\$0.25	\$0.26	\$0.26	\$0.25	\$0.26	\$0.25	\$0.26
Standard – DR-Residential-FERA	\$0.33	\$0.34	\$0.34	\$0.33	\$0.34	\$0.33	\$0.34
Time of Use – DRSES-Residential	\$0.22	\$0.21	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Time of Use – TOUDR-Residential	\$0.41	\$0.41	\$0.42	\$0.40	\$0.40	\$0.40	\$0.41
Time of Use – TOUDR-Residential-CARE	\$0.25	\$0.25	\$0.26	\$0.25	\$0.26	\$0.25	\$0.26
Time of Use – TOUDR1-Residential	\$0.40	\$0.40	\$0.40	\$0.39	\$0.40	\$0.40	\$0.41
Time of Use – TOUDR1-Residential-CARE	\$0.24	\$0.25	\$0.25	\$0.24	\$0.25	\$0.24	\$0.25
Time of Use – TOUDR1-Residential-FERA	\$0.32	\$0.33	\$0.33	\$0.32	\$0.33	\$0.32	\$0.33
Time of Use – TOUDR2-Residential	\$0.40	\$0.41	\$0.41	\$0.40	\$0.41	\$0.40	\$0.41
Time of Use – TOUDR2-Residential-CARE	\$0.25	\$0.26	\$0.26	\$0.24	\$0.25	\$0.25	\$0.26
Time of Use -- TOU-ELEC- Residential	\$0.37	\$0.38	\$0.38	\$0.37	\$0.38	\$0.38	\$0.39
Time of Use – EVTOU2-Residential	\$0.40	\$0.41	\$0.40	\$0.36	\$0.37	\$0.37	\$0.38
Time of Use – EVTOU5-Residential	\$0.30	\$0.31	\$0.31	\$0.32	\$0.32	\$0.32	\$0.33
Multi-Family – DM-Residential	\$0.33	\$0.34	\$0.34	\$0.32	\$0.33	\$0.33	\$0.34
Small Commercial							
Time-of-Use – TOU-A-Commercial (Secondary Voltage)	\$0.37	\$0.38	\$0.38	\$0.39	\$0.40	\$0.39	\$0.40
Time-of-Use – TOU-A2-Commercial (Secondary Voltage)	\$0.33	\$0.34	\$0.34	\$0.33	\$0.33	\$0.33	\$0.34
Time-of-Use – TOU-A3-Commercial (Secondary Voltage)	\$0.40	\$0.41	\$0.40	\$0.40	\$0.40	\$0.40	\$0.41
Time-of-Use – TOU-M-Commercial	\$0.29	\$0.30	\$0.30	\$0.29	\$0.30	\$0.29	\$0.30
ATC – Commercial	\$0.27	\$0.30	\$0.28	\$0.58	\$0.58	\$0.58	\$0.59
Medium/Large Commercial							
Time-of-Use – AL-TOU-Commercial (Secondary Voltage)	\$0.36	\$0.39	\$0.37	\$0.36	\$0.37	\$0.37	\$0.38
Time-of-Use – AL-TOU-2-Commercial (Secondary Voltage)	\$0.31	\$0.34	\$0.32	\$0.32	\$0.33	\$0.33	\$0.34
Commercial- DGR (Secondary Voltage)	\$0.36	\$0.39	\$0.36	\$0.35	\$0.35	\$0.35	\$0.36
Lighting-EV-HP	\$0.17	\$0.21	\$0.18	\$0.19	\$0.20	\$0.20	\$0.21
Agriculture							
Time of Use – PAT-1-Agriculture	\$0.28	\$0.27	\$0.29	\$0.26	\$0.26	\$0.26	\$0.27
Time of Use – TOU-PA-Agriculture	\$0.26	\$0.27	\$0.27	\$0.27	\$0.28	\$0.27	\$0.28
Time of Use – TOU-PA3-Agriculture	\$0.24	\$0.24	\$0.25	\$0.24	\$0.24	\$0.24	\$0.25
Lighting							
LS1-Lighting	\$0.33	\$0.36	\$0.34	\$0.33	\$0.34	\$0.33	\$0.34
LS2-Lighting	\$0.15	\$0.18	\$0.16	\$0.15	\$0.16	\$0.16	\$0.17
LS3-Lighting	\$0.23	\$0.26	\$0.24	\$0.26	\$0.26	\$0.26	\$0.27
OL1-Lighting	\$0.27	\$0.30	\$0.28	\$0.30	\$0.30	\$0.30	\$0.31

15 Appendix C – Average Monthly Customer Electric Bills by Rate Schedule

Table 14 shows average monthly customer electric bills for the rate schedules included in the analysis here. Note that CEA’s default service option (Clean Impact Plus) was not included in the latest JRC for comparison purposes, these two service options have roughly the same cost.

Table 14 Average Monthly Customer Bills by Rate Schedule (\$/month)

Customer Class and Electric Rate Schedule	CEA - SDG&E Comparison			SDCP - SDG&E Comparison			
	CEA Clean Impact (Opt-Down)	SDG&E - CEA (Default)	CEA Green Impact Premium (Opt-Up)	SDCP PowerBase (Opt-Down)	SDG&E - SDCP (Default)	SDCP PowerOn (Default)	SDCP Power100 (Opt-Up)
Residential							
Standard – DR-Residential	\$157	\$158	\$160	\$153	\$156	\$154	\$158
Standard – DR-Residential-CARE	\$97	\$98	\$100	\$95	\$98	\$96	\$100
Standard – DR-Residential-FERA	\$128	\$129	\$131	\$127	\$130	\$128	\$132
Time of Use – DRSES-Residential	\$103	\$100	\$105	\$107	\$108	\$108	\$110
Time of Use – TOUDR-Residential	\$167	\$167	\$170	\$159	\$162	\$160	\$164
Time of Use – TOUDR-Residential-CARE	\$103	\$103	\$106	\$99	\$102	\$101	\$105
Time of Use – TOUDR1-Residential	\$143	\$145	\$145	\$134	\$137	\$135	\$138
Time of Use – TOUDR1-Residential-CARE	\$88	\$90	\$90	\$82	\$85	\$83	\$87
Time of Use – TOUDR1-Residential-FERA	\$117	\$119	\$119	\$109	\$112	\$110	\$114
Time of Use – TOUDR2-Residential	\$169	\$172	\$172	\$165	\$168	\$166	\$171
Time of Use – TOUDR2-Residential-CARE	\$104	\$107	\$107	\$101	\$104	\$102	\$106
Time of Use -- TOU-ELEC- Residential	\$275	\$280	\$280	\$281	\$286	\$283	\$290
Time of Use – EVTOU2-Residential	\$266	\$272	\$271	\$109	\$110	\$109	\$112
Time of Use – EVTOU5-Residential	\$251	\$265	\$258	\$266	\$271	\$268	\$276
Multi-Family – DM-Residential	\$268	\$271	\$274	\$302	\$309	\$305	\$314
Small Commercial							
Time-of-Use – TOU-A-Commercial (Secondary Voltage)	\$394	\$403	\$402	\$458	\$465	\$461	\$472
Time-of-Use – TOU-A2-Commercial (Secondary Voltage)	\$885	\$910	\$905	\$967	\$986	\$975	\$1,004
Time-of-Use – TOU-A3-Commercial (Secondary Voltage)	\$299	\$306	\$305	\$306	\$311	\$308	\$316
Time-of-Use – TOU-M-Commercial	\$2,031	\$2,089	\$2,084	\$2,392	\$2,445	\$2,413	\$2,496
ATC – Commercial	\$144	\$158	\$148	\$198	\$198	\$199	\$202
Medium/Large Commercial							
Time-of-Use – AL-TOU-Commercial (Secondary Voltage)	\$7,762	\$8,360	\$7,924	\$8,988	\$9,200	\$9,073	\$9,319
Time-of-Use – AL-TOU-2-Commercial (Secondary Voltage)	\$18,332	\$20,221	\$18,777	\$19,620	\$20,130	\$19,824	\$20,433
Commercial- DGR (Secondary Voltage)	\$8,416	\$9,219	\$8,549	\$8,110	\$8,262	\$8,170	\$8,322
Lighting-EV-HP	\$13,638	\$16,452	\$14,225	\$14,432	\$14,752	\$14,558	\$15,303
Agriculture							
Time of Use – PAT-1-Agriculture	\$7,781	\$7,609	\$7,988	\$8,949	\$9,141	\$9,025	\$9,375
Time of Use – TOU-PA-Agriculture	\$319	\$325	\$328	\$208	\$212	\$209	\$217
Time of Use – TOU-PA3-Agriculture	\$2,145	\$2,156	\$2,213	\$1,816	\$1,858	\$1,833	\$1,909
Lighting							
LS1-Lighting	\$307	\$336	\$314	\$860	\$874	\$865	\$891
LS2-Lighting	\$479	\$577	\$503	\$926	\$957	\$939	\$999
LS3-Lighting	\$81	\$92	\$84	\$156	\$159	\$157	\$163
OL1-Lighting	\$36	\$40	\$37	\$40	\$40	\$40	\$41

¹ See CEA Addendum No. 2 to The CCA Implementation Plan and Statement of Intent To Address Expansion to the Cities of Oceanside and Vista, October 20, 2022, p. 7: <https://thecleanenergyalliance.org/wp-content/uploads/2022/12/CEA-Implementation-Plan-Addendum-Approved-with-Appendices.pdf>.

² See SDCP's Joint Powers Agreement § 2.4 §; See CEA's Joint Powers Agreement § 2.4 (Amended December 17, 2021) & CEA New Member Addition Policy, CEA-017, May 27, 2021: <https://thecleanenergyalliance.org/wp-content/uploads/2021/05/CEA-017-New-Member-Addition-Policy.pdf>.

³ See SDCP's Joint Powers Agreement § 8 §; See CEA's Joint Powers Agreement § 8 (Amended December 17, 2021).

⁴ See City of Irvine, City Council Special Meeting, December 12, 2024, Agenda Item 2.1: https://irvine.granicus.com/GeneratedAgendaViewer.php?event_id=423737b1-7a89-4340-9f31-5a2639d8a176 .

⁵ Note: There is no example of a single local government withdrawing from a CCA JPA. Western Clean Energy in Riverside returned all of its customers to Southern California Edison service in 2021 after filing for bankruptcy under SCE Rule 23: <https://www.sce.com/partners/partnerships/community-choice-aggregation/discontinuation> .

⁶ CPUC D.22-06-050 (June 23, 2022), Proceeding R.21-10-002, Decision Adopting Local Capacity Obligations for 2023-2025, Flexible Capacity Obligations for 2023, and Reform Track Framework, Appendix A at 1: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M488/K540/488540634.PDF> .

⁷ Planning Reserve Margin (PRM) is defined as the PRM needed to achieve a reliability metric (e.g., 1-day-in-10-years Loss of Load Expectation (LOLE); See CPUC Energy Division, Reliability Filing Requirements for Load Serving Entities' 2022 Integrated Resources Plans, Planning Reserve Margin Study Results (June 16, 2022), Appendix Slide 33: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2022-irp-cycle-events-and-materials/20220616-irp-lse-plan-prm-study-results.pdf> .

⁸ See CPUC R. 23-10-011, Appendix B to Loss of Load Expectation Study for 2026: Revision to Slice of Day Tool Analysis, December 20, 2024, p. 2: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M549/K797/549797826.PDF> .

⁹ See Public Utilities Code § 387.

¹⁰ CPUC D.23-06-029 (July 5, 2023), Proceeding R.21-10-002, Decision Adopting Local Capacity Obligations for 2024-2026, Flexible Capacity Obligations for 2024, and Program Refinements, p. 35-42, Ordering Paragraph 10 on p. 138: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M513/K132/513132432.PDF> ; See also Public Utilities Code § 380.

¹¹ See CPUC RA Citation Database (Current as of February 2024), Table 2, Accessed from: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-penalties-and-citations> .

¹² CPUC D.23-06-029 (July 5, 2023), Proceeding R.21-10-002, Decision Adopting Local Capacity Obligations for 2024-2026, Flexible Capacity Obligations for 2024, and Program Refinements, p. 35-42, Ordering Paragraph 10 on p. 138: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M513/K132/513132432.PDF> .

¹³ See CPUC RA Citation Database (Current as of February 2024), Citation Database Public, Accessed from: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-penalties-and-citations>; See also CPUC RA Citations Listings, 2024 RA Citation, Last Accessed May 1, 2025: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-penalties-and-citations/ra-citations-listing>.

¹⁴ SDCP's Joint Powers Agreement § 4.1.3 (Amended and Restated Effective December 16, 2021)

¹⁵ See SDCP's Joint Powers Agreement § 5 §; See CEA's Joint Powers Agreement § 5 (Amended December 17, 2021).

¹⁶ See SDCP's Joint Powers Agreement, § 4.6 (Amended and Restated Effective December 16, 2021): <https://sdcommunitypower.org/wp-content/uploads/2022/03/Amended-JPA.pdf>

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- ¹⁷ See SDCP’s Joint Powers Agreement, Recitals 1-7, (Amended and Restated Effective December 16, 2021): <https://sdcommunitypower.org/wp-content/uploads/2022/03/Amended-JPA.pdf> .
- ¹⁸ See SDCP’s Joint Powers Agreement § 4.11.2 (Amended and Restated Effective December 16, 2021); See SDCP’s Exhibit D: Voting Shares (Approved February 24, 2022): <https://sdcommunitypower.org/wp-content/uploads/2022/03/JPA-Exhibit-C-and-D-2022-Update-Voting-Shares.pdf>
- ¹⁹ See SDCP’s Joint Powe Agreement § 4.12 (Amended and Restated Effective December 16, 2021); See CEA’s Joint Powers Agreement § 4.12 (Amended December 17, 2021).
- ²⁰ See CEA Strengthens Team with Strategic New Hires, March 4, 2024: <https://thecleanenergyalliance.org/clean-energy-alliance-strengthens-team-with-strategic-new-hires/> .
- ²¹ CPUC Net Energy Metering: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/customer-generation/net-energy-metering-and-net-billing>
- ²² We make a distinction here between the service territory in which an LSE procures electricity for customers and the area in which SDG&E provide electric delivery. SDG&E’s service territory would include the customers for which it procures electricity, but its electric delivery service area would include all of San Diego County and the southern portion of Orange County, which includes the service territories of CEA and SDCP.
- ²³ SDCP Solar Billing Plan (SBP): <https://sdcommunitypower.org/programs/solar-billing-plan/> .
- ²⁴ CEA Solar Impact: <https://thecleanenergyalliance.org/solar-impact/>
- ²⁵ SDG&E Excess Generation: <https://www.sdge.com/residential/savings-center/solar-power-renewable-energy/net-energy-metering/billing-information/excess-generation>
- ²⁶ SDCP Net Energy Metering (NEM): <https://sdcommunitypower.org/programs/net-energy-metering/> .
- ²⁷ CEA Agenda Packet, Regular Meeting of the Board of Directors of CEA, March 28, 2024, p. 17: <https://thecleanenergyalliance.org/wp-content/uploads/2024/03/03-28-2024-CEA-Agenda-Packet.pdf>.
- ²⁸ See CEA SolarPlus program: <https://thecleanenergyalliance.org/solar-plus/> ; See ²⁸ CEA Agenda Packet, Regular Meeting of the Board of Directors of CEA, March 28, 2024, p. 121: <https://thecleanenergyalliance.org/wp-content/uploads/2024/03/03-28-2024-CEA-Agenda-Packet.pdf> .
- ²⁹ See SDCP FIT Program: <https://sdcommunitypower.org/programs/feed-in-tariff/> .
- ³⁰ See SDCP’s Solar for Our Community: <https://sdcommunitypower.org/solar-for-our-communities/> .
- ³¹ SDCP Agenda Packet, Regular Meeting of the Board of Directors of SDCP, January 18, 2024, p. 25, 112: <https://sdcommunitypower.org/wp-content/uploads/2020/12/00.-AGENDA-PACKET.2024.1.18.-BoardofDirectors-3.pdf#page=23>; SDC{ Agenda Packet, Regular Meeting of the Board of Directors of SDCP, October 24, 2024, p. 25, 378: <https://sdcommunitypower.org/wp-content/uploads/2020/12/BOD-Packet-10242024-2.pdf> .
- ³² SDCP Agenda Packet, Regular Meeting of the Board of Directors of SDCP, November 16, 2023, p. 66-67: <https://sdcommunitypower.org/wp-content/uploads/2020/12/00.-Agenda-Packet-11.16.23-BOD-4.pdf#page=65> .
- ³³ Note: SDCP has paid off a loan of \$517,741 in start-up costs to the Cities of San Diego, La Mesa, and Encinitas in 2023; CEA still owes a start-up cost loan of \$504,017 to the Cities of Carlsbad, Del Mar, and Solana Beach that is due within three years of commencement of operating revenue collection.
- ³⁴ See SDCP Financial Reserve Policy: <https://thecleanenergyalliance.org/wp-content/uploads/2020/12/Barbara-Boswell-CEA-09-Financial-Reserve-Policy.pdf> ; See also Board of Directors January 18, 2024 Meeting Slides, p. 27: <https://sdcommunitypower.org/wp-content/uploads/2020/12/0.Main-Presentation-01.18.2024-for-posting.pdf> .
- ³⁵ SDCP Agenda Packet, Regular Meeting of the Board of Directors of SDCP, February 22, 2024, p. 16: <https://sdcommunitypower.org/wp-content/uploads/2020/12/BOD-Agenda-Packet-Updated-02212024.pdf> .
- ³⁶ See CEA Financial Reserve Policy: <https://thecleanenergyalliance.org/wp-content/uploads/2020/12/Barbara-Boswell-CEA-09-Financial-Reserve-Policy.pdf> .
- ³⁷ CEA Audited Financial Report For FY Ended June 30, 2024, p. 18: <https://thecleanenergyalliance.org/wp-content/uploads/2024/10/10-31-2024-CEA-Agenda-Packet.pdf> .
- ³⁸ SDCP Financial Statements Year Ended June 30, 2023 & 2022 With Report of Independent Auditor, p. 19-20; See also SDCP Operating Budget FY 2023-2024, Resolution No. 2023-04, June 22, 2023, p. 70.; SDCP Financial Statements Year Ended June 30, 2024 & 2023 With Report of Independent Auditor, p. 19.

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- ³⁹ See CCFA FAQs: <https://www.cccfa.org/faq.html> .
- ⁴⁰ See CEA's Collections Policy: <https://thecleanenergyalliance.org/wp-content/uploads/2020/12/Barbara-Boswell-CEA-05-Collections-Policy.pdf> ; See SDCP's Collections and Delinquent Accounts Handling Policy: <https://sdcommunitypower.org/wp-content/uploads/2023/07/2023-Board-Approved-Collections-and-Delinquent-Accounts-Policy.pdf> .
- ⁴¹ SDCP Operating Budget FY 2023-2024, Resolution No. 2023-04, June 22, 2023, p. 24.; See SDCP Agenda Packet, Regular Meeting of the Board of Directors of SDCP, February 22, 2024, p. 25, 123, 128-129.
- ⁴² SDCP Fical Year 2024-2025 Amended Budget for Period July 1, 2024-June 30, 2025, p. 2, 3, 4, & 5: <https://sdcommunitypower.org/wp-content/uploads/2023/02/item-2-attachment-a-FY2024-25-Budget-Amendment-2.pdf> .
- ⁴³ SDCP Agenda Packet, Regular Meeting of the Board of Directors of SDCP, April 24, 2025, p.16.
- ⁴⁴ CEA's Financial Statements Years Ended June 30, 2023 & 2022 With Report of Independent Auditor, p. 18; CEA Adopted Fiscal Year 2023/24 Budget: <https://thecleanenergyalliance.org/wp-content/uploads/2023/09/Approved-Budget-FY23-24.pdf> .
- ⁴⁵ CEA's Financial Statements Years Ended June 30, 2024 & 2023 With Report of Independent Auditor p. 17: <https://thecleanenergyalliance.org/wp-content/uploads/2024/11/Clean-Energy-Alliance-6.30.2024-Financial-Statements.pdf> .
- ⁴⁶ Estimates based on average rates and bills as reported in the Joint Rate Comparison documents for SDCP and CEA. For SDCP, see https://www.sdge.com/sites/default/files/SDCP_SDGE%20JRC%2002.01.2025_Final.pdf. For CEA, see http://thecleanenergyalliance.org/wp-content/uploads/2025/03/CEA_SDGE-JRC-02.01.2025_Draft.pdf.
- ⁴⁷ Note this table contains simple averages. It is not possible to develop a weighted average since data on how many customers are on each rate is not readily available.
- ⁴⁸ For information about the PCIA, see the CPUC website: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/power-charge-indifference-adjustment>
- ⁴⁹ See CPUC Final Decision Addressing Assembly Bill 2025 Requirements for Electric Utilities, Approved May 5, 2024: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M531/K686/531686019.PDF> .
- ⁵⁰ See also CPUC R.22-07-005, Decision Addressing Assembly Bill 205 Requirements for Electric Utilities, Mailed 3/27/2024: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M528/K422/528422138.PDF>.
- ⁵¹ SB 100 (2018): https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100
- ⁵² California Energy Commission. Power Source Disclosure Program. See <https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program/power-content-label/annual-power-4>
- ⁵³ SDG&E-SDCP Joint Rate Comparison (February 2025): https://www.sdge.com/sites/default/files/SDCP_SDGE%20JRC%2002.01.2025_Final.pdf
- ⁵⁴ California Energy Commission. Power Source Disclosure Program. See <https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program> .
- ⁵⁵ For more information on direct access, see the CPUC website: <https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/community-choice-aggregation-and-direct-access/direct-access>
- ⁵⁶ SDG&E website: <https://www.sdge.com/customer-choice/community-choice-aggregation/active-ccas>
- ⁵⁷ SB 100 (2018): https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100 .
- ⁵⁸ SB 1020 (2022): https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1020 .
- ⁵⁹ Power San Diego: <https://wearepowersandiego.com/> .
- ⁶⁰ Power San Diego Notice of Intent to Circulate Petition: <https://wearepowersandiego.com/wp-content/uploads/2023/11/ThePowerSanDiegoBallotInitiative.pdf> .
- ⁶¹ See City of San Diego Public Power Feasibility Study: <https://www.sandiego.gov/sustainability-mobility/energy/public-power>.

⁶² City of San Diego Phase I Report Public Power Feasibility Study, July 11, 2023:
<https://www.sandiego.gov/sites/default/files/cosd-public-power-feasibility-report.pdf> .

⁶³ City of San Diego Fiscal Year 2025 Adopted Budget, Volume II: Department Detail- Sustainability and Mobility Department, p. 699: https://www.sandiego.gov/sites/default/files/2024-08/fy25ab_v2sumo.pdf .

⁶⁴ See City of San Diego Fiscal Year 2026 Draft Budget, Volume II: Department Detail- Sustainability and Mobility Department: https://www.sandiego.gov/sites/default/files/pb_v2sumo.pdf.