

Franchise Compliance Review Committee Follow-up Questions from for SDG&E

Other Questions:

- Delivery of service – A significant issue developers face is delays in service delivery. Can SDG&E speak about their process, workflow, and timing for these requests? And, as appropriate, how these processes may differ for affordable housing projects, private developer projects, city ROW projects, etc. Can SDG&E allow training and self-certification of contractors to do some of the work that is severely backlogged?
- How SDG&E's stance on NEM 3.0 further local renewable energy and the commitments made within the ECA? What is SDG&E doing to educate and be more transparent on this issue?
- Please provide SDGE's average customer electricity and gas rates for the two years leading up to the execution of the franchise agreement (2019 and 2020) and then the average rates for the two years following the execution (2021 and 2022)

Section 1

- Throughout this agreement, SDG&E has made various commitments to helping San Diego achieve 100% clean energy and net zero GHG, including a requirement to assist in the city's building electrification efforts. However, since the franchise agreement was signed, SDGE's parent company, Sempra, has donated \$1.5M to the America Gas Association, which is one of the leading opponents to electrification and achievement of 100% clean energy. How can we reconcile the actions of SDG&E and its parent company, Sempra?
- What role did Sempra or the AGA play in supporting the lawsuit against the city of Berkeley, which has stalled their implantation of a reach code? Did Sempra donate any funds that directly or indirectly funded opposition efforts?

Section 2

- The ECA Implementation Plan was presented to the City's Council's Environment Committee on 3-18-22. Has the Plan been presented to the full City Council as contemplated in Section 2 of the ECA? If not, is there a plan to do so?
 - Staff Response: When the item was presented to the Environment Committee, there was no recommendation from the Committee to present it to the full Council. Therefore, it did not go to the full Council. This recommendation can come from the Compliance Review Committee as they see fit.

Section 4

- Section 4 of the ECA discusses the costs for mutually agreeable projects and programs. It provides that project funding may include ratepayer funding with approval from CPUC; CEC, local, state, and federal grants; and other sources. Are there projects in the Implementation Plan that are fully (or partially) funded with discretionary SDG&E funding (like shareholder funds – funding other than grant or CPUC approved ratepayer revenue)? Can estimated costs and funding sources be included/noted for each identified project in the Implementation Plan?

Section 5.a

- What is the current percentage/number of City of San Diego residents purchasing electricity through SDCP and what percentage/number opted out to continue purchasing electricity through SDG&E? Same question for business or industrial entities in the City of San Diego.
- How has SDG&E helped their customers understand the recent change in the format of customer bills, given the recent migration of most SDG&E customers to SDCP for electricity procurement? How has SDG&E worked with SDCP in this regard? Are customers directed to ask some bill questions to SDCP and others to SDG&E? From SDG&E's perspective, are there any ongoing challenges in working with SDCP (of any sort) that are being worked on or remain to be addressed? What is SDG&E doing to educate and be more transparent on this issue?

Section 5.c

- Slide 6 references the goal of planting 2,500 trees in 10 years and indicates that 980 of the 1,360 trees planted to date (72%, or 39% of total goal) were planted in just three communities (Allied Gardens, Cherokee Point, Bay Terraces). This seems a little imbalanced. How are prioritization decisions made as to where to plant trees? How is go-forward tree maintenance covered/ensured? Does SDG&E plan to stop or continue planting trees once it reaches the 2,500-tree goal?

Section 5.d

- Provide more details on the green waste recycling vendors and what SDG&E has done to bring in more vendors.

Section 5.e

- EV Chargers maintenance – Was any ratepayer money used to subsidize private EV chargers that are no longer being maintained as operational?
- How are EV charging stations (like those installed in SDG&E's PYD program) funded? Is SDG&E responsible for the ongoing maintenance of these stations.

Section 5.e

- Energy Benchmarking – Has SDG&E provided the information and assistance to support the City's benchmarking efforts?

Section 5.g

- What is SDGE's position on the city's proposed reach code? What has SDGE done to support such efforts?
- How does Sempra's vocal opposition and monetary support of the AGA affect SDGE's positions and ability to comply with this provision?

Section 5.h

- Slide 9 mentions three new battery storage microgrids in the City of San Diego. Including these three, what is the total number of microgrids in the City and how many customers could they potentially support? How many more are planned for the years ahead? Are all or most microgrids ratepayer funded and are they considered to be an expensive source of electricity? If

so, is there an expectation that the cost of these projects might come down and become more competitive with other energy projects/sources anytime soon?

- GHG Reduction Analysis – The Implementation Matrix states that SDG&E will share GHG inventory with the City. Has this happened? The matrix further states that SDG&E will share its Path to Net Zero study, which was released on April 5, 2022. Did SDG&E share this with the City?

Section 6.a

- What coordination is occurring with Cities to clear brush adjacent to SDGE easements?
- With respect to Section 6(a), has SDG&E made any investments (or have plans to make) in new fire-fighting air resources to protect the City since the inception of the ECA? The Implementation Plan notes SDG&E has provided funding for Community Emergency Response Teams (CERTs) and Fire Safe Councils (FSCs) in communities of concern across San Diego – can the Committee receive information on how much funding was provided and when? Has the plan to achieve the goal of continued support for CERTs and FSCs in underserved communities been planned or facilitated yet?

Section 7

- What are examples of Distributed Energy Resource (DER) project opportunities discussed in Section 7 of the ECA? (solar panels, battery storage, ???). Specific City examples? SDG&E examples? Why does SDG&E think SDCP has not yet identified any DER project opportunities? Do all DER projects need to be coordinated with SDG&E's power distribution network?
- Slide 16 notes CPUC approval of the Microgrid Incentive Program (MIP) in April 2023. The MIP would provide funding for the development of clean energy microgrids for vulnerable communities impacted by grid outages. SDG&E mentioned there would be \$200 million available statewide for underserved communities. At this point, can SDG&E estimate how much of this \$200 million statewide might be available for City of San Diego communities? What is the process for securing a MIP funding commitment from the State?

Section 8.a

- Slide 17 - If an income qualifying home previously rented solar panels via other programs, can they convert to ownership via your program?

Section 8.b

- Slide 18 – “SDGE is building collaboration with developers to avoid surprises....” How is this happening? SDGE is still the number one complaint on every single construction project as the single biggest delay in the process.
- Where did the 50% or more Affordable housing number come from. It seems this really only captures the 100% AH projects. Complete Communities is 40% and other density bonus programs are 5% Very low or 10% Low. The threshold should capture at least the Complete Community projects also.

Section 8.c

- Slide 19 – Can the training program be expanded to include contractors that can then self certify certain parts of the process? (e.g. disconnects?)

Section 8.d

- Is there an updated Undergrounding Master Plan that identifies what has been accomplished as well as the criteria for project selection, etc.

Section 8.e

- A recent news story indicated (as of 3-31-23) SDG&E had approximately 337,000 residential customer accounts with statements more than one month past due with an average debt of about \$744. This represents a notable increase that is being experienced throughout the state. How is SDG&E working with their delinquent customers? Does SDG&E expect this higher delinquency experience will continue or believe that it might adversely impact rates?

Section 8.f

- Slide 22 – Are there any plans to underground larger KV lines?