January 3, 2019

Mayor Kevin Faulconer

Members of the City Council

City Attorney

City Director of Boards and Commissions

City Independent Budget Analyst

City Staff Members Cody Hooven and Aaron Lu

Subject: Community Choice Aggregation Program for the City of San Diego

Background:

In 2016, the City of San Diego commissioned a feasibility study for Community Choice Aggregate (CCA) as a possible strategy for achieving its goal of 100% renewable energy by 2035. The feasibility study was completed in 2017. Its principal conclusions were that 1) establishing a CCA program is a viable strategy for meeting San Diego’s goal for greenhouse gas (GHG) emission reductions, 2) it could have rates for electricity that are competitive with or lower than SDG&E, and 3) that the CCA could be reliably solvent and financially feasible. Several topics were identified for further analysis and study. Based on these findings and recommendations, a “*Business Plan for the Formation of a Community Choice Aggregation Program for the City of San Diego”* was commissioned in 2018.

The Sustainable Energy Advisory Board (SEAB) was established by San Diego’s City Council to serve as an advisory body to the Mayor, City Council and City Manager on energy policy and future energy needs for the metropolitan San Diego area and to assist the City’s attainment of its energy independence and renewable energy goals (Municipal Code Section 26.04). SEAB reviewed the CCA feasibility study in 2017 and provided comments late that year. SEAB received the CCA business plan in November 2018 and a presentation by the study authors at its November 2018 meeting.

Recommendation:

The following motion was made at the November 8, 2018 SEAB meeting. Kendall Helms, of SDG&E, abstained. It was approved by all other members of the board who were present:

SEAB supports acceptance of the *Business Plan for the Formation of the Community Choice Aggregation Program for the City of San Diego* and City Staffs’ “Implementation recommendations related to 100 percent renewable energy” memo dated October 24, 2018. SEAB supports Mayor Faulconer’s recommendation to proceed with Community Choice Aggregation and we recommend Council approval with consideration for the following additional factors:

1. Clearly delineated General Fund Protection and CCA protection
2. Enumeration of investments in equity for Communities of Concern and how that investment affects the business plan
3. Defined local economic development impacts
4. Adequate budget to support implementation

Respectfully submitted,

Julia R. Brown, Chair

Sustainable Energy Advisory Board