

DUPLICATE

ENERGY COOPERATION AGREEMENT

This Energy Cooperation Agreement (“Agreement”) is made as of 05/25, 2021 (the “Effective Date”) between the City of San Diego, a municipal corporation (“City”), and San Diego Gas & Electric Company, a California corporation (“SDG&E”). The City and SDG&E may be referred to individually as a “Party” and collectively as “Parties.”

RECITALS

WHEREAS, the City is granting SDG&E a franchise to construct, maintain, and use poles, wires, conduits, and appurtenances for transmitting and distributing electricity in the streets of the City of San Diego (“Electric Franchise”) effective as of the Effective Date;

WHEREAS, the City is granting SDG&E a franchise to construct, maintain, and use pipes and appurtenances for transmitting and distributing gas in the streets of the City of San Diego (“Gas Franchise”) effective as of the Effective Date;

WHEREAS, the City has adopted a Climate Action Plan dated December 2015 with aggressive goals to reduce greenhouse gas (“GHG”) emissions, and plans to amend and update its Climate Action Plan as required to achieve its aggressive goals;

WHEREAS, SDG&E has committed to cooperate in good faith on principles and policies for the attainment of the City’s Climate Action Plan;

WHEREAS, SDG&E has made a climate pledge to achieve net zero emissions by 2045; and

WHEREAS, in connection with the Electric Franchise and the Gas Franchise, the City and SDG&E desire to work cooperatively to provide clean, safe, reliable, and equitable energy to San Diego residents and to support the City’s energy goals, especially with respect to the reduction of GHG emissions.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Cooperative, Unified Response.** The City and SDG&E agree that a cooperative, unified response is required to address the impact of climate change, the pandemic still upending the lives and livelihoods of San Diegans and people everywhere, and needed calls for social justice reform. Clean, safe, reliable and equitable energy for San Diego residents is a shared goal of the Parties. The City and SDG&E agree to cooperate and work with other government agencies, private companies, and other interested parties to achieve 100% clean energy and net zero GHG emissions, which cooperation may include submission of applications, letters of support, and testimony.
2. **Implementation Plan.** The City and SDG&E will work together to develop an implementation plan outlining roles, processes, responsibilities, timelines, program, and development pathways, and estimated costs to achieve the goals and deliverables outlined in this Energy Cooperation Agreement within 90 days of City Council approval (“Implementation Plan”). Once finalized, the Implementation Plan must be provided to the

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OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

San Diego City Council and the Compliance Review Committee described in the Electric and Gas Franchises. The City and SDG&E will update and revise the Implementation Plan periodically.

3. **Living Agreement.** The City and SDG&E agree that developments in the energy field are moving quickly, and therefore, the Parties agree they must regularly assess this Agreement to review new technologies, new laws, and regulations that govern the delivery of energy. Every three years after the Effective Date, the City and SDG&E agree to convene a Cooperation Agreement Summit (“CAS”), chaired by the Mayor of the City and the President of SDG&E or designees. The CAS will review the actions already taken under this Agreement, new developments since the Effective Date or previous CAS, and make mutually agreed upon changes to this Agreement that will be reflected in a CAS Report issued by the Parties at the end of each CAS. Any changes to this Agreement are subject to approval by the San Diego City Council (Council). This Agreement shall terminate immediately upon the termination or forfeiture of either the Electric Franchise or Gas Franchise for any reason.
4. **Costs.** The City and SDG&E will cooperate to secure necessary authority or approvals for mutually agreeable projects and programs, as further described in the Implementation Plan. Funding for such projects and programs may include: (a) ratepayer funding pursuant to approval from the California Public Utilities Commission (“CPUC”); (b) funding from the California Energy Commission, local, state and federal grants; and (c) other sources. The Parties will cooperate to determine appropriate funding sources and necessary approvals for each project or program.
5. **Clean Energy Collaboration Opportunities.** The City and SDG&E agree to collaborate and seek mutually agreed upon opportunities to deliver clean energy to San Diego residents, especially in communities of concern. These opportunities include, but are not limited to:
 - a. **San Diego Community Power.** SDG&E supports customer choice and the transition of energy procurement to local or state control. SDG&E agrees to follow the CCA Code of Conduct and to provide San Diego Community Power (“SDCP”) grid services and customer information in accordance with SDG&E Tariff Rule 27 and associated CPUC orders and proceedings. SDG&E has formed and will continue to strengthen a dedicated team to be the primary interface between SDG&E and staff from SDCP and other CCAs. SDG&E shares a goal with SDCP of making the customer experience as seamless as possible.
 - b. **Evaluate Energy Efficiency and Demand Response Opportunities with SDCP.** SDG&E will cooperatively work with the City, SDCP and third-party statewide implementers to identify energy efficiency and demand response programs which the City and SDCP may administer or in which they may participate.
 - c. **Enhanced Tree Planting.** SDG&E will continue to support the City’s tree planting efforts through SDG&E’s Right Tree, Right Place program (or successor programs), and identify additional tree planting locations, assist with tree species ideas, and provide technical support through SDG&E’s highly trained arborists. SDG&E plans to supplement the City’s efforts with direct in-community charitable support for planting up to 2,500 trees in the City in the ten years following the Effective Date. The City may claim any GHG credits that may be earned for this program.

- d. **Expand Green Waste Recycling.** SDG&E and the City will work to identify vendors open to receiving green waste, which can help reduce the City's carbon footprint by diverting waste from landfills. Furthermore, SDG&E and the City will investigate the opportunity to utilize this diverted waste as a fuel source as such technologies become available and feasible, potentially reducing GHG emissions.
 - e. **Expand Clean Transportation Efforts.** SDG&E will assist in the expansion of the City's municipal electric or alternate-fuel fleet by providing SDG&E's clean transportation expertise to the City through facilitated best practices training and will provide data and support for the Mayoral Executive Order to increase electric vehicle acquisition. Building on the more than 1900 vehicle chargers that SDG&E has already installed in the City, including multiple chargers at five City-owned facilities, SDG&E will continue to pilot additional vehicle electrification programs in and around the City, including chargers at schools, beaches and parks.
 - f. **Energy Benchmarking.** SDG&E will provide information and assistance to City staff to support the continued implementation of AB 802 benchmarking and the CEC's associated regulations and requirements to track building energy efficiency in support of the City's Climate Action Plan.
 - g. **Municipal Energy Strategy.** SDG&E will help the City implement its Municipal Energy Strategy to reduce GHG emissions at all municipal buildings and facilities, including, without limitation, by administering energy audits, supporting the electrification of municipal buildings, seeking appropriate energy efficiency measures to reduce facility energy usage, and providing the City reports on energy usage in municipal buildings to compare use over time.
 - h. **GHG Reduction Analysis.** City and SDG&E shall work collaboratively to identify and study areas where electrification can be accelerated towards the achievement of the City's climate action goals, while keeping affordability in mind and without causing economic disruption.
6. **Safe Energy Collaboration Opportunities.** The City and SDG&E agree to cooperate and seek mutually agreed upon opportunities to deliver safe energy to San Diego residents. These opportunities include, but are not limited to:
- a. **Wildfire Safety.** SDG&E will continue to develop and refine its nation leading weather network to provide hyper-localized situational awareness of potential weather threats to residents, businesses, the energy delivery system and the region. SDG&E will continue to provide fire-fighting air resources to protect the City and SDG&E's entire service territory. SDG&E will investigate the deployment of weather stations and other technologies, such as tools to measure vegetation growth, color and hydration to further inform SDG&E's state-of-the art fire risk index, as well as monitoring canyons where fires may be more likely to ignite and spread quickly. This information will be shared with City and County fire departments to provide real-time data for pending weather events and to create additional situational fire awareness.

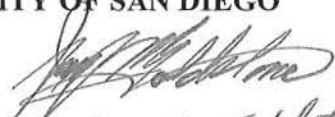
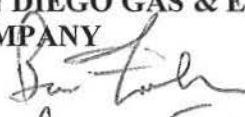
- b. **Increase Safety and Resiliency through Energy Intelligence.** SDG&E will share intelligence and data from SDG&E meteorology teams and academic research partners identifying the areas of the City where undergrounding may be most beneficial for wildfire mitigation to inform the City’s sequencing of undergrounding projects.
 - c. **Facilitate Development of 100% Virtual EOC and City Outreach.** SDG&E will lend its expertise to support development of the City’s Virtual Emergency Operations Center (“EOC”) to reduce reliance on physical presence and manage emergencies remotely. SDG&E staff will also attend town council and other public meetings to discuss SDG&E’s approach to wildfire management and share best practices for wildfire safety, including following public-safety power shut-off events.
 - d. **Develop Resiliency Review.** SDG&E and the City will collaborate to review the resiliency of the City’s existing infrastructure and make recommendations to enable the City to better manage the impacts of climate change, especially with respect to wildfires and sea level rise, including, without limitation, the development of an inventory of critical municipal infrastructure.
7. **Reliable Energy Cooperation Opportunities.** The City and SDG&E agree to cooperate and seek mutually agreed upon opportunities to deliver reliable energy to San Diego residents. These opportunities include, but are not limited to:
- a. **Finalize & Refresh Central Dashboard for Energy Management.** SDG&E will assist the City in developing a centralized dashboard to manage City-wide energy usage from its facilities, meters and accounts. SDG&E will work with third-party implementers and energy audit experts to support the City in reducing energy use where possible.
 - b. **CCA Cooperation.** Facilitate Microgrid Development for City Water, Wastewater & Sewer Infrastructure Projects. SDG&E will share with the City expertise relating to facility and community-level microgrids to improve the resiliency of selected City facilities and neighborhoods. SDG&E will work with the City and SDCP to identify an appropriate distributed energy resources (“DER”) project for development within the City. If a mutually agreed project is identified, SDG&E will submit an application to the CPUC seeking any required approval for such project. The City agrees that it will make reasonable efforts to support such application at the CPUC.
 - c. **CCA Cooperation.** Assist the City with Demand Response and Distributed Energy Resources (DER) Efforts. SDG&E will work with the City and SDCP to identify potential demand response or DER projects that may be available to the City pursuant to CPUC programs or through third parties. If a mutually agreed upon project is identified, SDG&E will submit an application to the CPUC seeking any required approval for such project. The City agrees that it will make reasonable efforts to support such application at the CPUC.
8. **Equitable Energy Cooperation Opportunities.** The City and SDG&E agree to cooperate and seek mutually agreed upon opportunities to deliver equitable energy to San Diego residents. These opportunities include, but are not limited to:

- a. **Equity-Focused Solar Expansion.** SDG&E shall work with the City of San Diego's Environment Committee to define the program, outcomes, timeline around the equity-focused solar program. SDG&E shall execute the approved program with non-profit organization of SDG&E's choosing to build a program or supplement an existing program designed to increase the number of income-qualifying residential customers with access to solar. SDG&E commits to spend \$1,000,000 of annual shareholder contributions in each of the first ten City fiscal years the Electric Franchise is in effect. As a condition of its contribution to the non-profit organization, SDG&E will require the non-profit organization to make available unused funds from a given year in future years. Such funds may be used for incentives, refunds, equipment, labor, program management and administration.
 - b. **Affordable Housing.** SDG&E understands that utility design and coordination is critical to ensuring a steady supply of new housing in the City, and that the City is focused on enhancing housing supply. SDG&E agrees to begin tracking affordable housing utility design applications within the City, and to create a dashboard that tracks utility coordination and completion timing. Additionally, SDG&E agrees to support operational enhancements related to more rapid affordable housing development.
 - c. **Encourage Diversity in Local Clean Energy Workforce.** SDG&E will aid local workforce development organizations to identify underserved populations to launch the careers and develop the next generation of clean energy infrastructure leaders.
 - d. **Undergrounding Prioritization.** The City and SDG&E acknowledge the success of the ongoing electric distribution undergrounding program. A majority of the electric system in the City has already been undergrounded. However, the City and SDG&E acknowledge that there is more work to be done. SDG&E and the City will cooperate to refresh the City-driven accelerated undergrounding program to prioritize projects in communities of concern.
 - e. **Energy Efficiency Campaign within Communities of Concern.** SDG&E will work with the City to expand outreach to low-income and hard-to-reach customers eligible for SDG&E's Energy Assistance Residential programs and other programs for low-income customers via targeted marketing and other appropriate mechanisms.
 - f. **State & Federal Grants.** The City and SDG&E will research available local, state and federal government and agency grants to identify projects that could help the City meet its climate action, equity and resiliency goals, with a focus on communities of concern, including grants or programs from the California Energy Commission, CPUC and the Department of Energy.
9. **Ensuring Transparency.** SDG&E will offer, on a periodic basis, informational opportunities to ensure elected and appointed officials and members of the public understand SDG&E's business and SDG&E's support for the City:
- a. **Rate Transparency.** Once a year, SDG&E shall offer to present to the Council on rate structure, planned rate filings and rate changes.

- b. **Major Projects & Undergrounding.** Twice a year, SDG&E shall offer to present to the appropriate City Council Committee on planned major energy and gas projects, status of undergrounding projects, and 20SD undergrounding fund collections.
- c. **Supporting Customer Equity.** Once a year, SDG&E shall offer to present to the appropriate City Council Committee a status update on the distribution of regulated public purpose program (PPP) funds within the City, including CARE, FERA, LIHEAP, energy efficiency, lighting programs, demand response and others as appropriate.
- d. **Supporting Climate Equity.** Twice a year, SDG&E shall offer to present to the appropriate City Council Committee on the ways SDG&E is supporting the City's Climate Action Plan goals, SDG&E's support for SDCP, and other projects SDG&E is working on to support GHG reduction efforts.
- e. **Supporting Municipal Staff & Operations.** Four times a year, an Officer of SDG&E shall offer to meet with the City's Chief Operating Officer (or designees, if requested by the COO), to discuss infrastructure projects, coordination on facility movement and relocation, municipal energy bills, account questions/management, and other topics of mutual concern. The COO, or designated City staff, will present an annual information item to the appropriate City Council Committee providing an overview of the quarterly meetings with SDGE.
- f. **Compliance Review Committee.** At least once a year, SDG&E will provide an update to the Compliance Review Committee on the implementation of this Agreement.

10. **Legal and Regulatory Environment.** The City and SDG&E operate within a legal and regulatory framework that governs the topics in this Agreement. For example, there are numerous federal and state laws governing the procurement, transmission and distribution of electricity and gas. As an electrical and gas corporation, SDG&E is heavily regulated by the CPUC, which sets the rates and the terms under which SDG&E provides utility services to customers. The Federal Energy Regulatory Commission regulates SDG&E's transmission of electricity and natural gas. All of the City's and SDG&E's efforts under this Agreement must be consistent with these laws and regulations, including funding for programs and projects.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed, for and on behalf of each, by their duly authorized agents, officers or representatives, as of the Effective Date.

<p>CITY OF SAN DIEGO</p>  <p>By: <i>Jay M. Goldstone</i></p> <p>Title: <i>Chief Operating Officer</i></p>	<p>SAN DIEGO GAS & ELECTRIC COMPANY</p>  <p>By: <i>Bruce Foukman</i></p> <p>Title: <i>President & CEO</i></p>
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5/25/2021

(R-2021-460)
COR. COPY

RESOLUTION NUMBER R- 313555

DATE OF FINAL PASSAGE JUN 07 2021

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING AN ENERGY COOPERATION AGREEMENT WITH SAN DIEGO GAS & ELECTRIC COMPANY IN CONNECTION WITH THE GRANTING OF FRANCHISES FOR THE USE OF CITY STREETS FOR PROVISION OF GAS AND ELECTRIC SERVICES IN THE CITY OF SAN DIEGO.

WHEREAS, the City of San Diego (City) is, by ordinances adopted together with this resolution, granting to San Diego Gas & Electric Company (SDG&E) franchises for the use of the streets of the City to furnish gas and electric services to customers in the City as a public utility; and

WHEREAS, the franchises represent a valuable grant and connected with such a grant the City requires that the grantee should not only fulfill the conditions of the franchise but also agree to cooperate with the City with respect to its energy, climate change mitigation, and energy justice policies; and

WHEREAS, the City has adopted a Climate Action Plan dated December 2015 with aggressive goals to reduce greenhouse gas emissions, and plans to amend and update its Climate Action Plan as required to achieve its aggressive goals; and

WHEREAS, SDG&E has committed to cooperate in good faith on principles and policies for the attainment of the City's 2015 Climate Action Plan and to discuss in good faith cooperation with updates to the Climate Action Plan; and

WHEREAS, SDG&E has itself made a climate pledge to achieve net zero emissions by 2045; and

WHEREAS, SDG&E will support the City's policies for energy justice in communities; and

WHEREAS, in connection with the Electric Franchise and the Gas Franchise the City and SDG&E desire to work cooperatively to provide clean, safe, reliable and equitable energy to San Diego residents and to support the City's energy goals;

WHEREAS, the Energy Cooperation Agreement shall not take effect and be in force until the effective date of the gas and electric franchises, which shall be on the thirtieth (30) day from and after the date of their final passage pursuant to San Diego Charter Sections 103 and 295.

NOW, THEREFORE,

BE IT RESOLVED, that the Council of the City of San Diego, hereby authorizes the Mayor to execute the Energy Cooperation Agreement with SDG&E under the terms and conditions contained in that document on file in the Office of the City Clerk as Document No. ^{KK}313555.

APPROVED: MARA W. ELLIOTT, City Attorney

By /s/Jean Jordan
Jean Jordan
Assistant City Attorney

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05/12/21
5/24/21 COR. COPY
Or.Dept: Office of the Mayor
CC No.: N/A
Doc. No.: 2659274_3

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 05/25/2021.

ELIZABETH S. MALAND
City Clerk

By /s/Linda Irvin
Deputy City Clerk

Approved: 6/7/21
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 25 2021, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 07 2021.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

(Seal)

TODD GLORIA
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Connie Patterson, Deputy
for Linda Irvin

Office of the City Clerk, San Diego, California

Resolution Number R- 313555

Passed by the Council of The City of San Diego on May 25, 2021, by the following vote:

YEAS: CAMPBELL, WHITBURN, VON WILPERT, CATE, CAMPILLO, ELO-RIVERA.

NAYS: LACAVA, MONTGOMERY STEPPE, MORENO.

NOT PRESENT: NONE.

RECUSED: NONE.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: Linda Gruen, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of
RESOLUTION NO. R-313555, approved on May 25, 2021. The date of final passage
is June 7, 2021.

ELIZABETH S. MALAND

City Clerk of the City of San Diego, California

(Seal)

By: Linda Gruen, Deputy