

## COMMUNITY ENERGY ACTION NETWORK

August 28, 2023

Chairman Jeff Kawar and Members of the Franchise Compliance Review Committee  
City of San Diego, c/o Sustainability and Mobility Department:

BY EMAIL: [mong@sandiego.gov](mailto:mong@sandiego.gov) and [hwerner@sandiego.gov](mailto:hwerner@sandiego.gov)

### **RE: Comments on Franchise Compliance Committee August 29, 2023 Meeting Agenda Items**

Chairman Kawar and Members of the Franchise Compliance Review Committee:

I am writing on behalf of Community Energy Action Network to provide written comments for your consideration regarding the following items docketed for the Franchise Compliance Review Committee Meeting on August 29, 2023.

#### **Agenda Item III. Non-Agenda Public Comment**

1. Standing agenda item regarding status of the independent audit. The published and posted Agenda for the August 29 Committee meeting does not include a “standing item” (per stated intent at the July 24 Committee meeting as noted in Item V. b. to the draft July 24 Meeting Minutes) to provide the Committee with ongoing updates regarding the status of the Franchise Auditor selection and the anticipated delay in the completion of the audit for review by the Committee to complete its transmittal of the Audit with Committee recommendations within the statutory timeframe specified in Section 6 (b) of the Electric Franchise Agreement. A report on the Auditor’s scope of work and timeline should be provided to the Committee, the City Council, City Attorney and posted to the Public Record website for the Committee and the Public.
2. Memorandum on requirements for disclosure of financial interests and conflict of interest. The Committee has been assured that a Memorandum regarding clarification of disclosure of financial interests and conflicts of interest by Committee members will be provided by the City Attorney’s office and posted to the Committee public record website. This item should be docketed on a future agenda when it is received to notify the public of its publication and posting.
3. Statutory requirements for number of members of the Committee. The third seat required to be appointed by the City Council continues to remain vacant. The Franchise Agreement at Section 6. (a) and the resolution authorizing the Committee (June 2022) specify that the Committee **will** and **shall** consist of FIVE (5) members. The Committee has

not been properly constituted to fulfill its assigned duties. The Mayor, City Council and City Attorney have been apprised of this deficiency in a February 13, 2023 email letter.

4. Request for improvements to the audio in video recording of Committee meetings. The Zoom video meeting recordings of the Committee meetings posted to the public record website continue to be deficient in recording audio of comments made by members of the public and from staff or other parties in attendance at the meeting but “off camera” who are testifying or responding to questions from the Board. It is requested that this audio recording “mechanism by which members of the public may communicate with the Review Committee” be improved to reflect the full record of discussions and participation and testimony.

#### IV. Approval of the July 24, 2023 Minutes

Item V.b. relates to the previously noted addition of a standing item to the Committee agenda to provide the Committee with ongoing updates.

#### V. SDG&E Presentation Response to Committee Follow-up Questions

Thank you for posting Attachment A which includes the Committee’s Follow-up Questions to SDG&E from the July 24 meeting. As of 9:00 AM, Monday , August 28 there does not appear to be posted any written responses from SDG&E as back up for review by the Committee or the public.

This item should not be heard if there is not a written response available to the Committee and the public in a reasonable time frame for review and comment.

Attachment A “ Section 1” includes questions related to funding by SDG&E parent company Sempra of the America Gas Association (APA) a leading opponent of building electrification. These related questions on positions taken by SDG&E or Sempra or agents funded by SDG&E and Sempra are important to determine compliance with policies and goals and objectives of the City.

Other areas for further questions and responses should include the following topics which have previously been provided in written testimony to the Committee:

- The provisions of Section 12 (a) of the Franchise Agreement should be addressed with regard to SDG&E actions and positions taken and support of organizations that have intervened in regulatory, legislative and public relations efforts that have adversely affected the City’s policy objective of havjng electricity used in the City be generated **“to the greatest extent practicable and lawful, through local customer-controlled distributed energy resources (DER).”**

- The positions taken by SDG&E and Sempra and their funded agents or organizations on the NEM 3.0 proceedings at the CPUC and state legislation proposed or supported by SDG&E directly or indirectly that may inhibit that goal should be addressed. An example is the proposal to implement a high “Income Graduated Fixed Charge” on residential ratepayers that was added to state legislation last year. The latter item has implications on funding of public purpose programs and other programs included in the Energy Cooperation Agreement and has been identified as a serious threat to the continued expansion of roof top solar and other DER initiatives.

The positions on CPUC NEM 3.0 proceedings taken by SGE&E and the “Joint IOUs” (Investory Owned Utilities) is in contravention to the position taken officially by the San Diego City Council in the attached resolution dated November 15, 2021.

An additional topic for consideration include SDG&E promotion of a regional decarbonization plan that proposes heavy investment in transmission facilities to import remotely generated electric power versus investments in “local customer-controlled distributed energy resources”

Please let me know if you have any specific questions regarding the items and issues outlined and thank for your follow up questions and your service on this Committee..

Sincerely,

- S -

Jay Powell, Principal, Cooperations – In the Public Interest, for the Common Good

[hcjpowell@cox.net](mailto:hcjpowell@cox.net)

(619) 813-8485 cell direct

**Enclosure:**

NEM 3.0 City SD Resolution 2021.11.15 – R – 313783 Wv

SOLARSD / FACRC Written Testimony 082823 aug

RESOLUTION NUMBER R- 313783

DATE OF FINAL PASSAGE NOV 15 2021

A RESOLUTION OF THE SAN DIEGO CITY COUNCIL  
URGING THE CALIFORNIA PUBLIC UTILITIES  
COMMISSION TO ADOPT A LAWFUL NET ENERGY  
METERING RULEMAKING DECISION WHICH SUPPORTS  
CONTINUING GROWTH OF CUSTOMER SITED SOLAR  
ENERGY INSTALLATIONS.

WHEREAS, net energy metering (NEM) was provided for by the California Legislature in Public Utilities Code section 2827 to support the installation of customer-sited renewable energy generation; and

WHEREAS, under Public Utilities Code section 2827.1 NEM is a metering and billing tariff between an eligible customer generator (typically with solar panels and inverters) and their electrical utility that credits customers for the excess energy they export to the grid and debits customers for energy provided by the utility and for use of the utility's system; and

WHEREAS, NEM allows customers to receive bill credits for power generated by their solar equipment and exported to the utility's system for use by others and these credits materially affect the financing of the solar generating systems and their wider adoption by customers; and

WHEREAS, NEM is a significant driver of solar adoption among low-and-moderate income households; and

WHEREAS, the California Public Utilities Commission (CPUC) has commenced Rulemaking No. R.20-08 020 to revise the NEM tariff structure in a third evolution known as NEM 3.0 and a number of parties have submitted their proposals for what they contend the NEM 3.0 structure and terms should be, and a final decision on these several proposals is expected January 2022; and

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WHEREAS, Public Utilities Code section 2827.1 requires that the NEM 3.0 successor tariff to "[e]nsure that customer-sited renewable distributed generation continues to grow sustainably and include specific alternatives designed for growth among residential customers in disadvantaged communities," and "[e]nsure that the total benefits of the [NEM 3.0] tariff to all customers and the electrical system are approximately equal to the total costs"; and

WHEREAS, California's large electrical corporation Investor Owned Utilities (IOUs), Pacific Gas and Electric, San Diego Gas & Electric (SDG&IE) and Southern California Edison, have submitted a Joint Proposal that calls for changes to NEM that would extend the payback period for customer-sited solar systems significantly beyond the payback periods that would result from some other proposals which would sufficiently reduce cost-shifting and ensure that total benefits to all customers are approximately equal to total costs; and

WHEREAS, the IOU Joint Proposal contains a feature of new fixed fees on NEM 3.0

customers called a Grid Benefits Charge; and

WHEREAS, the IOUs' Joint Proposal would make it more difficult, for customer-sited renewables to continue to grow sustainably as mandated by Public Utilities Code section 2827.1; and

WHEREAS, proposals submitted by other parties would continue to sustainably grow solar adoption, and provide cost incentives for low-income customers while also providing total benefits to all customers that are approximate to total costs; and

WHEREAS, according to the California Energy Commission 2021 Senate Bill I 00 Joint Agency Report Summary, California needs to more than triple customer-sited solar by 2045 to achieve its 100% clean energy goal; and

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WHEREAS, the San Diego clean energy sector has an \$8.2 billion economic benefit, as reported by Cleantech San Diego; and

WHEREAS, the San Diego County rooftop solar industry provides over 9,000 jobs to the region as reported by the Solar Foundation Solar Jobs Census; and

WHEREAS, the City Council continues to advocate for equity in our communities; and

WHEREAS, SDG&E is required to establish a \$10 million equity-focused solar expansion program under the City's gas and electric franchise agreements, the City has an interest in maximizing the impact of the program; and

WHEREAS, expanding access to rooftop solar in communities of concern will help California move toward 100 percent clean energy, lessen the impacts of the climate crisis, and reduce climate injustices stemming from use of non-renewable energy from fossil fuels in California; and

WHEREAS, the City of San Diego has a 100 percent clean energy goal as part of its Climate Action Plan; and

WHEREAS, this resolution is not subject to Mayoral veto pursuant to San Diego City Charter Section 280(a)(1); NOW, THEREFORE,

BE IT RESOLVED, that the San Diego City Council supports a CPUC NEM 3.0 decision which emphasizes the sustainable growth of customer sited solar electric and energy storage facilities in order to meet California's clean energy targets, particularly residential customers in disadvantaged communities.

BE IT FURTHER RESOLVED, that the San Diego City Council urges the CPUC to adopt a proposed NEM tariff structure that expands access to renewable solar generating facilities for low-and-moderate income households including access to other clean energy

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technologies such as batteries, and ensures that the solar installations continue to grow in order to meet State and City climate goals.

BE IT FURTHER RESOLVED, that the San Diego City Council urges the CPUC in making its decision to recognize and assign substantial value to the societal benefits of customer sited solar and battery storage installations.

BE IT FURTHER RESOLVED, that the San Diego City Council urges the CPUC to adopt a NEM 3.0 that ensures equitable and robust solar rooftop and battery adoption and does not burden non-solar and low-income customers.

BE IT FURTHER RESOLVED, that the San Diego City Council urges the CPUC to reject elements of any proposal which will stifle sustainable growth of customer sited renewable generating facilities including high monthly fixed charges and avoided cost models which insufficiently account for the societal value of customer sited renewable generation.

BE IT FURTHER RESOLVED, that the San Diego City Council also supports the

creation of sustainable union jobs that will create a just transition to a greener economy while addressing current barriers to joining the union workforce by expanding access to union apprenticeship programs through pre-apprenticeship programs in communities of concern, requiring prevailing wages, as defined in California Labor Code section 1770 et seq., and skilled and trained workforce, as defined in California Public Contract Code section 2601.

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**ADOPTED** by San Diego City Council, State of California this *15th* day of *Nov* 2021,

by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	/			
Jennifer Campbell	/			
Stephen Whitburn	/			
Monica Montgomery Steppe	/			
Marni von Wilpert	/			
Chris Cate	/			
Raul A. Campillo	/			
Vivian Moreno	/			
Sean Elo-Rivera	/			

Date of final passage NOV 15 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:

TODD GLORIA

Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

(Seal)

City Clerk of The City of San Diego, California.

By -S- Deputy

Office of the City Clerk, San Diego, California  
Resolution Number R- 313783

SOLARSD / NEM 3.0 City SD Resolution 2021.11.15 - R - 313783 Wv