

**SDG&E 100% Renewable Energy Program Proposal – SEAB Written Questions for SDG&E
March 8, 2018**

1. **Where and how does this proposal address the Guiding Principles and Minimum Performance Criteria adopted by SEAB and included in the CCA feasibility study? It would be helpful to have an indication of this (i.e., by cite of page, section of their response to the RFP) or additional clarifications if available to SEAB and posted prior to the presentation to assist in SEA Board member review.**

A: Our proposal did not seek to specifically address SEAB’s Guiding Principles and Minimum Performance Criteria because it was designed to be responsive to the City’s Request for Proposal (RFP) requirements. That said, SDG&E created a table at the end of this document, that maps SEAB’s Guiding Principles to our proposal. SDG&E defers to the City to determine whether the proposal will enable them to meet the recommended minimum performance criteria because several criteria will be affected by City priorities.

2. **Regarding meeting the Guiding Principles and Recommended Minimum Performance Criteria please dissociate the impacts on Environmental, Financial and Economic factors from Generation versus distribution and transmission investments. For example, jobs created locally by investments in generation sources.**

A: SDG&E’s proposal illustrates the environmental, financial and economic factors in generation; our proposed program does not address transmission and distribution investments.

3. **Indicate what is the amount of renewable energy that would be generated within San Diego County, within Imperial County and other areas in State of California, outside of California.**

A: In our illustration, we assume all new generation is sited within San Diego and Imperial Counties, which we define as “local”. The ultimate percentage and pace of projects that will be able to be sited locally will depend on local conditions (such as land availability and permitting) and the procurement priorities of the City. SDG&E’s proposal suggests that procurement priorities be set by the City. For example, if we run a solicitation and receive bids for less expensive generation in Northern California versus in San Diego, it will be up to the City to decide which projects go forward.

4. **What percentage and amount of renewable generation will be procured from local distributed energy resources?**

A: The City’s RFP did not include criteria related to DERs. As with local generation, SDG&E proposes that the City determine the priority for DERs. If the City chooses to target a certain percentage of DERs, we can design the solicitations for that purpose. The ultimate level of DERs procured will depend on City priorities and local conditions.

5. **What feed-in-tariff, if any, does SDG&E intend to employ for net metered rooftop and parking lot solar DER installations?**

A: SDG&E’s proposal does not change net energy metering tariffs.

6. **Explain the functioning of the PCIA that SDG&E's City renewables program would require and how would program earnings be treated to ensure ability to address any increases in PCIA charges on 100% renewables program customers?**

A: SDG&E's proposal builds upon our existing portfolio, which means City customers would not exit SDG&E's service. Under SDG&E's proposal, there is no PCIA paid by City customers who take service under the new City tariff.

7. **SDG&E proposes a partnership with the City in defining their Renewable Program for the City. How will the City and City residents participate in energy sourcing decisions and will those decisions be reviewed in public sessions?**

A: SDG&E's proposal leaves the level of City participation open to discussion between the City and SDG&E during the program design phase. We are now in that program design phase, and regularly meeting with the City to discuss these issues.

8. **How will SDG&E treat any excess earnings-over-expenses of their City of San Diego 100% renewables program?**

A: SDG&E's proposal would not have excess earnings-over expenses. Our proposal would only recover costs incurred to operate the program and costs of generation. All costs would be recorded in accounts, subject to verification and passed directly to City customers, without markup, to maintain indifference between City customers and SDG&E's other customers.

9. **What performance guarantees will SDG&E offer to ensure that their program will match the lowest rates for renewable energy in California?**

A: SDG&E cannot guarantee what the level of customer rates will be going forward as commodity costs are determined in markets and not by SDG&E. Due to our code of conduct, we can also not discuss any comparison to CCA offerings.

10. **What guarantees will SDG&E offer that they will match net metering rates and roof top solar incentives of currently operating CCAs in California?**

A: Due to our code of conduct, we cannot discuss any comparisons to CCA offerings.

SEAB Recommended Guiding Principles

Principle Topic	Citation to SDG&E Proposal	Comment
1. Opt-out treatment	2.9.8	SDG&E proposal suggest that opt-out treatment be requested in program application
2. CCA feasibility study sponsored by Protect Our Communities	N/A	Not allowed per Code of Conduct
3. Economic development impacts	2.9.9	SDG&E proposal leverages JEDI model
4. GHG reduction impacts	2.9.7	SDG&E proposal uses statewide marginal emissions rate from ARB
5. State loading order	Appendix 1, 2.d	SDG&E proposal references complementary programs in EE and EV targeting local communities
6. 100% local renewable	2.9	SDG&E proposal provides City ability to prioritize procurement objectives (e.g. if local is #1 objective – then local will be prioritized in solicitations)
7. Phase-in	2.9	SDG&E proposal provides City ability to determine pace of procurement