Thursday, April 17, 2019

San Diego City Councilmember Jen Campbell, Chair, and Members of the Committee on the Environment

**Re:** **Sustainable Energy Advisory Board Semiannual Report for Period July 2018 through April 2019**

The Sustainable Energy Advisory Board (SEAB) was established by the San Diego City Council to serve as an advisory board to the Mayor, City Council and (formerly) 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. The duties and functions of SEAB are described in section 26.04 of the San Diego Municipal Code.

SEAB is currently required to periodically report its progress to the City Council Committee on the Environment. The purpose of this memorandum is to provide that report. If you would like to have a presentation at a meeting of the Committee on the Environment, that can be arranged.

**San Diego Climate Action Plan Energy Goals**

The City of San Diego adopted its Climate Action Plan in December of 2015. It includes three major energy goals: 1) achieving 100% renewable energy on the city-wide electrical grid by 2035, 2) adoption of a Municipal Energy Strategy for City facilities and operations to support that goal, and 3) adoption and implementation of ordinances for building efficiency. Action 2.1 is to present to the City Council for consideration a Community Choice Aggregation (CCA) or another program that increases the renewable energy supply on the electrical grid.

For the last two years, SEAB’s focus has been on these three goal areas with special emphasis and attention on assisting the City to evaluate strategies for achieving the goal of 100% renewable energy on the city-wide electrical grid by 2035. This has included reviewing both the CCA Feasibility Study and the alternate approach offered by SDG&E. SEAB’s comment letter on the CCA Feasibility Study was submitted to the Mayor and City Council in late November 2017. SEAB’s comment letter on the alternative proposal presented by SDG&E was submitted to the Mayor and City Council on May 15, 2018.

SEAB provided Guiding Principles for the Feasibility Study for Community Choice Aggregation proposal based on working group recommendations and public stakeholder input and testimony.[[1]](#footnote-1)

The City engaged Willdan Financial Services to prepare a feasibility study for a community choice aggregate. Based on the positive outcome of the CCA feasibility study for the City of San Diego, city staff commissioned development of a CCA Business Plan in 2018. The consulting firm, MRW, was retained to develop the CCA Business Plan. SEAB received the Business Plan in late October 2018 and MRW joined our November meeting telephonically to give a brief presentation of the plan and respond to Board questions. SEAB voted to be on record as supporting formation of community choice provided that further attention is given to certain issues in the implementation plan as specified in a January 3, 2019 letter to the Mayor and City Council.

**Other Items Reviewed by SEAB during the Report Period**

In July, Andy Hoskinsen, of the Centre for Sustainable Energy, gave a presentation to SEAB on California’s Electric Vehicle Infrastructure Project and Sustainability staff member Lorie Cosio-Azar made a presentation on the status of the proposed Municipal Energy Strategy.

In August, Michael Favaloro of the Public Utilities Department gave a presentation on Pure Water and the Water/Energy Nexus. SEAB was dark in September because several board members planned to attend the Global Climate Summit in San Francisco.

In October the Board discussed suggestions for operating procedures from Sustainability Department staff and accepted those suggestions not in conflict with the adopted SEAB General Operating Procedures. Priorities for future presentations and the 2019 work plan were discussed.

Cody Hooven, Chief Sustainability Officer for the City of San Diego and Mark Fulmer, of MRW, presented the CCA Business Plan in November and the Board took the action described above. SEAB scheduled a presentation on Socioeconomic Equity in November but the speaker from the Greenlining Institute was not able to attend.

While the December meeting did not achieve a quorum for action items, Board members present received presentations by SDGE representatives on Energy Storage projects and proposed plans under review by the CPUC. Joel Day, of the Office of the Mayor Director for Boards and Commissions, presented information on City review of recommendations by the City Auditor and discussed the experience and efficacy of SEAB with Board members present who urged the Mayor and City Council not to consolidate the SEAB with other Boards due to the dilution of attention to energy goals which are major components of the City’s Climate Action Plan.

In January, Roman Partida-Lopez provided a presentation regarding socioeconomic equity and work of The Greenlining Institute “Environmental Equity Team” in California and San Diego. Projects described included the San Diego Port District Sustainable Freight Demonstration Project, implementation of SB 535 to ensure 25% of cap and trade funds from the state go to benefit “Disadvantaged Communities (DAC).” SEAB requested specific policy recommendations for further consideration.

Bryan Olson, Senior Civil Engineer (City of San Diego, Sustainability Department) also provided a presentation in January on the Solar Siting Survey and the Feed-In-Tariff Update from the Sustainable Energy Innovation (SEIN) NREL funded project. The goal of the SEIN project is to identify sites with solar potential of 1 megawatt AC or larger in the built environment and to propose a wholesale Feed-In-Tariff (FIT) mechanism as a viable option to develop the potential. Potential for 500 Mw AC has been identified at 120 sites, 75% of which are on parking lot sites.

Request for Action by the City Council

1. Municipal Code Provision Recommendations

Portions of the Municipal Code Section 26.04 should be updated. SEAB adopted recommendations in May 2015 which were provided to the Mayor, City Council Environment Committee and the City Attorney. SEAB Chairperson forwarded a marked-up copy of the relevant section of the San Diego Municipal Code to the Mayor and City Council by letter dated May 15, 2017. SEAB respectfully requests that section 26.04 of the Municipal Code governing SEAB be updated. Section (c) "Duties and Functions" at subitem (8) should reflect that SEAB will "Coordinate energy planning activities with the new City Sustainability Department." A copy of that Section Marked Up with SEAB recommended updates is attached to this report.

1. SEAB Membership

SEAB currently has open board seats which we would like the Mayor and City Council to fill.

San Diego Municipal Code defines SEAB membership as follows:

1. San Diego Regional Energy Office (SANDAG)
2. San Diego Gas & Electric
3. Environmental Advocate
4. Labor Organization
5. Solar Power System Manufacturer or Installer
6. Building Industry
7. Business Community/Chamber
8. At-large Member
9. At-large Member
10. At-large Alternate Member #1
11. At-large Alternate Member #2

The Municipal Code recommendations we have provided update the first seat to indicate the practice of designating that seat from the Center for Sustainable Energy (CSE). Hanna Grene, of CSE, accepted a new position with another organization in October. We have been informed that CSE has designated a new representative for Mayoral nomination.

The position for a Solar Power System Manufacturer or Installer was vacated in March 2017 with the resignation of John Bumgarner, who also served as SEAB Chair. We understand that at least one qualified individual has expressed interest in serving in this seat. Andrew McKercher, labor representative of IBEW, has taken a new position and resigned from SEAB. His replacement needs to be identified.

San Diego Gas and Electric’s representative, Kendall Helm, also resigned from SEAB in January 2019. Her replacement has been nominated and is expected to be confirmed soon. Likewise, Sean Karafin of the Chamber of Commerce has resigned. His replacement has been identified and awaits confirmation.

We recommend expanding the current board membership by two seats. One additional seat should be designated for Cleantech San Diego and another board seat should be designated for a Communities of Concern representative/advocate.

It is our understanding that the City Council can make appointments to these seats and expired seats if the Mayor does not appoint within 45 days of the expiration of those terms or vacancy in a seat.

Goals for the Next Period

We will continue our discussion of strategies to achieve the City’s goal of 100% renewable energy by 2035. Additional meeting topics in the spring will include developing a robust energy storage program and the potential for installing solar capacity in the City of San Diego. Other topics included in our adopted work plan include review of the Municipal Energy Strategy, Green building efficiency ordinance implementation and presentation on the expiring Franchise Agreement for transmission and distribution of electricity.

We welcome the opportunity to present and discuss these issues with the Environment Committee and to respond to your requests to assist in your work plan priorities related to Energy for the new year.

Respectfully submitted,

Julia R. Brown, Chair

Sustainable Energy Advisory Board

Encl: SEAB Recommended Updates in Mark Up Copy of Municipal Code Section 26.04

Cc Mayor Kevin Faulconer (Attn: Joel Day)

City Attorney Mara Elliot (Attn: Fritz Ortlieb)

Director Cody Hooven, Sustainability Department

**Recommended Changes to Municipal Code Adopted by SEAB on May 14, 2015 as**

**Recommended by SEAB Task Group on May 8, 2015 and City staff recommendations.**

**Additional recommendations made April 11, 2019.**

**Changes from the existing Municipal Code are in the form of underlining, strike ~~thru~~.**

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MARKED UP VERSION

**San Diego Municipal Code**

**Chapter 2: Government**

(11-2013)

**§26.04**

**Article 6: Board and Commissions**

*(Incorp. 1-22-1952 by O-5046 N.S.)*

**Division 00:**

**Sustainable Energy Advisory Board**

(a) Purpose and Intent

It is the purpose and intent of the City Council to establish a Sustainable Energy Advisory Board to serve as an advisory body to the Mayor ~~,~~  and 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.

(b) Sustainable Energy Advisory Board Established

There is hereby established a Sustainable Energy Advisory Board consisting of eleven regular members and two alternate members who shall serve without compensation. The members shall be appointed by the Mayor and confirmed by the Council. In making appointments, the Mayor may consider recommendations made by members of the Council and shall include nine designated members, two regular at-large members, and two at-large alternate members. The nine designated members shall be appointed from the following representative areas of organizational interest, expertise, and background:

(1) ~~San Diego Regional Energy Office [SANDAG]~~ Center for Sustainable Energy (CSE)

(2) San Diego Gas & Electric Company

(3) Environmental Advocate

(4) Labor Organization

(5) Solar Power System Manufacturer or Installer

(6) Building Industry

(7) Business Community/Chamber

(8) Cleantech San Diego

(9) Communities of Concern

(10) At-large Member

(11) At-large Member

The alternate members shall be designated numbers one and two and shall attend meetings like regular members. In the event any regular member is absent from a meeting where a vote on any advisory recommendation is taken, the alternate(s) shall vote in place of the absentee(s) in the order of alternate designation.

*Ch. Art. Div.*

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**1San Diego Municipal Code Chapter 2: Government**

(11-2013)

Residency in the City of San Diego shall not be a condition for appointment to the Board. The members shall serve two-year terms and each member shall serve until a successor is duly appointed and confirmed. Members shall serve a maximum of eight consecutive years. A seat vacated by a Board member from a designated area of representation shall be filled by appointment of a new member from the same designated area of representation. The members shall be appointed in such manner that the terms of not more than ~~five~~ six of the eleven total appointed members including alternates shall expire in any year.

The expiration date of all terms shall be March 1. During March of each year, the Mayor may designate one regular member as chairman; however, in the absence of such designation, the Board shall, on or after ~~April 15~~ April 1 select a chairman from its regular members. The Board shall adopt rules, regulations, and organizational structure as it deems necessary, consistent with law, for the conduct of its business. The Board shall meet not less than once every six months.

(c) Duties and Functions

The Sustainable Energy Advisory Board shall:

(1) Advise the City Council and ~~City Manager through~~ the Mayor on energy policy and be responsible for recommending future energy guidelines to accomplish the goals set forth by the City Council regarding energy independence, reliability, resilience and efficiencyin accord with the ~~of the~~ “~~Energy 2030: The~~ San Diego Regional Energy Strategy” adopted by the San Diego Association of Governments [SANDAG] ~~in July 2003.~~ and to accomplish the goals set forth in the City’s Climate Action Plan.

(2) Advise on the best and most ~~cost-~~  economically effective methods ~~to implement a~~ for the City ~~goal~~ to achieve energy targets specified in the City Climate Action Plan ~~install at least fifty (50) megawatts of~~ through renewable-fueled electric generating capacity and energy efficiency measures in public and private facilities ~~by the year 2013~~.

(3) Advise how the City can remove barriers to the development of renewable energy facilities for public and private facilities in the San Diego region.

(4) Advise on how the City can provide incentives for the development of renewable energy resources.

(5) Coordinate with City staff to develop innovative mechanisms for financing renewable energy resources.

(6) Become aware of and develop competence in energy issues and be broadly representative of the community interests.

*Ch. Art. Div.*

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**San Diego Municipal Code**

**Chapter 2: Government**

(11-2013)

**§26.06**

(7) ~~(8) (9)~~

~~(10)~~ Seek participation by regional business and political leaders and public interest groups and other stakeholders in energy issues.

(8) Coordinate energy planning activities with the City ~~Energy Administrator~~ Deputy Director, Sustainability Department.

(9) Perform such other studies as may be specifically requested by the Mayor and Council and provide information and advise thereon.

(10) Report progress at a meeting of the Committee on the Environment and to the Mayor ~~no later than January 3, 2004 and every six months thereafter~~ on a semiannual basis to be scheduled through the Committee Chairperson as part of the adoption of the Committee annual work plan.

1. Neither these guiding principles nor any other SEAB recommendations on the subject of Community Choice Aggregation reflect the input or recommendations of SDG&E, which has refrained from participating in discussions on this subject in compliance with the Community Choice Code of Conduct that has been adopted by the California Public Utilities Commission. [↑](#footnote-ref-1)