



CLIMATE ACTION COMMISSION MEETING

REGULAR MEETING AGENDA

MINUTES

Wednesday, March 20, 2024, 5:30 PM

City Hall Council Chambers

635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Government Code sections 54953(e) and 54954.3 and other applicable law.

Minutes contain a summary of the discussion and actions taken by the Climate Action Commission during a meeting. Climate Action meetings are audio recorded. The audio recordings capture the complete proceedings of the meeting and are available for review.

1. CALL TO ORDER

Chairperson McClune called the meeting to order at 5:32 PM.

Present: Chairperson Michael McClune, Vice Chairperson Mika Nagamine, Councilmember David Zito, Commissioners Ken Flagg, Lane Sharman, Heidi Dewar, and John Kellogg (at 5:46)
Junior Commissioners: Hayden Crocker, Georgia Wallerius

Absent: Commissioner Greg Coleson

Also Present: Dan King, Interim City Manager; Nicole Grucky, Senior Management Analyst

2. APPROVAL OF THE AGENDA

Motion: Moved by Sharman. Seconded by Zito. Approved 6/0/2 (Absent: Coleson, Kellogg).
Motion Carried.

3. APPROVAL OF MINUTES

- Meeting of February 21, 2024

Motion: Moved by Dewar. Seconded by Flagg. Approved 6/0/2 (Absent: Coleson, Kellogg).
Motion Carried.

4. PUBLIC COMMENT

No public comment.

5. PRESENTATION BY RESPONSIBLE ENERGY SAN DIEGO REGARDING THE POWER SAN DIEGO PUBLIC POWER BALLOT INITIATIVE – Matt Awbrey, Responsible Energy

San Diego

Commissioner Kellog arrived at 5:46pm.

Matt Awbrey, from Responsible Energy San Diego, presented on the proposed City of San Diego public power ballot initiative. Responsible Energy San Diego is a coalition of leaders, organizations, and businesses united against the efforts by Power San Diego. During the presentation Awbrey discussed how municipalization is different than Community Choice Aggregations (CCAs) like Clean Energy Alliance (CEA) and how the ballot initiative in San Diego would be an apples to oranges comparison to successful municipalization like SMUD and LADWP. Responsible Energy San Diego believes any movement to municipalization should wait until the planned Phase 2 study by the City of San Diego is completed in 2025. Responsible Energy San Diego hired Concentric Energy Advisors to complete a valuation study, which valued SDG&E assets at \$13.2B. Responsible Energy San Diego is concerned about risks including giving a blank check to unelected appointees if the ballot measure was passed.

Questions

Commissioner Sharman asked who has funded the Responsible Energy San Diego coalition and the valuation study. Awbrey stated that SDG&E has been the sole funder thus far, but they expect funding from other sources in the future. Commissioner Sharman asked if the municipalization in Kauai, HI was successful. Awbrey stated they could not speak to that, but they didn't think it was to the same scale. Commissioner Sharman inquired about the company Sempra, which Awbrey could not speak to as they are not a representative of Sempra. Commissioner Sharman shared that Sempra is a fossil fuel company and that SDG&E's rates have increased at a higher rate than inflation, wondering how much more revenue does SDG&E need and refuted the claim that the Power San Diego bill would cause homelessness and that SDG&E's high rates are causing homelessness.

Commissioner Flagg asked for clarity on the valuation study, in particular, asking why the separation fee (valued at \$4.16B) was so expensive. Awbrey responded that they are not an expert but assumed it would cost money to transfer all the assets and that there are complicated cases. For instance, there is an SDG&E substation on Via de Valle that is within San Diego city limits that primarily services Solana Beach and Del Mar. Commissioner Flagg also asked about how wildfire risk comes into play. Awbrey re-stated that they are not a representative of SDG&E, but that SDG&E has stated that reducing wildfire risk is a priority.

Vice Chair Nagamine wanted further information on how SDG&E would make up its revenue share if the City of San Diego was removed from the SDG&E territory, assuming that SDG&E would lose revenue if they lost all San Diego customers. Awbrey stated that they couldn't speak to this on behalf of SDG&E, but stated that the City of San Diego makes up 40% of SDG&E territory so there is a concern that there would be an increased cost passed on to the remaining customers on the SDG&E grid (like Solana Beach).

Public Comments:

1. Has Janson
2. Heather Rock

Discussion

Councilmember Zito stated that they don't see the failures that were mentioned in the presentation as failures. Councilmember Zito wanted to know if there were any examples of cities that actually

failed when implementing municipalization, as all the examples provided were jurisdictions who researched the possibility and then decided to not move forward. Councilmember Zito was also interested in learning more about the mentioned City Attorney's concern with municipalization. In particular, the concern with having a city manage multiple aspects of the grid and the CCA, but why the attorney would not have those same concerns with SDG&E doing that now. Awbrey responded that it was a concern of state law. Councilmember Zito also discussed pricing, reasoning that if SDG&E's rates are 50% higher than others in California why shouldn't we look to see if someone else can do a better job. Cities and residents have stated their priority is increasing local renewable generation and storage, and SDG&E has made no motion towards this. Awbrey responded that turning over the grid to the City would be an expensive way to try and achieve that goal. Joe Gabaldon, Sr. Public Affairs Manager with SDG&E, answered questions in relation to SDG&E stating that SDG&E investments have been successful on reliability for 17 years in a row and that wildfire safety efforts have been above par. SDG&E also recognizes that affordability is an issue and they are working with federal government to work on undergrounding in the back country, so costs aren't passed along to all ratepayers in the region. SDG&E is working on storage, currently piloting batteries at SDG&E substations.

Commissioner Dewar asked why SDG&E has placed barriers to rooftop solar. Gabaldon stated that there are rules and SDG&E is merely implementing them. Since the inception of CCAs, that is also the responsibility of CCAs now.

Commissioner Kellogg stated that they believe that the average person would not want to give the government more power. However, the fact that there are so many people supporting an initiative to municipalize energy and give the government more power is telling. Commissioner Kellogg believes that based on that, it means that what SDG&E is doing is not working. Can SDG&E commit to any change? Gabaldon stated that collaboration is the key. Gabaldon also stated that the reason the rates are so much higher than the rest of the state is due to wildfire investments.

Chair McClune stated that they have expressed their interest in working with SDG&E to become greener. Meanwhile, SDG&E has been dumping money into the grid, but it's not a better or greener grid; microgrids are not a thing; and new NEM (net energy metering) regulations are bad. Gabaldon stated that SDG&E supports electric vehicles (EVs).

Commissioner Dewar asked if there was someplace that people could look to see the breakdown of SDG&E's expenses and revenues. Gabaldon stated they would share with City staff to distribute to the Commissioners.

Commissioner Sharman wanted to clarify SDG&E's claims about being highly responsible in reducing wildfire risks, stating that SDG&E was found negligent for one of the wildfires. And pointing out that SDG&E has exceeded their authorized rate of return.

Gabaldon shared the new infrastructure being installed is different than the existing infrastructure, mostly comprised of steel, wider arms, and larger spacing between the wires. Commissioner Flagg wondered why the undergrounding wasn't happening at the same time as when cable lines are being underground? Gabaldon stated that it is too expensive, and that SDG&E is working with the City to see where there are opportunities.

6. RESOLUTION REQUEST FOR THE SOLANA BEACH CITY COUNCIL TO CONSIDER THE MERITS OF MUNICIPALIZATION OF ELECTRIC POWER – Commissioner Sharman

Public Comment

1. Matt Awbrey

Discussion

Commissioner Flagg agreed that they want to lower costs, have a more local system, but is unsure if this resolution and municipalization is the way to do so and if it is what the Commission should commit to.

Councilmember Zito agrees with Commissioner Flagg, reiterating that this is a complex space and when the Council agreed to CCAs, it was after a lot of research and he doesn't know if enough research has been done to make a decision, and maybe an intermediate step would be to create a resolution that calls out increasing local generation. Commissioner Dewar agreed with previous sentiments.

Commissioner Sharman states that others have benefitted from municipalization and that rates in this region are unsustainable, asking Commissioners to give this idea a chance of being presented to Council to look at and start the process.

Motion: To forward the resolution to City Council. Moved by Sharman. Seconded by Dewar. Votes: 3/3/1/1 (Yay: Sharman, Dewar, Flagg; Nay: McClune, Nagamine, Kellogg; Abstain: Zito; Absent: Coleson). **Motion Failed.**

7. JUNIOR COMMISSIONER UPDATES – Junior Commissioner Crocker & Wallerius

Junior Commissioners Crocker and Wallerius presented ideas on how to make Fiesta del Sol more sustainable, including:

- Outreach at City table
- Refillable water stations
- Liquid diversion
- Landfill limitation and waste sorting
- Regulation and enforcement

Discussion

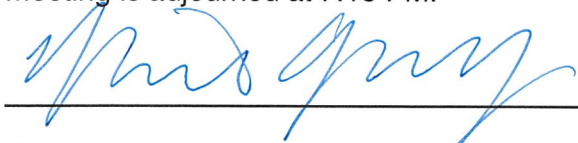
Chair McClune would like to have an opt-up banner from CEA at the City booth. Commissioner Dewar is interested in participating and would like to make sure we offer compostable cups. Vice Chair Nagamine would like to consider a bike valet. Commissioner Sharman would like to provide electrification financing resources. Councilmember Zito would like to bring this to the next business liaison meeting.

8. NEW/PROPOSED BUSINESS: New or proposed business provides an opportunity for Commissioners to discuss items not on the agenda but that may be added to the CAC agenda/workload at a future date. Pursuant to the Brown Act, there will be no action taken on these items.

Commissioner Dewar would like to bring a presentation to next month's meeting that would provide an update on the pollinator projects, next steps, and seek input from the Commission on how to further this work within the City.

9. ADJOURNMENT

Meeting is adjourned at 7:18 PM.

A handwritten signature in blue ink, appearing to read "Nicole Grucky", is written over a horizontal line.

Nicole Grucky, Senior Management Analyst

Approved: 4/17/2024