

CLEAN  
ENERGY



ALLIANCE

# Clean Energy Alliance Update

City of Solana Beach City Council

January 26, 2022

# Clean Energy Alliance Update

- Current Status of Program
- Service Expansion
- Rate Update
- Credit Amendment

# Current Status of Program

- Participation Rate – ~ 92%; 60,000 Service Accounts
  - Primary Reason for Opt-Out – Automatic Enrollment
  - Green Impact 100% Renewable Energy Enrollments - ~370
    - ~ 170 Residential
    - ~ 100 Non-Residential
  - Clean Impact 50% Renewable Energy Opt Downs - ~115
    - ~105 Residential
    - ~10 Non-Residential
- Average 220 calls per month to Call Center
  - 39% Calls re: Billing Inquiry
  - 15% General Inquiry

# Service Expansion

- Escondido & San Marcos Joined CEA
  - April 2023 Service Launch
  - Implementation Plan Amendment Approve 12/30/21
    - Filed with California Public Utilities Commission 12/30/21
    - Anticipate CPUC certification by 3/30/22
- Evaluating Oceanside, San Clemente, & Vista Joining
  - 2024 Service Launch

# Impact of Escondido & San Marcos

	Escondido	San Marcos	Current CEA	Expanded CEA
Total Accounts	56,348	36,820	60,000	153,168
Annual Energy (MWh)	538,000	353,000	600,000	1,491,000

Service expansion will add approx. 93,168 accounts and more than double annual electric demand



# Rate Update

- Board Approved Rate Adjustment Effective 2/1/2022
  - Maintains 2% generation cost savings compared to SDG&E Clean Impact PCIA Vintage 2020
    - Takes into account Exit Fees paid to SDG&E
    - Solana Beach Customers 2017 Vintage – 6% generation savings Clean Impact

# CEA vs SDG&E Generation & Exit Fees

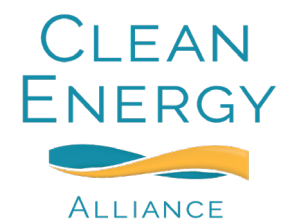


# Projected Residential Bill Comparisons for Clean Impact - 2017 Vintage PCIA (Solana Beach Customers)

Rate: Residential DR Clean Impact	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
SDG&E PCIA & FF	\$ 16.78		\$ 8.75			
Total Generation Related Costs	\$ 46.91	\$ 45.80	\$ 46.50	\$ 49.64	-0.87%	8.38%
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
<b>TOTAL AVERAGE MONTHLY BILL</b>	<b>\$ 118.17</b>	<b>\$ 117.06</b>	<b>\$ 117.76</b>	<b>\$ 120.90</b>	<b>-0.35%</b>	<b>3.28%</b>
GENERATION COST SAVINGS/PREMIUM		2.42%		-6.33%		
TOTAL BILL SAVINGS		0.95%		-2.60%		

\* .3% Avg Bill Decrease

\* 2021 delivery rates used in comparisons. 2022 delivery rates increase not reflected here.





# Projected Residential Bill Comparisons for Clean Impact Plus - 2017 Vintage PCIA (Solana Beach Customers)

Rate: Residential DR Clean Impact Plus	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
Clean Impact Plus Premium	\$ 0.35		\$ 0.35			
SDG&E PCIA & FF	\$ 16.78		\$ 8.75			
<b>Total Generation Related Costs</b>	<b>\$ 47.26</b>	<b>\$ 45.80</b>	<b>\$ 46.85</b>	<b>\$ 49.64</b>	<b>-0.87%</b>	<b>8.38%</b>
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
<b>TOTAL AVERAGE MONTHLY BILL</b>	<b>\$ 118.52</b>	<b>\$ 117.06</b>	<b>\$ 118.11</b>	<b>\$ 120.90</b>	<b>-0.35%</b>	<b>3.28%</b>
GENERATION COST SAVINGS		3.19%		-5.62%		
TOTAL BILL SAVINGS		1.25%		-2.31%		

\* .3% Avg Bill Decrease

\* 2021 delivery rates used in comparisons. 2022 delivery rates increase not reflected here.

# Projected Residential Bill Comparisons for Clean Impact - 2020 Vintage PCIA (Carlsbad & Del Mar)

Rate: Residential DR  
Clean Impact

	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
SDG&E PCIA & FF	\$ 14.64		\$ 10.90			
Total Generation Related Costs	\$ 44.77	\$ 45.80	\$ 48.65	\$ 49.64	8.67%	8.38%
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
<b>TOTAL AVERAGE MONTHLY BILL</b>	<b>\$ 116.03</b>	<b>\$ 117.06</b>	<b>\$ 119.91</b>	<b>\$ 120.90</b>	<b>3.34%</b>	<b>3.28%</b>
GENERATION COST SAVINGS		-2.25%		-1.99%		
TOTAL BILL SAVINGS		-0.88%		-0.82%		

\* 3.3% Avg Bill Increase

\* 2021 delivery rates used in comparisons. 2022 delivery rates not reflected here.

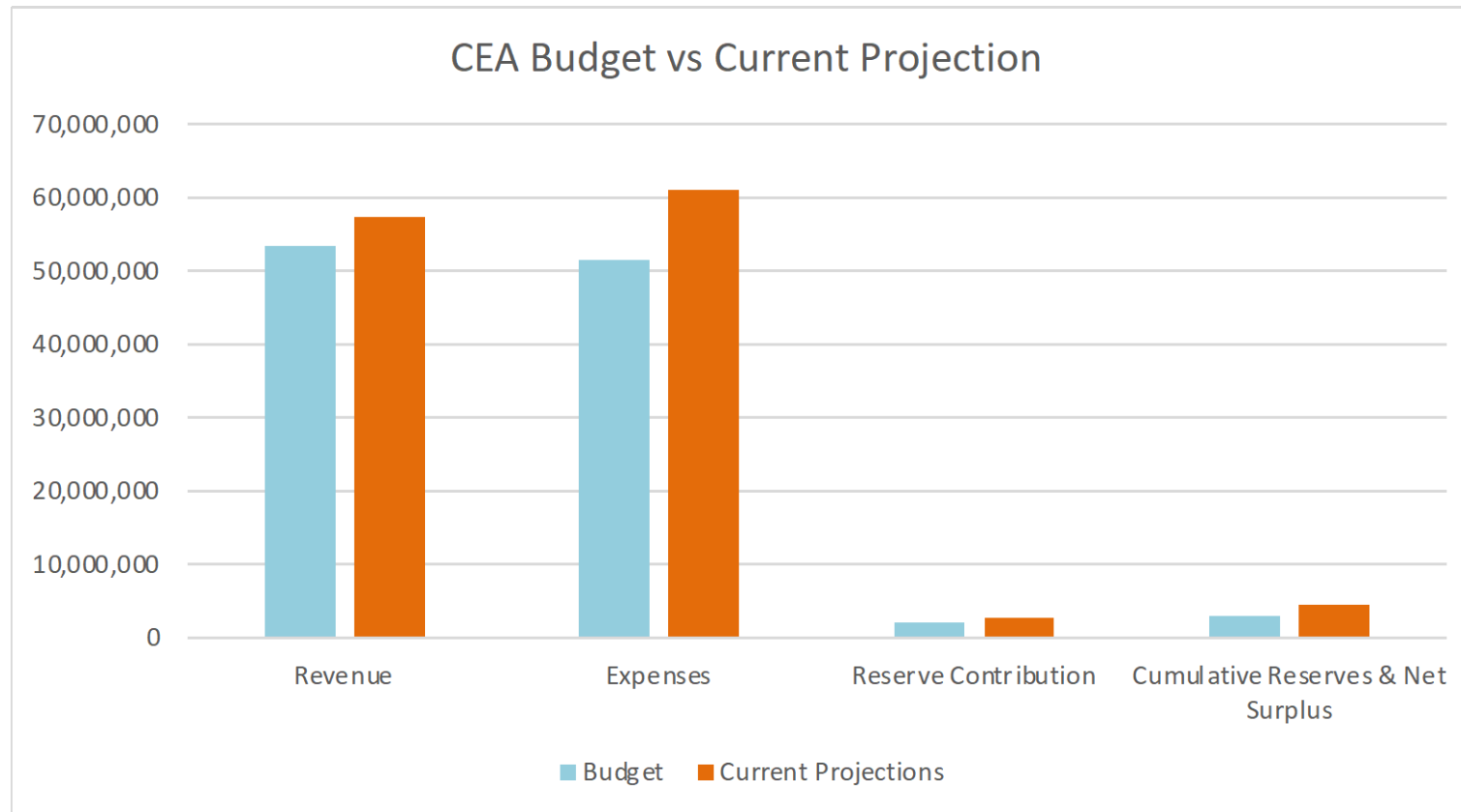
# Projected Residential Bill Comparisons for Clean Impact Plus- 2020 Vintage PCIA (Carlsbad & Del Mar)

Rate: Residential DR Clean Impact Plus	Current Rates Eff 3/1/21		Proposed Rates Eff 1/1/22		% Change	
	CEA	SDG&E	CEA	SDG&E	CEA	SDG&E
Generation	\$ 30.13	\$ 45.80	\$ 37.75	\$ 49.64		
Clean Impact Plus Premium	\$ 0.35		\$ 0.35			
SDG&E PCIA & FF	\$ 14.64		\$ 10.90			
<b>Total Generation Related Costs</b>	<b>\$ 45.12</b>	<b>\$ 45.80</b>	<b>\$ 49.00</b>	<b>\$ 49.64</b>	<b>8.60%</b>	<b>8.38%</b>
SDG&E Delivery *	\$ 71.26	\$ 71.26	\$ 71.26	\$ 71.26		
<b>TOTAL AVERAGE MONTHLY BILL</b>	<b>\$ 116.03</b>	<b>\$ 117.06</b>	<b>\$ 120.26</b>	<b>\$ 120.90</b>	<b>3.65%</b>	<b>3.28%</b>
GENERATION COST SAVINGS		-1.48%		-1.29%		
TOTAL BILL SAVINGS		-0.88%		-0.53%		

\* 3.3% Avg Bill Increase

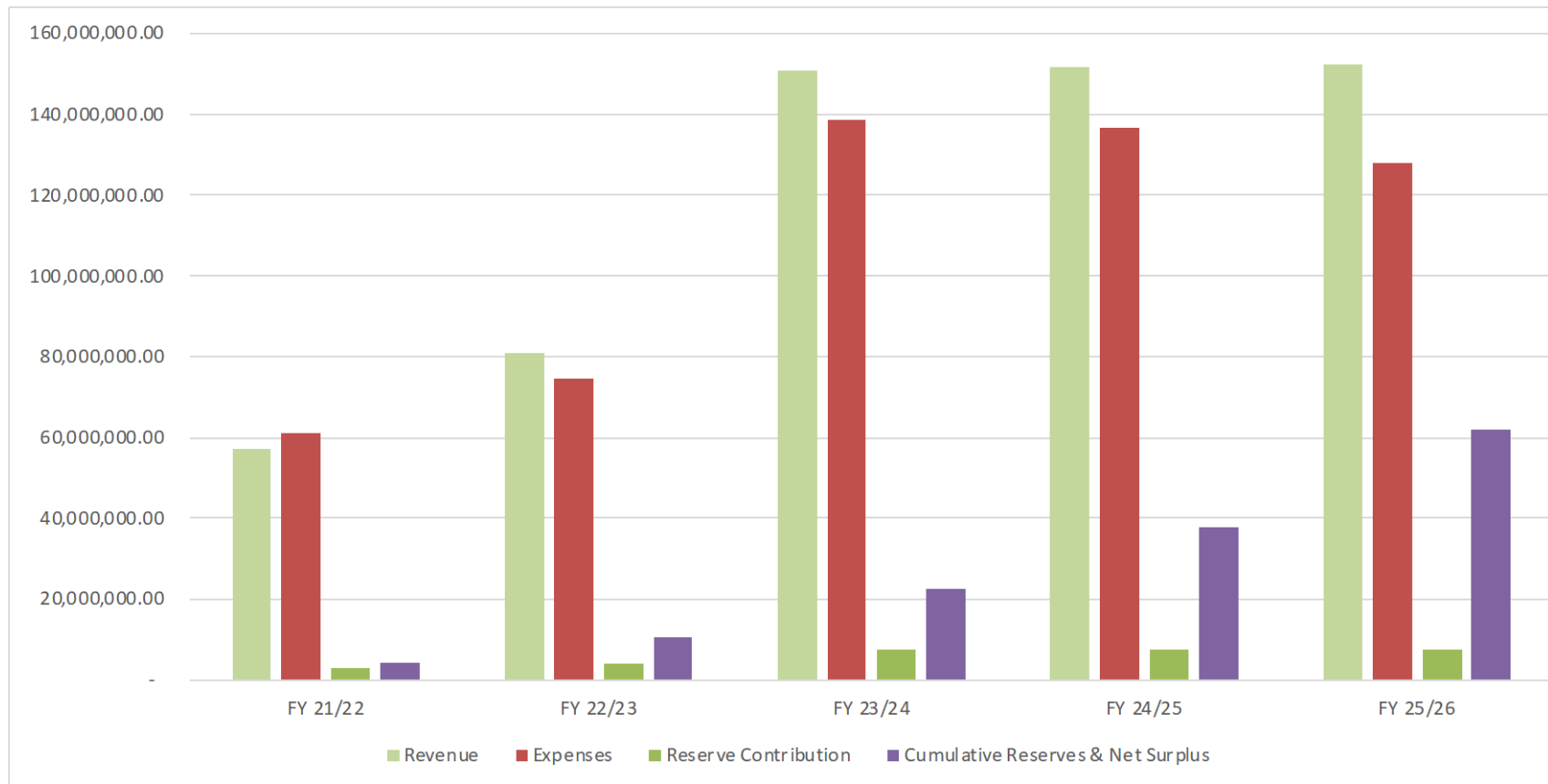
\* 2021 delivery rates used in comparisons. 2022 delivery rates increase not reflected here.

# FY 21/22 Budget vs Updated Projections



Reflects updated rates and current power supply costs

# Updated Financial Forecast

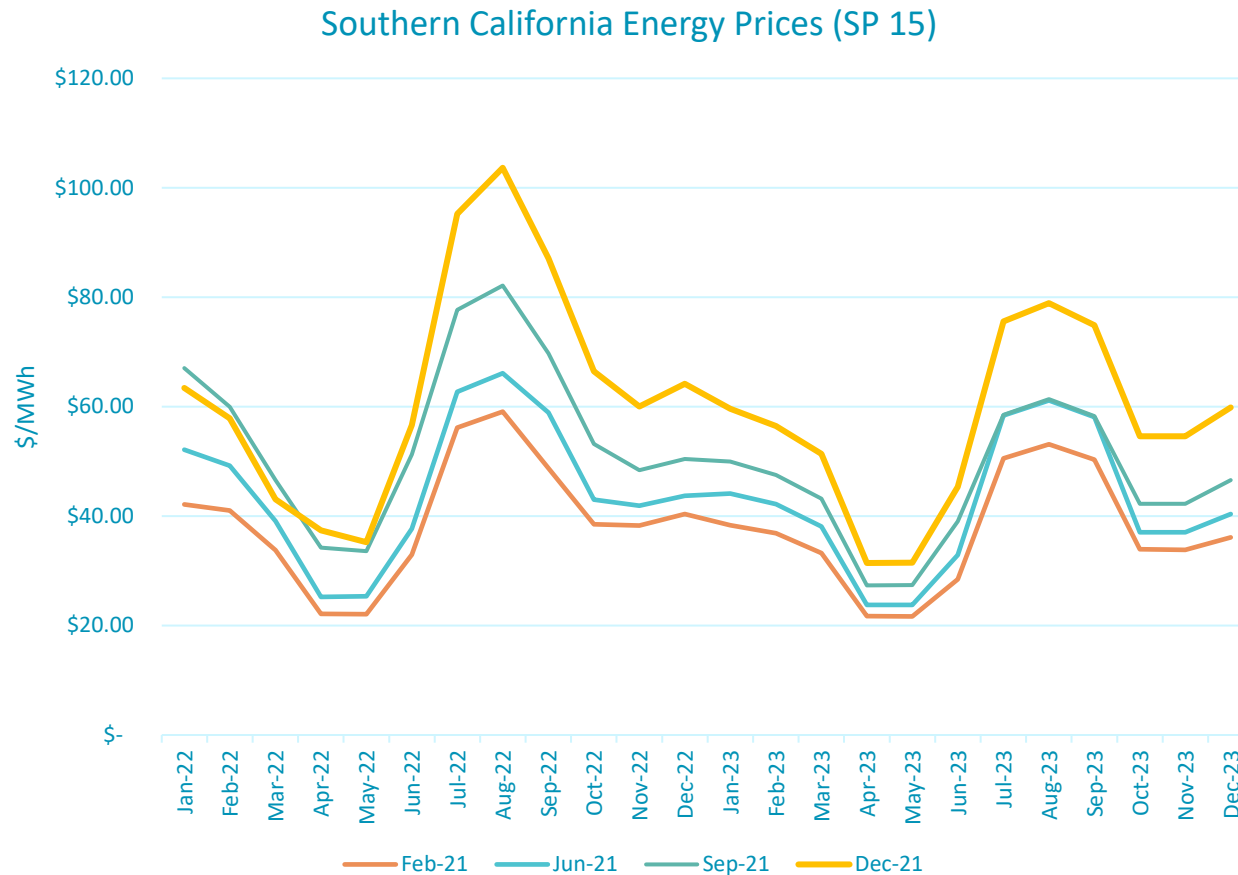


- Rates sufficient to recover costs over forecast period
- FY 21/22 Shortfall due to short-term power supply costs
- Shortfall addressed through JPMorgan credit line increase
- Cost of credit & repayment reflected in projection
- Future Costs lower based on forward energy prices



Reflects rates effective 2/2/22 and current power supply costs  
Includes Escondido & San Marcos April 2023 Launch

# Forward Price Curve of Energy

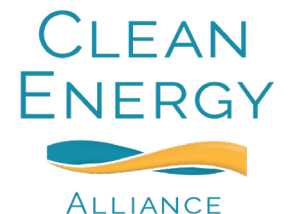


Power Supply Cost  
 Certainty through Hedge  
 Contracts

For Existing Load:

- 90% 2022
- 65% 2023
- 40% 2024

By Year End to include  
 Escondido & San Marcos



# JPMorgan Credit Line Increase

- \$9.00MM increase – to available \$15.00MM
  - Board approved 1/13/22
  - Includes contingency funds related to service expansion - \$3.00MM
  - Term remains same – 1/31/2026
  - Interest Rate converts from LIBOR to SOFR (Secured Overnight Financing Rate)
  - Sample Interest Rate calculated based on SOFR – 3.60%
- Credit fully obligation of CEA
  - No recourse in event of default to member agencies

# Questions/Discussion