



Regular Board Meeting

March 30, 2023

Item 6: Consider Amending CEA Rate Schedule Adding EV-HP Rate Effective April 1, 2023

Item 6: Consider Adding Rate EV

- Recommendation:

- 1) Conduct Public Hearing: Open Public Hearing, Receive Public Testimony, Close Public Hearing
- 2) Approve Amendment to CEA's Rate Schedule Adding EV-HP (Electric Vehicle High Power) Rate Effective April 1, 2023

Item 6: Consider Adding Rate EV-HP

Background:

- CEA does not currently offer rate EV-HP
- With the launch into Escondido and San Marcos in April, there are customers being served on this rate
- Adding the rate will allow CEA to serve customers on this same rate
- Pursuant to CEA policy, the notice of the Public Hearing was published in the Coast News March 17 and March 24

Item 6: Consider Adding Rate EV-HP

About Rate EV-HP:

- Available to Non-Residential separately metered service
- Charging of EVs whose monthly maximum demand equals, exceeds or is expected to equal or exceed 20 kilowatts
- Customers enrolled with SDG&E on the EV-HP rate would be automatically enrolled on CEA's EV-HP rate

Questions/Discussion

Item 7: Consider Adoption of Resolution No. 2023-003 Approving Credit Agreement Amendment and Increase in Line of Credit with JPMorgan from \$15MM to \$25MM

Item 7: Consider JPMorgan Credit and Fee Agreement Amendments

- Recommendation:
 - 1) Adopt Resolution No. 2023-003 approving credit agreement amendment with JPMorgan, in a form substantially as attached, increasing line of credit from \$15MM to \$25MM and authorize the Chief Executive Officer to execute all documents, subject to Special and General Counsel approval; and
 - 2) Approve related Fee Agreement with JPMorgan and authorize Chief Executive Officer to execute all documents, subject to Special and General Counsel approval.

Item 7: Consider JPMorgan Credit and Fee Agreement Amendments

- Background
 - January 21, 2021 – Resolution 2021-004 adopted approving credit agreement with JPMorgan in the amount of \$6MM to fund start-up costs and initial cash flow;
 - January 13, 2022 – Resolution No. 2022-001 adopted approving increase in credit agreement from \$6MM to \$15MM for cash flow and energy supply procurement collateral requirements
- Cash flow forecasts reflect need to increase from \$15MM to \$25MM to meet near term temporary cash flow needs and procurements related to Oceanside and Vista expansion

Item 7: Consider JPMorgan Credit and Fee Agreement Amendments

- New Credit Terms
 - Effective date March 31, 2023
 - Letter of Credit fees set at 2.0%
 - Used for energy supply collateral requirements
 - Undrawn fee rate decrease from 2.15% to 1.25%
 - Fee charged for Line of Credit funds available but unused by CEA
- Unchanged Credit Terms
 - \$5MM Principal payment due December 31, 2023
 - Funds become available after 30 days
 - Full repayment due January 31, 2026

Item 7: Consider JPMorgan Credit and Fee Agreement Amendments

- Cost Estimates through Life of Line of Credit:

Line of Credit Utilized \$	Line of Credit Utilized %	Interest Costs	Total Costs
\$15,000,000	60%	\$3,861,180	\$3,871,180
\$18,750,000	75%	\$4,626,708	\$4,636,708
\$25,000,000	100%	\$5,902,587	\$5,912,587

- Interest Costs are within pro forma limits and will be included in FY 2023/24 Proposed Budget.

Questions/Discussion

Item 8: Input into FY 2023/24 Budget Priorities and Board Subcommittee for CEO Recruitment

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- Recommendation:
 - 1) Provide input into priorities to be considered when developing draft FY 2023/24 budget to be presented to Board at Public Hearing May 25, 2023; and
 - 2) Appoint Board Subcommittee for CEO Recruitment.

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- Background:
 - Section 4.6.2 of CEA Joint Powers Agreement specifies the Board is to adopt an annual budget prior to the commencement of each fiscal year.
 - CEA's budget to be drafted by staff should reflect prioritization and policies as established by the Board.

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- Priorities of FY 2022/23 Budget:
 - Financial Stability
 - Meeting Regulatory Compliance
 - Successful Expansion to Escondido and San Marcos

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- Recommended Priorities for FY 2023/24 Budget:
 - Financial Stability
 - Expenditures within estimated revenues
 - Fund Minimum 5% contribution to Reserves
 - Meeting Regulatory Compliance
 - Operational and Procurement Requirements
 - Meet Credit Covenants
 - Rates Sufficient to Cover Costs
 - Meet Days Liquidity on Hand
 - Fund Principal Payment due 12/31/23

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- Recommended Priorities for FY 2023/24 Budget:
 - Successful Expansion to Oceanside & Vista
 - Outreach efforts for effective education and communication to minimize Opt-outs
 - Maximize support of Local businesses and local jobs in procurements
 - Support Community Advisory Committee

Item 8: Budget Priorities and Board Subcommittee for CEO Recruitment

- CEO Recruitment
 - Recommend recruitment of locally based CEO
 - Appoint Board Subcommittee to lead effort
 - Selection of recruiting firm
 - Initial review of candidates
 - Recommendation of top candidates to full Board for consideration
- Funds are available in FY 2022/23 for hiring of recruitment firm.

Questions/Discussion

Item 9: CEO Administrative Report; General Counsel Brown Act Update; Regulatory Counsel Report

Item 9: CEO Update

4/2/23	9 - 5	San Marcos April Spring Fling	Along Via Vera Cruz
4/4/23	11:30am	Kiwanis Presentation	One Safe Place, 1040 Los Vallecitos
4/13/23	7pm	Escondido Historic District Presentation	Via Zoom
4/25/23	6-7:30pm	League of Women Voters Webinar	Via Zoom
4/26/23	11-2:30	Sony Electronics Earth Day Fair	16525 Via Esprillo, San Diego
5/21/23	8 - 5	Escondido Street Festival	

Item 9: CEO Update

Opt-Out Stats – Escondido and San Marcos through March 15, 2023

	Escondido	San Marcos	Both Cities
Total Eligible Customers	57,236	37,931	95,167
Total Opt-Outs	521	399	920
Opt-Out Percentage	0.91%	1.05%	0.97%

Top Reasons Cited for Opt-Out:
Dislike Being Automatically Enrolled
Rate or Cost Concerns

Questions/Discussion