Clean Energy Alliance
How It Works

1. Clean Energy Alliance purchases power directly from power providers and/or builds energy generation sources.
2. SDG&E delivers energy, handles billing and serves customers.
3. You receive energy at competitive rates.
What is Clean Energy Alliance?

• Formed by the cities of Carlsbad, Del Mar and Solana Beach, CEA is a new CCE launching May 1, 2021.

• CEA is supported by ratepayers. As a joint powers authority (JPA), CEA is a separate legal entity from its member agencies and its budget is separate from the cities’ general funds.

• When the CEA launches, Solana Energy Alliance will merge into the new CCE.

• CEA will offer residents and local businesses clean power at competitive rates.
Why did the cities of Carlsbad, Del Mar, and Solana Beach create CEA?

• To meet the goals of each municipality’s Climate Action Plan.

• To be able to reinvest available revenue generated by the program back into the community.
Benefits of CEA

- Increased purchasing power for higher renewable energy content, helping member cities advance quicker on their mission to reduce greenhouse gas emissions.

- Because CEA is a locally-controlled, not-for-profit entity, available revenue generated by the program can be reinvested into the community through energy projects and programs.

- With the possibility of clean power generation facilities on the horizon, CEA has the potential to create new, local jobs.
Customer Options

Green Impact
50% Renewable Energy Content

Clean Impact
100% Renewable Energy Content

Personal Impact
Available for customers who generate their own power.

*CEA Board is also considering:
  * 50%/75% Carbon Free Product
  * a program that offers rate relief for small businesses and low-income customers.
What Can CEA Customers Expect?

• Customers will be automatically enrolled in CEA’s default product offering of at least 50% renewable energy content.
• Customers may choose to opt up to 100% renewable energy content or opt out and return to SDG&E.
• All program options are currently being finalized.
CEA Customer Outreach

• Mailers
  • Four notification mailers about CEA’s launch
    • May Enrollment (majority of customers):
      • March/April
      • June/July
    • June Enrollment:
      • April/May
      • July/August

• Community Meetings
  • CAC meetings with key groups to inform the community about CEA
Draft Mailer
CLEAN ENERGY. MORE CHOICES. LOCALLY CONTROLLED.

On May 1, 2021, residents of Carlsbad, Del Mar and Solana Beach will have a new default energy provider: Clean Energy Alliance (CEA). CEA, a locally controlled not-for-profit entity also known as a Community Choice Energy program, will offer clean power at competitive rates.

CEA was formed by the cities of Carlsbad, Del Mar and Solana Beach to help meet the goals of each municipality’s Climate Action Plan. The program will be locally managed and available exclusively to residents and businesses within the three cities. The program is governed by the CEA Board of Directors, made up of elected officials from each city.

How it Works
CEA buys electricity and San Diego Gas and Electric (SDG&E) continues to deliver it to your home. Local control over buying energy allows CEA to make better investments in clean power. SDG&E will continue to handle billing and delivery to homes and businesses.

Benefits
Because CEA is a locally managed, not-for-profit entity, any excess revenue generated by CEA will be reinvested in the community through innovative energy projects, rebate programs and other incentives. CEA is designed to empower the local community through local control, clean power, competitive rates, reduced greenhouse gas emissions and more. By default, customers will be enrolled in a base 50% renewable energy plan with the option to opt up to a 100% renewable energy plan. Customers may also choose to opt out and remain with SDG&E. For more information on how to opt up or opt out, please visit thecleanenergyalliance.org or call (###) ###-####.

For more information, please visit our website at CleanEnergyAlliance.org or call (###) ###-####.

Si le gustaría recibir este aviso en español, visite TheCleanEnergyAlliance.org/espanol o llame (###) ###-####.
Si le gustaría recibir este aviso en español, visite TheCleanEnergyAlliance.org/espanol o llame (866) 555-0000.

Clean Energy Alliance will become the Default Electric Provider in the cities of Carlsbad and Del Mar (Beginning May 2021)

Attention Carlsbad and Del Mar Residents & Businesses

In May 2021, Clean Energy Alliance (CEA) will replace SDG&E as your default provider for the power generation portion of your electric service. CEA is a local power supply program that will work in partnership with SDG&E to bring you electricity from renewable sources. SDG&E will continue to deliver power to your home or business, maintain the grid and all equipment, open and close accounts, provide billing and collection of payments, and provide customer service and field service (including during power outages). There will be no change to automatic payments or level rate pay plans.

ENROLLMENT: Beginning May 2021, CEA will become the default electric power provider within the cities of Carlsbad and Del Mar. You will be automatically enrolled in CEA’s default program on that date.

If you would like to continue as an SDG&E customer for energy and do not want to be automatically enrolled with CEA, you must opt out of the automatic enrollment. To opt out, without penalty, you must call (866) 555-0000 or visit our website at www.TheCleanEnergyAlliance.org by within 60 days of starting service with CEA. You may also call or visit our website for additional information. You only need to take action if you want to opt out and remain an SDG&E customer.

OPT OUT: You have the right to opt out of CEA. If you decide to opt out and return to SDG&E after the 60-day opt out period, SDG&E will charge a one-time account processing fee. By opting out, you will also be subject to SDG&E’s then current rates and terms and conditions of service. For details on SDG&E’s rates and terms and conditions, please visit SDG&E.com. You will not be charged any fees if you opt out within the first 60 days after your automatic enrollment with CEA or if you cancel electric service altogether (for example, if you move). If you opt out, you will still be charged for all electricity you used before the transfer of electric service. Accounts will be transferred on the day the electric meter is read and cannot be transferred during the middle of a billing cycle. In order for your request to be processed on your next meter read date, your request must be received at least 5 business days prior to the date on which the meter is read. To opt out, please call CEA or visit TheCleanEnergyAlliance.org. Have your electric bill handy so that we can process the request.

BILLING: Each month, CEA customers receive a single monthly bill from SDG&E. This bill includes all recent electric charges, including CEA’s power generation charges. For your convenience, SDG&E forwards the power generation portion of the payment to CEA. SDG&E will continue to charge you for the transmission and delivery services they provide.

FAILURE TO PAY: CEA may transfer your account back to SDG&E upon 14 calendar days’ written notice to you if you fail to pay any portion of the CEA charges on your bill. If your service is transferred, you may be subject to additional requirements by SDG&E.

CARE PROGRAM: If you are currently enrolled in the California Alternative Rates for Energy (CARE) program, you will continue to receive all CARE benefits and discounts upon enrollment in CEA. If you are interested in joining the CARE program for low-income adults, please visit SDG&E.com.

TERMS AND CONDITIONS OF SERVICE: CEA electric generation rates can be reviewed at TheCleanEnergyAlliance.org or by calling (866) 555-0000. Any changes to CARE rates will be adopted at duly noticed public meetings of the Clean Energy Alliance. SDG&E also charges CEA customers authorized fees for delivering power to your home or business and for providing other services. These components of your electric bill are the same whether you buy electricity from CEA or SDG&E.

CLEAN ENERGY ALLIANCE
1200 Carlsbad Village Drive
Carlsbad, CA 92008
Key Points

• CEA is governed by the Board of locally elected officials and has a group of expert consultants working behind-the-scenes.

• CEA is funded by ratepayers, not taxpayers.

• CEA does not add another cost to services already provided by SDG&E. CEA simply replaces SDG&E as the entity that purchases electricity for the community.
Sample Cost Comparison

Exit Fee Charged by SDG&E

SDG&E Revenue

Comparable rate

CEA Revenue

SDG&E

CEA
Understanding the PCIA Fee
Power Charge Indifference Adjustment

Utility contracts for future electricity based on current customers.

Customers choosing another electricity provider, like Clean Energy Alliance (CEA), are subject to the PCIA exit fee.

PCIA calculation is based on relevant contracts in effect at customer’s exit date (vintage), and ending when last contract closes.

Current statute requires that remaining utility customers not experience cost increase as a result of the implementation of a Community Choice Aggregation program, like CEA.

The methodology for calculating the PCIA is complex, intended to ensure that both utility and CEA customers pay their fair share for energy resources that the utility procured on their behalf.

PCIA rates use the concept of “vintaging” to assign different sets of costs to different customers depending on the month and year they left the utility.

In theory, the PCIA should reduce over time as energy contracts for that vintage close. However, some variables in the PCIA calculation can drive it up.
Understanding the PCIA Fee
Frequently Asked Questions

What is the PCIA?
The PCIA is an exit fee charged by SDG&E to customers that choose another provider of electricity generation service through direct access or community choice aggregation (CCA) like Clean Energy Alliance (CEA). The fee is designed to cover the difference in the market value of energy resources that were already contracted on a customer’s behalf by SDG&E and the cost of those resources.

Why does SDG&E charge the PCIA?
The intent of the PCIA is to ensure that SDG&E’s remaining customers are not burdened with costs associated with energy resources that were procured on behalf of departing CCA customers. Current statute requires that remaining utility customers not experience any cost increase as a result of the implementation of a CCA program.

How is the PCIA calculated?
Currently, the methodology is complex and includes calculating the difference between the actual costs paid by SDG&E and the current market value of those energy resources, or above market costs. In addition to conventional power, the PCIA includes benchmarks for resource adequacy, renewable energy, and other energy attributes that impact the value of the utility’s energy portfolio. The calculation methodology is intended to ensure that both utility and CCA customers pay their fair share for energy resources that the utility procured on their behalf.

Do all departing customers pay the same amount?
No. PCIA rates use the concept of “vintaging” to assign different sets of costs to different customers. Each CCA is assigned a vintage based on the month and year the CCA’s customers left utility service. PCIA rates are different between the vintages.

Does the PCIA ever go away?
The PCIA continues until the last energy contract in that vintage expires.

Will the PCIA go down every year?
In theory, there should be less contracted energy in the customer’s vintage, however other variables affect the PCIA, such as the market value of energy. In recent years, the market value of conventional energy, which is heavily influenced by natural gas prices, has declined. Additionally, renewable energy prices have declined. Both of these factors cause the PCIA to increase even though the contracted volume of the energy resource may be less than the previous year.

Why is the PCIA of concern to CCAs?
The PCIA directly affects a CCA’s ability to set rates competitive to the incumbent utility. The PCIA was initially conceived to prevent cost shifts between utility customers and direct access customers in 2001.

The issues with the PCIA are many:
• Non-transparency
• Lack of auditing of utility costs to determine accuracy
• Does not incentivize the utility to minimize or mitigate costs
• Leads to rate volatility
• Does not prevent cost shifts as required by statute

CEA is locally controlled and supported by ratepayers, with no taxpayer subsidies. By law, as a joint powers authority (JPA), CEA is a separate legal entity from its member agencies. Its budget is separate from the member cities’ general funds. In addition, CEA is funded by program revenues and reserves.

Current members are:
• City of Carlsbad
• City of Del Mar
• City of Solana Beach
1. **Your SDG&E Bill Account Number**
   You will need this information whenever you contact your CCA.

2. **Total Amount Due**
   Includes all your current and past due charges, including charges from your CCA.

3. **Electric Delivery**
   is the total charges billed for electric delivery in this billing period.

4. **CCA Electric Generation**
   is the total electric generation charges provided by your CCA during this billing period.

5. **Your CCA provider and contact information.**

6. **Regulatory Notice**
   provides various information including the Competition Transition Charge (CTC). Through this charge, SDG&E recovers costs for power plants and long-term power contracts approved by state regulators that have been made uneconomic by the shift to competition. You will find a CTC line item in the Breakdown of Current Charges on your bill.
ACCOUNT NUMBER: 12345678901
DATE WAIVED: Jul 13, 2018
Date Due: Aug 1, 2018

Detail of Current Charges

Electric Service
Rate: Standard - DR Residential
Climate Zone: Coastal
Baseline Allowance: 285 kWh
Billing Period: 07/11/18 - 7/31/18
Meter Number: 00000001
Water Current: 1,000
Circuit: 0000 Black: 000A

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Days</th>
<th>Current Reading</th>
<th>Previous Reading</th>
<th>Difference</th>
<th>Meter Constant</th>
<th>Total kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/02/18 - 07/01/18</td>
<td>32</td>
<td>51855</td>
<td>51486</td>
<td>369</td>
<td>1,000</td>
<td>369</td>
</tr>
</tbody>
</table>

Electricity Delivery (Details below)

- Delivery @ 369 kWh

SUMMARY TABLE:

- DWR Bond Charge: 369 kWh x $0.00549 = $2.03
- Summer Electricity Generation: 369 kWh x $0.17244 = $63.64
- PCIA: $3.35
- Electricity Generation Credit: $63.42

Total Electric Charges: $65.42

Payment Options

Please visit sdge.com/residential/pay-your-bill for more ways to pay your bill.

Online Bill Pay:
Register to make a secure payment now or schedule your payment at sdge.com/billpay. You may also pay your bill at any bank that offers bill paying options.

Mobile:
Reminders of due dates and outage alerts can be sent to your mobile device via the app. You may also download the app on your mobile device.

Need help paying your bill?
For payment options or to make your payments, visit us at sdge.com/residential or call 1-800-411-7343

Important Phone Numbers

- 1-800-411-SDGE (7343) English
- 1-800-311-SDGE (7343) Español
- 1-877-889-SDGE (7343) TTY

For emergencies and to report outages, please call 24 hours a day, 7 days a week.

To locate underground cables & gas pipes, please call DigAlert.

Monday-Friday: 8am-5pm . . . . . . . . . . 8-1-1

To make a payment using your credit or debit card visit a third party vendor, call: 1-888-298-0987

For more information, visit sdge.com www.sdge.com 1-800-411-7343

2/8/21
Detail of Current Charges - Continued

TAXES & FEES ON ELECTRIC CHARGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise Fee Equivalent Surcharge</td>
<td>.71</td>
</tr>
<tr>
<td>State Regulatory Fee</td>
<td>369 kWh x $.000460 = .17</td>
</tr>
</tbody>
</table>

**Total Taxes & Fees on Electric Charges**: $5.88

**Total Electric Service**: $50.30

Energy Service Provider (ESP) Electric Charges

Your Electric energy is provided by the following ESP:
Solana Energy Alliance  Phone: 1-858-720-4422
ESP Account Number: 1234567890  Bill Date: Jul 12, 2018  Billing Period: 6/8/18 - 7/10/18

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCA CHARGE LINE 1</td>
<td>51.61</td>
</tr>
<tr>
<td>CCA CHARGE LINE 2</td>
<td>.11</td>
</tr>
</tbody>
</table>

**Total ESP Electric Charges**: $51.72

Total Current Charges: $102.02

Breakdown of Current Charges

The total current charges include the following components. Definitions for these terms are shown on page 3 of your bill.

- **33%** Transmission
- **51%** Distribution
- **16%** Nuclear Decommissioning
- **$0.02** Competition Transition Charge
- **$3.80** Local Generation Charge
- **$0.01** Reliability Services

**Total Rate Adj. Comp.**: $0.71

Other Charges & Credits (Electric)

- Public Purpose Programs: $5.14
- DWR Bond Charge: $2.03
- PCIA: $8.36
- Other: $.88

**Other Account Charges & Credits**: $51.72

Total Current Charges: $102.02

For more detail on your SEA bill
visit www.SolanaEnergyAlliance.org
Customer Outreach Strategy - CAC Role

• Identify key stakeholder groups to engage
  • Virtual meetings?
  • Provide printed materials?
  • Other form of engagement?

• Monitoring social media
  • Responding to inaccurate information
  • Mindful of Brown Act

• Town Hall Style Q&A

• Other ideas?
Thank you

Resources

• TheCleanEnergyAlliance.org
• Cal-CCA.org

Questions

• ceo@thecleanenergyalliance.org