

NEW MEMBER ADDITION POLICY

Clean Energy Alliance (CEA) will consider the addition of any incorporated city or county within San Diego Gas & Electric territory if it meets the requirements as established in the following policy.

Authority

Section 2.4 of CEA's Joint Powers Agreement (JPA) establishes the authority for CEA to add new agencies under the following conditions:

1. Adoption of a resolution by a two-thirds vote of the entire Board authorizing membership in CEA;
2. Adoption by the proposed member of a CCA ordinance, as required by Public Utilities Code Section 366.2(c)(12) and approval and execution of the CEA JPA and other necessary program agreements;
3. Payment of a membership fee, if any, as may be required by the Board to cover CEA costs incurred in connection with adding the new agency;
4. Satisfaction of any other conditions established by the Board.

Policy

CEA will consider membership of a city or county within SDG&E territory, pursuant to the conditions above, if:

- The analysis of the proposed member usage data results in a positive feasibility study using CEA's financial pro forma model;
- The addition of the proposed member does not create an undue risk or financial burden to CEA;
- Does not create an undue risk to the achievement of the goals of CEA, including the achievement of the Climate Action Plan goals of the current Members.

Costs to New Members

Condition 3 above specifies that the proposed member may be required to cover CEA costs incurred in connection with adding the new agency. Examples of costs that may be incurred include:

Costs of adding new member:

- Cost of analysis of historical usage data using CEA’s financial pro forma model to determine impact to CEA of the proposed member; and
- Preparation of an Amended Implementation Plan and related activities of the expansion, as required by the California Public Utilities Commission.

The proposed member will be responsible to cover the CEA direct costs related to the addition of the proposed member and will be eligible for reimbursement of the costs paid by the proposed member within three years of CEA serving customers within the proposed member territory.

Costs of CCE implementation into new member territory:

- Direct costs related to the implementation of the CCE program in the proposed member territory, such as increased resource adequacy requirements and preparation and mailing of customer notices.

CEA will consider using reserves, to the extent available, or other financing sources for costs related to the implementation of CCE service in the new member territory, if the CEA pro forma reflects sufficient revenue is generated within the new member territory to reimburse CEA for those costs within three years.

The CEA Board may waive certain criteria or add additional requirements as it deems appropriate in considering the addition of a proposed member.