REGULAR MEETING of the Board of Directors of the Los Angeles Community Choice Energy Authority (dba Clean Power Alliance of Southern California)

Thursday, March 1, 2018

2:00 p.m.

Los Angeles County Hall of Administration

Room 140

500 West Temple Street

Los Angeles, California 90012

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Julie Gomez, at least 2 working days before the meeting at jgomez@ceo.lacounty.gov or (213) 974-1172. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Board, please fill out a speaker's slip located on the tables as you enter the Board Chambers. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of the staff who will distribute the information to the Board members and other staff.

Members of the public may also participate in this meeting remotely at the following addresses:

Calabasas City Hall – Council Conference Room
100 Civic Center Way, Calabasas, CA 91301

Ventura County Hall of Administration – 4th Floor Channel Island Conference Room
800 South Victoria Avenue, Ventura, CA 93009

Downey City Hall
11111 Brookshire Ave, Downey, CA 90241

City of Paramount – Public Works Conference Room
15300 Downey Avenue, Paramount, CA 90723

City of Whittier – Admin. Committee Room
13230 Penn Street, Whittier, CA 90602

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

This item is reserved for persons wishing to address the Board on any LACCE-related matters not on today's agenda. Public comments on matters on today's agenda shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Board are requested to complete a speaker's slip and provide it to LACCE staff. Speakers are customarily limited to two minutes, but an extension can be provided at the discretion of the Board Chair.

III. CONSENT AGENDA

1. Approve minutes from February 1, 2018 Board of Directors meeting
2. Approved Amended Employment Agreement for Executive Director
3. Approve Increase in Executive Director Expenditure Authority to $50,000

4. Approve Increase of Tier 1 Renewable Content from 33% to 36%

5. 30-Day Notice of Intent to Amend Joint Powers Authority (JPA) Agreement to reflect the Authority's name to Clean Power Alliance of Southern California

6. Approve Grace Period Extension Request from City of Oxnard

IV. REGULAR AGENDA

7. Public Hearing Item: Adopt Resolution No. 18-003 to Approve Addendum No. 2 to the Implementation Plan and Authorize Staff to Submit the Addendum as attached, or substantially similar, to the California Public Utilities Commission on March 1, 2018

8. Authorize LACCE the Executive Director to Negotiate and Execute a Statement of Work #2 for Phase 2 Data Management Services with Calpine Energy Solutions

9. Authorize CPA Executive Director, in consultation with the Board Chair, to Negotiate and Execute TEA Task Order 2 for Power Procurement and Advisory Services

10. Approve Selection of River City Bank for Banking and Credit Services and Delegate Authority to the Executive Director to Negotiate and Execute Necessary Contracts in Coordination with the Board Chair

11. Approve Selection of The Energy Authority for Communications and Outreach Services and Delegate Authority to the Executive Director to Negotiate and Execute Necessary Contracts in Coordination with the Board Chair

12. Approve New Clean Power Alliance Logo

13. Approve Formation of Committees and Working Groups

V. LEGISLATIVE AND REGULATORY UPDATE

VI. EXECUTIVE DIRECTOR REPORT

VII. BOARD MEMBER COMMENTS

VIII. REPORT FROM THE CHAIR

IX. CLOSED SESSION

1. PUBLIC EMPLOYMENT
   (Government Code Section 54957)
   Recruitment of General Counsel

2. Consideration of potential litigation CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   (Paragraph (2) of subdivision (d) of Government Code Section 54956.9)
   Significant exposure to litigation (one case)

X. ADJOURN – TO APRIL 5, 2018

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of, the members of the Board. The Board has designated the County of Los Angeles, Chief Sustainability Office, Kenneth Hahn Hall of Administration, Room 493, 500 West Temple Street, Los Angeles, CA 90012, for making those public records available for inspection. The documents are also available on our internet website at cleanpoweralliance.org.

REGULAR MEETING of the Board of Directors of the
Los Angeles Community Choice Energy Authority (LACCE)

Thursday, February 1, 2018, 1:00pm
Los Angeles County Hall of Administration
Room 140
500 West Temple Street, Los Angeles, CA 90012

ACTION MINUTES

I. WELCOME AND ROLL CALL

Due to absence of Chair Mahmud, Vice Chair Kuehl serving as Acting Chair.

Acting Chair Kuehl called the meeting to order at 1:02 pm. Secretary Gomez conducted roll call.

Roll Call				
1	**Agoura Hills**	Harry Schwarz	Director	Present (Phone)
2	**Alhambra**	Martin Ray	Alternate	Present
3	**Arcadia**	Sho Tay	Director	Present
4	**Beverly Hills**	Julien Gold	Director	Present
5	**Calabasas**	John Bingham	Alternate	Present (Phone)
6	**Carson**	Jawane Hilton	Director	Present (late)
7	**Claremont**	Corey Calaycay	Director	Present (Phone)
8	**Culver City**	Meghan Sahli-Wells	Director	Present (late)
9	**Downey**	Alex Saab	Director	Present (Phone)
10	**Hawaiian Gardens**	Reynaldo Rodriguez	Director	Absent
11	**Hawthorne**	Angie Reyes English	Director	Present (late)
12	**Los Angeles County**	Sheila Kuehl	Director	Present
13	**Malibu**	Craig George	Alternate	Present (Phone)
14	**Manhattan Beach**	Amy Howorth	Director	Present

15	**Ojai**	Michelle Ellison	Alternate	Present (Phone)
16	**Paramount**	Chris Cash	Alternate	Present (Phone)
17	**Rolling Hills Estates**	Steve Zuckerman	Director	Present
18	**Santa Monica**	David Pettit	Alternate	Present
19	**Sierra Madre**	John Harabedian	Director	Present
20	**South Pasadena**	Kim Hughes	Alternate	Present
21	**Thousand Oaks**	Claudia Bill de la Peña	Director	Present (Phone)
22	**Ventura County**	Linda Parks	Director	Present
23	**West Hollywood**	Lindsey Horvath	Director	Present
24	**Whittier**	David Schickling	Non-voting staff	Present (Phone)

A quorum was established.

II. PUBLIC COMMENT

No members of the public requested to comment on items not on the agenda.

III. CONSENT AGENDA

1. Approve minutes from January 17, 2018 Board of Directors meeting

2. Approve contract extension for the services of Bill Carnahan

3. Approve posting of $500,000 to the California Independent Systems Operator

4. Authorize the Chair of the Board to execute the JPA as amended on December 7, 2017

5. Approve requests for Grace Period Extensions

   Recommendation by Director Harabedian to direct staff to produce action minutes only for future Board meetings due to the fact that all meetings are audio recorded.

No requests were made to remove any items from the consent agenda.

Motion to approve consent agenda by Director Harabedian. Seconded by Director Calaycay. Motion passed unanimously.

IV. REGULAR AGENDA

6. Approve employment agreement with Ted Bardacke, and appoint Mr. Bardacke as Executive Director of Los Angeles Community Choice Energy

Director Zuckerman requested correction of typing error to remove a repetitious phrase in the staff report.

Alternate Director Pettit moved to approve the item as recommended by staff. The motion was seconded by Director Howorth. The motion was approved unanimously.

Mr. Bardacke thanked the Board and gave remarks.

7. Adopt “Clean Power Alliance of Southern California” as the new name for the Los Angeles Community Choice Energy Authority

Director Howorth motioned to adopt the name as presented. Director Hilton seconded.

Public Comment: Armando Ibarra, Whittier resident

The Board voted unanimously to adopt the name Clean Power Alliance of Southern California.

8. Authorize the Executive Director to negotiate a contract extension with Calpine Energy Solutions for data management for LACCE Phase 2 accounts and release an RFP for all LACCE accounts

Public Comment: Joe Sullivan, IBEW Local 11

Director Horvath moved to approve the staff recommendation. Director Howorth seconded.

Alternate Director Pettit offered the amendment to the staff recommendation that it direct staff to prepare the RFP, rather than issue the RFP, as stated in the staff report.

The amendment was accepted. The motion passed unanimously.

V. STAFF AND BOARD ANNOUNCEMENTS

Acting Chair Kuehl made announcements related to Board committees.

Gary Saleba of EES gave a presentation related to Phase 2 & 3 indicative rates and pricing.

VI. CLOSED SESSION

The Board entered closed session. No action was taken.

VII. ADJOURN

The meeting was adjourned at 3:05 pm.

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 2

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Subject: Amendment to Executive Director Contract

Date: March 1, 2018

RECOMMENDATION

It is recommended that your Board:

1. Approve an amendment to the Employment Agreement (Attachment 1) with Mr. Theodore (Ted) Bardacke, to comply with IRS regulations.

BACKGROUND AND DISCUSSION

On February 1, 2018, the Board of Directors approved an employment agreement with Mr. Bardacke and named him as the Executive Director, effective February 26, 2018. The Board also authorized staff to enter into an agreement with a payroll processing firm. In working with the payroll processing firm, it was discovered that the retirement benefit matching contribution described in the employment agreement did not comport with IRS regulations.

IRS Regulations stipulate that for "Safe Harbor" retirement plans, there must be a 100% match on the first 1% of salary and then 50% match on the next 2% to 6%. If these percentages are not followed then the entire 401(k) plan will be subject to a broader set of IRS reporting rules that significantly increase plan administration charges and, given LACCE's wage structure, likely force early disbursements for any employee making over $125,000.

In order to meet these IRS rules and still offer a 401(k) plan that allows for maximum employee deferrals, the employment contract must be amended, allowing for a total employer match of up to 3.5% of total salary. The current employment contact caps employer contributions at 3% of total salary. The 0.5% additional employer contribution totals $1,200. Therefore, the employee's base salary will be reduced by that amount to a total of $218,800 and employee will receive the additional 0.5% contribution in return.

Attachments

1 – Amended Employment Agreement - REDLINE

EMPLOYMENT AGREEMENT – LACCE EXECUTIVE DIRECTOR

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between the Los Angeles Community Choice Energy Authority, also known as "LACCE" and Theodore Bardacke, an individual ("EMPLOYEE"). LACCE and EMPLOYEE are sometimes collectively referred to herein as the "PARTIES." For identification proposes, this Agreement is dated February 1, 2018.

RECITALS

This Employment Agreement is entered into based on the following facts, understandings and intentions of the PARTIES:

A. The Los Angeles County Board of Supervisors, the Ventura County Board of Supervisors, and the City Councils of twenty two cities, including Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Rolling Hills Estates, Santa Monica, Sierra Madre, South Pasadena, Temple City, Thousand Oaks, and West Hollywood (respectively, "Participant City"; or collectively, "Participant Cities"), adopted ordinances authorizing the implementation of a Community Choice Aggregation Program ("CCA Program") as of December 31, 2017 to be operated by LACCE, pursuant to California Public Utilities Code Section 366.2(c)(12).

B. Prior to December 31, 2017, the Participant Cities and County entered into Los Angeles Community Choice Energy Authority Joint Powers Agreement ("the "JPA Agreement") pursuant to the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (the "Act") to operate and administer the CCA Program.

C. Section 4.10 of the JPA Agreement provides that the LACCE Board of Directors ("Board") shall appoint an Executive Director for the LACCE, who shall be responsible for the day-to-day operation and management of the LACCE and the CCA Program, and provides for the powers and authority of the Executive Director.

D. EMPLOYEE possesses the skill, experience, ability, background and knowledge to perform the duties and services provided by this Agreement as the Executive Director of LACCE.

E. LACCE desires to appoint and employ EMPLOYEE as its Executive Director on the terms provided by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual promises and conditions in this Agreement, it is agreed as follows:

1. **Duties and Authority of the Executive Director**. LACCE shall employ

EMPLOYEE as the Executive Director of LACCE, with the full power and authority to perform all of the duties of the Executive Director, as provided in the JPA Agreement. The Board may from time to time fix other terms and conditions of employment relating to the performance of Employee provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, or other applicable law.

2. **Term**. Unless earlier terminated .as provided in this Agreement, the term of this Agreement shall be for two years, commencing on the date EMPLOYEE reports for work and assumes duties of Executive Director (the "Term"). In the event this does not occur by March 1, 2018 this Agreement shall be considered null and void, unless the PARTIES mutually agree to a later start date.

3. **Compensation.** Effective on the commencement of employment, LACCE shall pay EMPLOYEE an annual base salary of $~~220,000~~218,800 prorated and paid on LACCE's normal paydays, subject to legally permissible or required deductions. EMPLOYEE's salary is compensation for all hours worked and for all services under this Agreement. EMPLOYEE shall be exempt from overtime pay provisions of California law (if any) and federal law. EMPLOYEE's salary may be adjusted periodically to reflect cost of living increases and merit increases.

4. **Benefits**. During the Term of this Agreement, EMPLOYEE shall be entitled to participate in any group insurance plan (including medical, dental, vision, life and disability), retirement program or similar plan or program of LACCE established by the Board during the term of this Agreement to the extent EMPLOYEE is eligible under its provisions. In the event LACCE establishes a separate benefit program for executive and management employees, EMPLOYEE shall be entitled to only participate in such benefit program. LACCE may establish additional benefit programs and may modify, reduce or eliminate any benefit plan or program in its discretion, in accordance with applicable law. In addition, EMPLOYEE shall be entitled to the following benefits:

   a. Health Benefit. EMPLOYEE agrees to forego health coverage and any associated cash-in-lieu payment from LACCE for a period of one-year from the start of his employment. After this period, EMPLOYEE will be eligible to participate in any LACCE group health program for which LACCE employees are eligible. EMPLOYEE will have an option to receive cash in lieu of participation in the LACCE group health program at a rate equivalent to LACCE's per employee cost for such program.

   b. Vacation. EMPLOYEE will accrue vacation leave at the rate of 120 hours (3 weeks) annually, prorated and credited each pay period. EMPLOYEE may accrue vacation to a limit of 1.5 times the annual accrual. Once EMPLOYEE reaches the maximum accrual limit he will not accrue any additional vacation time until his accrued balance falls below the maximum limit. Except as otherwise provided in this Agreement, vacation leave shall be subject to any LACCE vacation policy applicable to employees generally.

c. Sick Leave. EMPLOYEE shall be entitled to sick leave in the amount of one day per month, a total of 96 hours annually, prorated and credited each pay period. Except as otherwise provided in this Agreement, sick leave shall be subject to any LACCE sick leave policy applicable to full-time employees generally. This benefit will be interpreted and applied consistent with the minimum requirements of California law requiring paid sick leave.

d. Holiday Leave. EMPLOYEE shall be entitled to the following paid holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Presidents' Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Indigenous People's (previously Columbus) Day, Veteran's Day, Thanksgiving, Friday after Thanksgiving, Christmas Day. If a holiday falls on a weekend or another question arises in the administration of a holiday, the holiday will be administered in a manner similar to the benefit applied to employees in Los Angeles County until LACCE adopts its own holiday policy applicable to employees generally. In addition, on July 1 of each year, EMPLOYEE will be credited with four floating holidays for use during the year from July 1-June 30. EMPLOYEE must be employed on July 1 to be eligible to receive any floating holidays, floating holidays are not prorated.

~~e. Retirement: EMPLOYEE will be eligible to participate in any public retirement program or similar plan which LACCE establishes for its employees. Until the time that such a program or plan is established, LACCE will provide EMPLOYEE with the opportunity to participate in a 401(a) or similar type plan. Once LACCE establishes its employee retirement program, EMPLOYEE will receive a one-time contribution of $25,000 toward such plan. Additionally, EMPLOYEE will be eligible for ongoing employer matching contributions of 50%, up to 6% of EMPLOYEE's salary (subject to IRS limits). In the event a 40l(a) plan is not immediately available, EMPLOYEE will be included in mandatory Social Security, per the requirements of federal law.~~

e. Retirement: LACCE will provide EMPLOYEE with the opportunity to participate in a 401(k) or similar type plan. EMPLOYEE will be eligible for ongoing employer matching contributions of 100% of the first 1% of EMPLOYEE salary and 50% of 2% to 6% of EMPLOYEE salary, for a maximum total of 3.5% match. Additionally, EMPLOYEE will receive a one-time payment of $25,000 in the first month of employment, which EMPLOYEE will deposit into a separate Individual Retirement Account.

f. Car Allowance. EMPLOYEE's duties require that he have available exclusive and unrestricted use of an automobile for business purposes and EMPLOYEE agrees to have a personal vehicle available for such use. In consideration of this, LACCE agrees to pay to EMPLOYEE, during the term of this Agreement and in addition to other salary and benefits, a car allowance of Three Hundred Fifty Dollars ($350.00) per month. The car allowance includes reimbursement for an appropriate allocation of vehicle insurance and all other expenses of vehicle ownership, maintenance and operation. EMPLOYEE shall maintain automobile liability insurance limit of at least $250,000 per person and $500,000 per accident.

EMPLOYEE shall submit proof of insurance on request.

g. Professional Organizations. Subject to availability of funds and with prior Board approval, LACCE agrees to pay or to reimburse EMPLOYEE for any budgeted, reasonable and necessary membership dues in professional organizations.

5. **Expenses**. During the employment term., and subject to the availability of funds, LACCE shall reimburse EMPLOYEE for budgeted and reasonable out-of-pocket expenses incurred in connection with LACCE's business, including reasonable expenses for travel, food, and lodging while away from home, subject to such policies as LACCE may from time-to-time reasonably establish for its employees. Additionally, EMPLOYEE shall be entitled to Board-approved or budgeted and reasonable reimbursement for continuing education expenses, and for attendance at conventions, and conferences.

6. **Evaluation of Performance**. During the first thirty (30) days of employment, EMPLOYEE and the Board will meet to develop an initial performance plan, which will be the basis for the EMPLOYEE's initial performance evaluation. EMPLOYEE shall initiate and schedule an initial performance evaluation to take place six months after EMPLOYEE's services for LACCE begins ("Initial Performance Evaluation"). At the Initial Performance Evaluation, the Board shall develop mutually agreeable performance goals and criteria which the Board shall use in evaluating the performance of EMPLOYEE at the first annual performance evaluation in 2019.

7. **Restrictions on Outside Business Activities and Conflicts**. During his employment, EMPLOYEE shall devote his full energies, interest, abilities, and productive time to the performance of the Agreement and shall not, without LACCE's prior written consent, tender to other entities or individuals services of any kind for compensation, or engage in any other business activity. In addition, EMPLOYEE shall not engage in any activity, for compensation or otherwise, that would interfere or conflict with the performance of his duties under this Agreement, including activities that may reasonably be expected to conflict with the Executive Director's duties. Notwithstanding the foregoing, EMPLOYEE is authorized to fulfill his existing contractual agreement as a Continuing Lecturer at the University of California, Los Angeles. Without limitation to the foregoing, a conflict includes, but is not limited to, a conflict of interest under the California Political Reform Act, Government Code Section 1090 or other state or federal laws.

8. **Termination of Agreement**.

   a. Termination by LACCE. EMPLOYEE is employed at the pleasure of the Board, and is thus an at-will employee. The Board may terminate this Agreement and the employment relationship at any time with or without cause, and with or without prior notice.

   b. Termination on Resignation. EMPLOYEE may terminate the Agreement by giving LACCE at least sixty (60) days (or more if possible) prior written notice. LACCE may accelerate the effective date of resignation to any date after the receipt of written notice or, upon request, may reduce the notice period, at its discretion.

   c. Termination on Death. If EMPLOYEE dies during the term of this Agreement, this Agreement shall be terminated on the date of EMPLOYEE's death. All warrants or checks for accrued salary, accrued vacation or other items shall be released to the person designated in writing by EMPLOYEE pursuant to Government Code Section 53245 or, if no designation is made, to EMPLOYEE's estate.

9. **Severance**. LACCE shall pay EMPLOYEE for all services through the effective date of termination. EMPLOYEE shall have no right to any additional compensation or payment, except as provided below and except for any accrued and vested benefits.

a. If LACCE terminates this Agreement (thereby terminating- EMPLOYEE's employment) without cause, LACCE shall pay EMPLOYEE a lump sum severance benefit equal to three (3) months of his then applicable base salary.

b. If LACCE terminates this Agreement (thereby terminating EMPLOYEE's employment) with cause, EMPLOYEE shall not be entitled to any severance. As used in this Agreement, cause shall mean termination due to:

(1) A conviction, plea bargain, judgment or adverse determination by any court, the State Attorney General, a grand jury, or the California Fair Political Practices Commission involving any felony, intentional tort, crime of moral turpitude or violation of any statute or law constituting misconduct in office, misuse of public funds or conflict of interest;

(2) Conviction of a felony;

(3) Conviction of a misdemeanor arising out of EMPLOYEE's duties under this Agreement and involving a willful or intentional violation of law;

(4) Willful abandonment of duties;

(5) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the Board made by the Board as a body or persistent and willful violation of properly established rules and procedures; and

(6) Any other action or inaction by EMPLOYEE that materially and substantially harms LACCE's interests, materially and substantially impedes or disrupts the performance of LACCE or that is detrimental to employee safety or public safety.

c. If EMPLOYEE terminates this Agreement (thereby terminating EMPLOYEE's employment), EMPLOYEE sha11 not be entitled to any severance.

d. Any other term of this Agreement notwithstanding, the maximum severance that EMPLOYEE may receive under this Agreement shall not exceed the limitations provided in Government Code Sections 53260 - 53264, or other applicable law. Further, in the event EMPLOYEE is convicted of a crime involving an abuse of office or position, EMPLOYEE shall reimburse the LACCE for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 - 53243.4.

10. **Reimbursement to LACCE required**

The following limitations apply to LACCE's obligation to EMPLOYEE pursuant to paragraph 9 above:

a. Paid Leave. Pursuant to Cal. Government Code Section 53243, in the event the EMPLOYEE is placed on paid leave pending an investigation, EMPLOYEE shall reimburse LACCE if he is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position," as that is defined by Government Code Section 53242.4;

b. Legal Defense. Pursuant to Government Code Section 53243.1, in the event LACCE pays for EMPLOYEE's legal criminal defense, he shall fully reimburse such funds to LACCE if he is subsequently convicted of a crime of moral turpitude that constitutes "abuse of office or position;"

c. Severance. Pursuant to Government Code Section 53243. 2, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from LACCE, including any severance paid under Paragraph 13 must be fully reimbursed to LACCE if he is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position."

11. **Miscellaneous Provisions**.

a. Integration. Subject to all applicable Government code sections, the Agreement contains the entire agreement between the PARTIES and supersedes all prior oral and written agreements, understandings, commitments and practices between the PARTIES before the date of this Agreement. No amendments to this Agreement may be made except in writing signed by the PARTIES.

b. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances it shall nevertheless remain in full force and effect in all other circumstances.

c. Notices. Any notices required or permitted under this Agreement must be in writing and shall be deemed effective on the earlier of personal delivery (including personal delivery by facsimile or similar means intended to provide actual delivery on the same day) or the third day following mailing by first class mail to the recipient. Notice to LACCE shall be addressed to the Secretary of the Board at the LACCE's then principal place of business. Notice to EMPLOYEE shall be addressed to his home address, as then shown in LACCE's files.

d. Agreement is Binding. This Agreement shall be binding upon and inure to the benefit of LACCE, its successor and assigns, and shall be binding upon

EMPLOYEE, his administrators, executors, legatees, heirs, and assigns.

e. Waiver. The failure of either PARTY to insist on strict compliance with any of the terms, covenants or conditions of this Agreement by the other PARTY shall not be deemed a waiver of that term, covenant or condition, nor a waiver or relinquishment of any right or power.

IN WITNESS WHEREOF, the PARTIES have executed this Agreement.

LOS ANGELES COMMUNITY CHOICE ENERGY

By_____

Date_____

_____
Chair

By _____
Theodore Bardacke

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By_____
Senior Deputy County Counsel

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 3

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Subject: Increase Executive Director Expenditure Authority to $50,000

Date: March 1, 2018

RECOMMENDATION

It is recommended that your Board:

1. Approve an increase in the expenditure authority delegated to the Executive Director from $10,000 to $50,000.

BACKGROUND AND DISCUSSION

The Board of Directors appointed an interim Executive Director for the organization in August 2017 and in so doing authorized the Executive Director to make expenditures of up to $10,000 without prior Board approval. With the appointment of a permanent Executive Director, it is appropriate to increase this expenditure authority up to $50,0000 consistent with other organizations with similarly sized budgets.

This authority is necessary to allow the organization to function efficiently by permitting the Executive Director to procure goods and services as needed up to the established limit. The Executive Director will report to the Board in his monthly Board update any expenditures made using this delegated authority.

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 4

To: LACCE Board of Directors

From: LACCE Staff

Subject: Increase Tier 1 Renewable Energy Content from 33% to 36%

Date: March 1, 2018

RECOMMENDATION

It is recommended that your Board:

1. Approve an increase in the Tier 1 renewable energy content from 33% to 36%.

BACKGROUND AND DISCUSSION

At its meeting of January 17, 2018, the Board of Directors approved a procurement strategy for Phase 2 that included several key elements. These were:

- Three renewable energy product tiers: 33%, 50%, and 100;
- No coal or nuclear power;
- No use of Bucket 3 (unbundled) Renewable Energy Certificates (RECs);
- Maximize GHG-free power for the non-renewable portion of the portfolio; and
- Minimize the use of unspecified, system power resources.

The 33% renewable base tier was proposed to maximize rate savings to residents and businesses while providing a cleaner product than is supplied by SCE for its base rate customers which was 28% in the last reported year of 2016.

At the February 1, 2018 meeting of the Board, staff requested that each member city indicate the tier that it wanted provided as the default offering within its community by no later than March 1, 2018 so that our power portfolio needs would be known as we begin soliciting for power for Phase 2 which is scheduled to begin in June 2018.

Subsequent to that request, staff learned that in 2018 SCE is expected to be providing 34% renewable as its base tier and staff informed Board Directors that it was our intent to raise the CPA base tier to 36% to remain ahead of SCE. This change still provides customers with an estimated 4% rate discount relative to SCE.

It is also noted that in subsequent discussions with several Board Directors and city staff, there was a desire to modify the three tiers for Phase 3. Suggestions included eliminating the base (36%) tier and/or providing a tier that approximates SCE's rates while providing higher levels of renewable (e.g., 65%-70%). Staff expects that the Board will have a general discussion about Phase 3 products in April or May once we have the benefit of price information and member Tier selection for Phase 2. Further, the Board will likely have a much deeper discussion of ratemaking philosophy within the Energy Planning and Resources Committee and/or at a future Board retreat. Based on those discussions, staff will bring a variety of Phase 3 options to the Board in late summer/early fall for a discussion and decision about potential changes to the tiers for Phase 3.

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 5

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Subject: Thirty Days Advance Notice of Intent to request approval of Amendment Number 2 to the Clean Power Alliance of Southern California (CPA) Authority Joint Powers Agreement

Date: March 1, 2018

RECOMMENDATION

Direct Executive Director to bring before the Board Amendment Number 2 to the Joint Powers Agreement (JPA) on April 5, 2018, that would change the name of the Joint Powers Authority from "Los Angeles Community Choice Energy Authority" to "Clean Power Alliance of Southern California".

BACKGROUND

Pursuant to section 4.11.1, subdivision (d), of the JPA, the Board must be provided thirty days advance notice of the intent to amend the JPA. On February 1, 2018, the Board of Directors ("Board") voted and approved the name change of the Authority from "Los Angeles Community Choice Energy Authority" to "Clean Power Alliance of Southern California". This Amendment Number Two reflects the name change. This matter will return to the Board on April 5, 2018 for consideration. Once approved, staff will formally notify the State of California of the legal name change and it can be reflected in legal materials such as board reports and contracts. Staff are already using the name in public communications.

AMENDMENT NUMBER TWO TO
THE LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY
JOINT POWERS AGREEMENT

This Amendment Number Two to Joint Powers Agreement for the Los Angeles Community Choice Energy Authority (this "Amendment") is made and entered into by and between those certain public agencies, hereinafter designated individually as the "Member Agency," which have duly executed, pursuant to resolution or ordinance, the Joint Powers Agreement for the Los Angeles Community Choice Energy Authority, (the "Agreement"), as follows:

RECITALS

1. The Los Angeles Community Choice Energy Authority ("Authority") Agreement was executed on June 27, 2017 between the County and the City of Rolling Hills Estates in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

2. Each of the Member Agencies presently has a representative on the Board of Directors of the Los Angeles Community Choice Energy Authority ("Authority").

On December 7, 2017, the Authority's Board of Directors ("Board") voted and approved Amendment Number One to the Agreement which made explicit the Authority's obligation to use its best efforts to sell a member's pro rata share of energy and obligation of the departing member to pay any marginal difference between the purchase and sale price for such power, if any.

3. On February 1, 2018, the Authority's Board voted and approved the name change of the Authority to now be the Clean Power Alliance of Southern California.

4. The Members Agencies have determined to amend the Agreement to change the name of the Authority "Clean Power Alliance of Southern California".

5. The Agreement may be amended in the manner set forth in 4.11.

NOW THEREFORE, it is mutually agreed by and between the parties hereto to amend the Joint Powers Agreement

1. Amendment of Agreement to Change the Name. The Agreement is hereby amended to change the name of the Authority to "Clean Power Alliance of Southern California" and all references to "Los Angeles Community Choice Energy Authority" or "LACCE", such as set out in the title to the Agreement, in Section 2.2 (Formation of the Authority) and in all other places in the Agreement, shall be changed to "Clean Power Alliance of Southern California."

2. Except as specifically amended hereby, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Two to be executed as of the date first above written.

IN WITNESS WHEREOF, the Chair of the Clean Power Alliance of the Southern California, authorized by the Board on April 5, 2018, has executed this Amendment Number Two of the Joint Powers Agreement on behalf of the Authority.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

By _____ Date_____
Chair

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Senior Deputy County Counsel

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 6

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Grace Period Request for Approval

Date: March 1, 2018

RECOMMENDATION:

It is recommended that the Board approve a request from the City of Oxnard to join the LACCE program at no cost due to delays in City Council consideration caused by the wildfires of December 2017.

BACKGROUND AND DISCUSSION:

At the December 7, 2017 meeting of the LACCE Board, the Board considered and adopted a New Entrant's Policy that guides how LACCE will evaluate and approve cities seeking to join LACCE after the initial "open enrollment" period that ended on December 27, 2017. The Board amended the policy to recognize the impact that wildfires in Los Angeles and Ventura counties were having on cities and their ability to meet the December 27th deadline. This amendment offered a 90-day grace period for cities affected by the wildfires to join at no cost.

Staff advised cities of the amended policy and indicated to cities that such requests would be granted at the discretion of the LACCE Board. The City of Oxnard has requested to join LACCE at no cost and their request is included as an attachment to this report.

If approved, the City of Oxnard would start service in Phase 3 as they have been included in the Addendum #2 to the Implementation Plan on today's agenda.

Attachment:

1 – Letter from Oxnard Interim Assistant City Manager and Development Services Director Ashley Golden

Ashley Golden
Interim Assistant City Manager/Development Services Director

Office of the City Manager

300 West Third Street
Oxnard, CA 93030
(805) 385-7430
Fax (805) 385-7595
www.ci.oxnard.ca.us

CITY OF OXNARD CALIFORNIA

February 22, 2018

Gary Gero
Chief Sustainability Officer
LA Office of sustainability
500 W. Temple Street
Los Angeles, CA 90012

Re: Request to extend the 90 day grace period for the City of Oxnard to join the Los Angeles Community Choice Energy (LACCE) Program

Dear Mr. Gero:

I would like to thank you for taking the time to speak with our City Council on December 19, 2017. As we discussed, the Thomas fire as well as the Rye fire created hardship for many cities within Ventura County. Due to the impacts of these fires staff resources were stretched thin. Given the circumstance, there was little time for our staff to prepare the typical staff report analysis regarding membership in the LACCE. The December 19th City council meeting was unfortunately, the last scheduled meeting of the calendar year. In addition, as Ventura County has been the catalyst in Community Choice Energy efforts, the City Council wanted to extend the courtesy of allowing the County the first opportunity to vote on LACCE membership.

It is our understanding that the LACCE Board has provided a 90-day grace period for those cities impacted by the local fires. We respectfully ask the LACCE Board to consider providing the same 90 day grace period to the City of Oxnard. The Oxnard City Council is scheduled to take action to adopt the Joint Powers Agreement and introduce the ordinance on February 27, 2018.

Your thoughtful consideration to this matter is appreciated. If you should have any questions, please feel free to contact Kathleen Mallory, at (805) 385-8370.

Sincerely,

Ashley Golden
Interim Assistant City Manager &
Development Services Director

cc: City Council
City Manager

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 7

To: LACCE Board of Directors

From: LACCE Staff

Subject: Public Hearing Item: Adopt Resolution No. 18-003 to Approve Addendum to the LACCE Implementation Plan and Authorize Staff to Submit the Addendum as approved, or substantially similar, to the California Public Utilities Commission on March 1, 2018

Date: March 1, 2018

RECOMMENDATION:

Conduct a public hearing and, upon conclusion, adopt Resolution 18-003 to approve the Implementation Plan Addendum No.2 and authorize staff to submit it in its current or a substantially similar form to the CPUC by March 1, 2018.

BACKGROUND AND DISCUSSION:

The Los Angeles Community Choice Energy (LACCE) Authority Board of Directors adopted its original Implementation Plan (Plan) at its inaugural meeting on August 4, 2017. This Implementation Plan included the three LACCE members in the program at that time: Los Angeles County, Rolling Hills Estates, and South Pasadena. On December 17, 2017, the Board adopted Addendum No. 1 to the Implementation Plan that added 21 additional cities that joined prior to the December 27, 2017 deadline to join at no cost. Electric service for the 24 communities represented by the original Implementation Plan and the Addendum is scheduled to begin in June 2018, pending final CPUC certification of the addendum. Staff anticipates this will occur sometime this month.

In December 2017, the Board also approved a policy for adding new members after the initial participant deadline of December 27, 2017 that included a 90-day grace period for cities affected by the wildfires and an extension for the City of Redondo Beach to provide their city council the opportunity to override a Mayoral veto of joining the program. As part of this action, the Board directed that staff file addenda to the Implementation Plan on a bi-annual, or even quarterly, basis as needed to add cities to the program on a rolling basis. Shortly thereafter, the CPUC introduced, and subsequently approved, a Resolution that requires new and expanding CCAs to file an Implementation Plan or addendum on or before March 1, 2018 to be permitted to begin electric service in January 2019.

The proposed Addendum No. 2 takes advantage of this CPUC Resolution to incorporate cities that have joined the program since the start of 2018. These are the following cities: Camarillo, Moorpark, Oxnard (voting 2/27), Redondo Beach, Simi Valley, Ventura (voting 2/26), and Whittier. The CPUC has indicated that it will certify this Implementation Plan addendum no later than April 13, 2018 thereby allowing these cities to be included in the LACCE participation in the year-ahead Resource Adequacy proceedings. Unless a waiver is requested and granted, these cities would start service in January 2020.

When added to the current membership, the total number of members of the joint powers authority is 31 which is comprised of 2 counties and 29 cities. These jurisdictions represent 2.9 million people, one million customer accounts, a total load of over 15,000 Gigawatt-hours annually, a peak demand of over 2,700 MW, and annual revenues of approximately $0.5 Billion making the LACCE the largest CCA in California, if not the nation.

Finally, it should be noted that any city that joins after March 1, 2018 – whether before the no-cost grace period timeline of March 27 or thereafter – will not be able to start electric service until January 2020 per the CPUC Resolution. At this time, staff is aware of only one city (Santa Paula) that is actively considering joining the program prior to March 27, 2018.

Attachments:
1 – Resolution 18-003
2 – LACCE Implementation Plan Addendum No. 2

RESOLUTION NO. 18-003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY ADOPTING THE IMPLEMENTATION PLAN ADDENDUM NO. TWO REQUIRED BY PUBLIC UTILITIES CODE SECTION 366.2(c)(3).

THE BOARD OF DIRECTORS OF THE LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

Section 1. Recitals:

(a) The Los Angeles Community Choice Energy ("LACCE") Authority is a joint powers authority established on June 27, 2017 for the purpose of studying, promoting, developing, conducting, operating and managing energy and energy-related climate change programs including but not limited to implementing a community choice aggregation program under Public Utilities Code Section 366.2.

(b) The members of the LACCE Authority is expected to include the Cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Camarillo, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Moorpark, Ojai, Oxnard, Paramount, Redondo Beach, Rolling Hills Estates, Santa Monica, Sierra Madre, Simi Valley, South Pasadena, Temple City, Thousand Oaks, Ventura, West Hollywood, Whittier, and the Counties of Los Angeles and Ventura.

(c) Public Utilities Code Section 366.2 requires that before commencing a community choice aggregation program, the LACCE Authority first must prepare and adopt an Implementation Plan to be filed with the California Public Utilities Commission.

(d) The LACCE Implementation Plan and Statement of Intent was adopted by the LACCE Board of Directors on August 4, 2017.

(e) The LACCE Implementation Plan Addendum No. 1 was adopted by the LACCE Board of Directors on December 19th, 2017.

(f) The LACCE Implementation Plan Addendum No. 2 was presented to the Board of Directors at a duly noticed public hearing for its consideration and adoption.

Section 2. Adoption.

After conducting a duly noticed public hearing as required by Public Utilities Code Section 366.2(c)(3), the Board of Directors hereby adopts the LACCE Implementation Plan Addendum No. 2. ADOPTED AND APPROVED this 1st Day of March, 2018

Attest:

Acting Chair, Los Angeles Community Choice Energy Authority

Secretary, Los Angeles Community Choice Energy Authority

Los Angeles Community Choice Energy (LACCE)

ADDENDUM NO. 2 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS LACCE EXPANSION TO THE CITIES OF: CAMARILLO, MOORPARK, OXNARD, REDONDO BEACH, SIMI VALLEY, VENTURA, WHITTIER

MARCH 1, 2018

Table of Contents

CHAPTER 1 – Introduction **1**

CHAPTER 2 – Changes to Address LACCE Expansion to the Cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier **3**

- **Process of Aggregation** **4**
- **Organizational Structure** **4**
- **Start-Up Plan and Funding** **5**
- **Program Phase-In** **5**
- **Sales and Customer Forecast** **7**
- **Expansion Addendum Appendices** **14**

CHAPTER 1 – Introduction

The purpose of this document is to make certain revisions to the Los Angeles Community Choice Energy Implementation Plan in order to address the expansion of Los Angeles Community Choice Energy ("LACCE") to the cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier. The Los Angeles Community Choice Energy[1] ("LACCE") Authority is a public agency located within Los Angeles and Ventura Counties, formed in August 2017 for the purpose of implementing a community choice aggregation program ("CCA", or "Community Choice Energy" – "CCE" – which has been recently used as an alternative identifying term for the CCA service model), which has been named Los Angeles Community Choice Energy (the "Program" or "LACCE").

In anticipation of CCA program implementation and in compliance with state law, LACCE submitted the Los Angeles Community Choice Energy Implementation Plan and Statement of Intent ("Implementation Plan") to the California Public Utilities Commission ("CPUC" or "Commission") on August 15, 2017. When initially formed, the Member Agencies of the LACCE Authority included two (2) municipalities, Rolling Hills Estates and City of South Pasadena, located within the County of Los Angeles ("County"), as well as the unincorporated areas of the County itself (together, the "Members" or "Member Agencies"), which have elected to allow the LACCE Authority to provide electric generation service within their respective jurisdictions.

At the end of 2017, twenty-one additional municipalities within Los Angeles and Ventura Counties joined LACCE: the cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura. LACCE filed Addendum No. 1 to the Implementation Plan with the CPUC on December 29, 2017 reflecting the expanded membership.

LACCE had advised cities that they may join the LACCE program by adopting the enabling ordinance and executing the joint powers authority (JPA) agreement. Over the course of early 2018, LACCE staff have presented at many jurisdiction's council meetings in Los Angeles and Ventura Counties to review the LACCE program. In response to public interest, the cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier approved LACCE membership and adopted the requisite ordinance for joining LACCE.

This Addendum No. 2 to the Los Angeles Community Choice Energy Implementation Plan and Statement of Intent ("Addendum No. 2") describes LACCE's expansion plans to include the Cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier. According to the Commission, the Energy Division is required to receive and review a revised LACCE

[1] LACCE is currently in the process of changing its name to Clean Power Alliance of Southern California (CPA). However, as that process has not yet been completed, this document uses the original name LACCE.

Implementation Plan reflecting changes/consequences of additional members. With this in mind, LACCE has reviewed its Implementation Plan, which was filed with the Commission on August 15, 2017, and the subsequent Addendum No. 1 filed December 29, 2017, and has identified certain information that requires updating to reflect the changes and consequences of adding the new municipalities as well as other forecast modifications reflecting the most recent historical electricity use within LACCE's territory. This Addendum No. 2 reflects pertinent changes related to the new members additions as well as projections that account for LACCE's planned expansion. This document format, including references to LACCE's Implementation Plan, which is incorporated by reference and attached hereto as Appendix D, addresses all requirements identified in PU Code Section 366.2(c)(3), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated services, while streamlining public review of pertinent changes related to LACCE expansion.

CHAPTER 2 – Changes to Address LACCE Expansion to the Cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier

This Addendum No. 2 addresses the anticipated impacts of LACCE's planned expansion to the Cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier, as well as other forecast modifications reflecting the most recent historical electric energy use within LACCE's service territory. As a result of these member additions, certain assumptions regarding LACCE's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues and expenses as well as various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 2, LACCE represents that such information shall remain unchanged relative to the August 15, 2017 Implementation Plan, which was recently certified by the Commission on November 13, 2017, and the December 29, 2017 Addendum No. 1, which has not yet been certified.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories of the LACCE Joint Powers Agreement and represent LACCE's current membership:

Member Agencies	
Agoura Hills	Ojai
Alhambra	Oxnard
Arcadia	Paramount
Beverly Hills	Redondo Beach
Calabasas	Rolling Hills Estates
Camarillo	Santa Monica
Carson	Sierra Madre
Claremont	Simi Valley
Culver City	South Pasadena
Downey	Temple City
Hawaiian Gardens	Thousand Oaks
Hawthorne	West Hollywood
Los Angeles County (unincorporated)	Whittier
Malibu	City of Ventura
Manhattan Beach	Ventura County
Moorpark	

Throughout this document, use of the terms Members and Member Agencies shall now include the aforementioned communities. To the extent that discussion addresses the process of aggregation and LACCE organization, each of these communities is now a LACCE Member and its electric customers will be offered CCA service consistent with the noted phase-in schedule.

Process of Aggregation

LACCE's aggregation process is discussed in Chapter 2 of LACCE's August 15, 2017 Implementation Plan and revised in Addendum No. 1. The following paragraph is added to Chapter 2.

LACCE successfully launched its CCA Program, LACCE, on February 1, 2018 after meeting applicable statutory requirements and in consideration of planning elements described in its initial Implementation Plan. At this point in time, LACCE plans to expand agency membership to include the Cities of Camarillo, Moorpark, Oxnard, Redondo Beach, Simi Valley, Ventura, and Whittier. These communities have requested LACCE membership, and LACCE's Board of Directors subsequently approved the membership at a duly noticed public meeting on March 1, 2018.

Organizational Structure

Organizational structure was discussed in Chapter 3 of LACCE's August 15, 2017 Implementation Plan. The second and third paragraphs of Chapter 3 are replaced in their entirety with the following verbiage:

On August 4, 2017, the LACCE Authority formed its Board of Directors to serve as its Governing Board. The Board is responsible for establishing LACCE Program policies and objectives and overseeing the LACCE Authority's operation. On February 1st, 2018, the Board appointed an Executive Director to manage the operation of the LACCE Authority in accordance with policies adopted by the Board. Following certification of the LACCE Authority received from the CPUC on November 13, 2017, the interim executive director proceeded to hire consultants and contractors to manage the LACCE Authority's activities, while continuing to receive staff support from the County of Los Angeles. These activities include support services (administration, finance and IT), marketing and public affairs (community outreach, key account management and customer advocacy), supply acquisition (energy trading, contract negotiation and system development) and legal and government affairs.

The LACCE Program will be governed by the LACCE Authority's Board, which shall include one appointed designee from each of the Members. The LACCE Authority will be a joint powers agency formed under California law created on June 27, 2017. The Members of the LACCE Authority include twenty-two (22) municipalities located within Los Angeles County as well as the unincorporated areas of Los Angeles County, and seven (7) municipalities located within Ventura County as well as the unincorporated areas of Ventura County, all of which have elected to allow the LACCE Authority to provide electric generation service within their respective jurisdictions. The LACCE Authority's Board will be comprised of representatives appointed by each of the Members in accordance with the JPA agreement. The LACCE Program will be operated under the

direction of an executive director appointed by the Board, with legal and regulatory support provided by a Board appointed General Counsel.

Start-Up Plan and Funding

Capital Requirements were discussed in Chapter 4 of LACCE's August 15, 2017 Implementation Plan. The sixth paragraph of Chapter 4 is replaced in its entirety with the following:

The Start‑up of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Based on the LACCE Authority's anticipated start-up activities and phase-in schedule, a total need of $30 million has been identified to support the aforementioned functions. The finance plan in Chapter 7 provides some additional detail regarding the LACCE Authority's expected capital requirements and general Program finances

Program Phase-In

Program phase-in was discussed in Chapter 5 of LACCE's August 15, 2017 Implementation Plan. Chapter 5 is replaced in its entirety with the following verbiage:

The LACCE Authority will roll out its service offering to customers over the course of three or more phases:

LACCE Phase No.	**Status & Description of Phase**	**Implementation Date**
1	**Complete:** LA County Municipal accounts	February 1, 2018
2	**June 2018:** Municipal, Commercial and Industrial Customers in Los Angeles County, Rolling Hills Estates, South Pasadena, Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura	June 2018 (Planned)
3	**December 2018:** All remaining customers in Los Angeles County, Rolling Hills Estates, South Pasadena, Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura	December 2018 (Planned)
4	**January 2019:** All remaining customers in JPA service area	January 2019 (Planned)

This approach provides the LACCE Authority with the ability to initiate its program with sufficient economic scale before building to full program integration for an expected customer base of approximately 1,005,000 accounts, post customer opt-out. The LACCE Authority will offer service to all customers on a phased basis, which is expected to be completed within 12 months of initial service to Phase 1 customers.

Phase 1 of the Program was initiated on February 1, 2018 and serves approximately 1,950 accounts, comprised of all LA County municipal accounts, totaling nearly 215 GWh of annual energy sales. Specific accounts included in Phase 1 are approximately 1 percent of the LACCE Authority's total customer load and will be specifically defined after further analysis and consideration by the LACCE Authority.

Phase 2 of the Program will commence following successful operation of the LACCE Program over an approximate four-month term, which corresponds with an expected Phase 2 service commencement date in June 2018. It is anticipated that approximately 85,000 additional customers, comprised of commercial and industrial customers in Los Angeles County, Rolling Hills Estates, South Pasadena, Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura, will be included in Phase 2, with annual energy consumption approximating 6,400 GWh, or forty-six (46) percent of the LACCE Authority's total prospective customer load, inclusive of Phase 1. The LACCE Authority is currently refining the potential composition of Phase 2 accounts in consideration of cost of service and customer load characteristics as well as other operational considerations.

Following the successful completion of Phase 1 and Phase 2 customer enrollments, the LACCE Authority will continue roll out to remaining customers in Los Angeles County, Rolling Hills Estates, South Pasadena, Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura in Phase 3, which is currently expected to occur no later than December 2018, subject to roll-out success of previous phases. This phase is expected to include residential accounts as well as agricultural and street lighting accounts. Phase 3 will total approximately 640,000 accounts with annual energy consumption of approximately 3,500 GWh, or seventy (70) percent of LACCE's current prospective customer load, inclusive of Phases 1 and 2.

Phase 4 of the program will include all remaining customers from the JPA service territory. Phase 4 will total approximately 275,000 accounts with annual energy consumption of approximately 3,600 GWh, or one hundred (100) percent of LACCE's current prospective customer load, inclusive of Phases 1, 2, and 3. To the extent that additional customers require enrollment after the completion of Phase 4, the LACCE Authority will evaluate a subsequent phase of CCA enrollment.

The LACCE Authority may also evaluate other phase-in options based on current market

conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

Sales and Customer Forecast

With regard to LACCE's sales and customer forecast, which is addressed in Chapter 6, Load Forecast & Resource Plan, LACCE assumes the total retail sales will increase to approximately 14,500 GWh in Phase 4 and the number of accounts switched over to LACCE service will decrease to about 9,000 accounts per day.

A preliminary estimate of the LACCE Authority's annual local capacity requirement for the ten-year planning period ranges from approximately 818 MW to 1500 MW.

The following tables have also been updated to reflect the impacts of planned expansion to LACCE's new membership.

Table 1
Los Angeles Community Choice Energy
Proposed Resource Plan (GWh)
2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
LACCE Demand										
Retail Demand	4,150	13,693	13,720	13,748	13,775	13,803	13,830	13,858	13,886	13,914
Dist. Gen	0	0	0	0	0	0	0	0	0	0
Energy Efficiency	0	0	0	0	0	0	0	0	0	0
Losses and UFE	270	890	891	893	895	897	899	900	902	904
TOTAL DEMAND	4,420	14,583	14,612	14,641	14,670	14,700	14,729	14,758	14,788	14,817
LACCE Supply										
Total Renewable Resources	2652	7,291	7,306	7,320	7,335	7,350	7,364	7,379	7,394	7,409
Total Conventional Resources	1768	7,291	7,306	7,320	7,335	7,350	7,364	7,379	7,394	7,409
TOTAL SUPPLY	4,420	14,583	14,612	14,641	14,670	14,700	14,729	14,758	14,788	14,817
Energy Open Position	0	0	0	0	0	0	0	0	0	0

Table 2

Los Angeles Community Choice Energy

Enrolled Retail Service Accounts

Phase-In Period (End of Month)

LACCE Customers	Eligible Accounts	Jan-18 Phase 1	Jun-18 Phase 2	Dec-18 Phase 3	Jan-19 Phase 4
Residential	932,052	34	33	643,718	885,451
Small Commercial	107,597	816	65,654	65,654	91,580
Medium Commercial	17,508	172	10,922	11,366	14,908
Large Commercial	1,380	17	852	852	1,176
Industrial	565	10	359	363	482
Street Lighting & Traffic	8,083	821	5,781	5,993	8,083
Agricultural & Pumping	3,836	83	3,034	3,034	3,273
Total	**1,071,021**	**1,954**	**86,635**	**730,979**	**1,004,953**

Table 3

Los Angeles Community Choice Energy

Retail Service Accounts (End of Year)

2018 to 2027

LACCE Customers	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	643,718	882,776	884,542	886,311	888,083	889,859	891,639	893,422	895,209	897,000
Small Commercial	65,654	91,189	91,371	91,554	91,737	91,921	92,105	92,289	92,473	92,658
Medium Commercial	11,366	15,153	15,183	15,214	15,244	15,274	15,305	15,336	15,366	15,397
Large Commercial	852	1,176	1,178	1,181	1,183	1,186	1,188	1,190	1,193	1,195
Industrial	363	474	475	476	477	478	479	480	481	482
Street Lighting & Traffic	5,993	7,927	7,943	7,959	7,975	7,991	8,007	8,023	8,039	8,055
Agricultural & Pumping	3,034	3,278	3,285	3,292	3,298	3,305	3,311	3,318	3,325	3,331
Total	730,979	1,001,974	1,003,978	1,005,986	1,007,998	1,010,014	1,012,034	1,014,058	1,016,086	1,018,118

Table 4

Los Angeles Community Choice Energy

Annual Energy Requirements (GWh)

2018 to 2027

LACCE Energy Req.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Energy	4,150	13,693	13,720	13,748	13,775	13,803	13,830	13,858	13,886	13,914
Losses and UFE	270	890	891	893	895	897	899	900	902	904
Total Load Requirement	4,420	14,583	14,612	14,641	14,670	14,700	14,729	14,758	14,788	14,817

Table 5

Los Angeles Community Choice Energy

Forward Capacity and Reserve Requirements (MW)

2018 to 2020

Month	2018	2019	2020
January	0	2,707	2,712
February	34	2,689	2,649
March	35	2,629	2,635
April	39	2,833	2,839
May	38	2,706	2,711
June	1,371	2,878	2,883
July	1,374	3,133	3,140
August	1,396	3,339	3,345
September	1,522	3,561	3,568
October	1,659	3,609	3,616
November	1,378	2,830	2,836
December	1,995	2,588	2,594

Table 6

Los Angeles Community Choice Energy

Capacity Requirements (MW)

2018 to 2027

Demand (MW)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Demand	1,995	3,609	3,616	3,616	3,623	3,630	3,638	3,645	3,652	3,660
Losses and UFE	0	0	0	0	0	0	0	0	0	0
Total Net Peak Demand	1,995	3,609	3,616	3,616	3,623	3,630	3,638	3,645	3,652	3,660
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	299	541	542	542	543	545	546	547	548	549
Capacity Requirement Including Reserve	2,294	4,150	4,158	4,158	4,167	4,175	4,183	4,192	4,200	4,208

Table 7

Los Angeles Community Choice Energy

Local Capacity Requirements (MW)

2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
LACE Peak	1,995	3,609	3,616	3,616	3,623	3,630	3,638	3,645	3,652	3,660
Local Capacity Req. (% of Peak)	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
LA Basin Share of Local Capacity	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%
Other SCE Areas (Big Creek/Ventura) Share of Local Capacity	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
LACCE Local Capacity Req., LA Basin	625	1131	1133	1133	1135	1138	1140	1142	1144	1147
LACCE Local Capacity Req., Other SCE	193	349	349	349	350	351	352	352	353	354
LACCE Local Capacity Req., Total	818	1480	1483	1483	1485	1488	1491	1494	1497	1500

Table 8

Los Angeles Community Choice Energy

RPS Requirements (GWh)

2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Retail Sales	4,150	13,693	13,720	13,748	13,775	13,803	13,830	13,858	13,886	13,914
Baseline	1,037	3,971	4,528	4,777	5,028	5,280	5,532	5,774	6,017	6,261
% of Current Year Retail Sales*	25%	29%	33%	35%	37%	38%	40%	42%	43%	45%

*Note: Specific details related to SB 350 implementation have yet to be identified. For purposes of this table, the LACCE Authority assumed a straight-line increase from California's 33 percent RPS procurement mandate in 2020 to California's new, 50 percent RPS procurement mandate in 2030. The LACCE Authority may choose to accelerate this schedule in the future.

Table 9

Los Angeles Community Choice Energy

Summary of CCA Program Start-Up and Phase-In

2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Revenue from Operations ($)											
Electric Sales Rev	$241,989,808	$804,815,908	$799,037,634	$827,562,802	$855,346,607	$886,209,798	$928,129,079	$957,162,478	$987,028,291	$1,021,531,150	$8,308,813,556
Less Uncollected Accounts	$1,105,347	$3,584,344	$3,628,709	$3,691,966	$3,825,271	$3,900,734	$3,972,348	$4,044,900	$4,119,903	$4,197,037	$36,070,560
Total Revenues	**$240,884,461**	**$801,231,564**	**$795,408,925**	**$823,870,836**	**$851,521,336**	**$882,309,064**	**$924,156,732**	**$953,117,577**	**$982,908,388**	**$1,017,334,113**	**$8,272,742,996**
Cost of Operations ($)											
Cost of Energy	$209,101,737	$685,451,984	$698,458,124	$712,683,912	$739,134,558	$754,085,783	$768,265,118	$782,630,127	$797,483,084	$812,759,946	$6,960,054,373
Operating & Administrative											
Billing & Data Management	$1,562,911	$15,029,609	$15,059,668	$15,089,788	$15,119,967	$15,150,207	$15,180,508	$15,210,869	$15,241,291	$15,271,773	$137,916,591
SCE Fees	$5,387,681	$6,986,245	$4,939,667	$4,949,546	$4,959,445	$4,969,364	$4,979,303	$4,989,261	$4,999,239	$5,009,238	$52,168,989
Tech. Services	$1,009,127	$1,810,182	$1,705,946	$1,724,452	$1,743,305	$1,762,513	$1,782,083	$1,802,022	$1,822,338	$1,843,037	$17,005,005
Staffing	$1,736,250	$3,213,000	$3,589,380	$3,661,168	$3,734,391	$3,809,079	$3,885,260	$3,962,966	$4,042,225	$4,123,069	$35,756,787
G&A Exp.	$435,000	$413,100	$369,342	$355,505	$362,615	$369,867	$377,264	$384,810	$392,506	$400,356	$3,860,365
Debt Service	$2,018,589	$4,037,178	$1,682,157	$0	$0	$0	$0	$0	$0	$0	$7,737,924
Total O&A Costs	**$12,149,558**	**$31,489,314**	**$27,346,161**	**$25,780,458**	**$25,919,723**	**$26,061,030**	**$26,204,418**	**$26,349,927**	**$26,497,598**	**$26,647,473**	**$254,445,661**
Operating Reserves	$13,275,078	$43,016,478	$43,548,257	$44,307,862	$30,602,171	$0	$0	$0	$0	$0	$174,749,846
New Programs Funding	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost & Reserves	**$234,526,372**	**$759,957,775**	**$769,352,542**	**$782,772,233**	**$795,656,453**	**$780,146,813**	**$794,469,536**	**$808,980,054**	**$823,980,682**	**$839,407,419**	**$7,389,249,879**
CCA Program Surplus/(Deficit)	**$6,358,089**	**$41,273,789**	**$26,056,383**	**$41,098,603**	**$55,864,883**	**$102,162,251**	**$129,687,196**	**$144,137,523**	**$158,927,706**	**$177,926,694**	**$883,493,117**

Table 10

Los Angeles Community Choice Energy

Reserves Summary

2018 to 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Reserve Additions											
Operating Reserve Contr.	$19,633,166	$84,290,267	$69,604,640	$85,406,465	$86,467,054	$102,162,251	$129,687,196	$144,137,523	$158,927,706	$177,926,694	$1,058,242,963
Cash from Financing	$31,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$31,000,000
Total Additions	**$50,633,166**	**$84,290,267**	**$69,604,640**	**$85,406,465**	**$86,467,054**	**$102,162,251**	**$129,687,196**	**$144,137,523**	**$158,927,706**	**$177,926,694**	**$1,089,242,963**
Reserves Outlays											
Start-Up Funding Payments	$260,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$260,000
Working Capital Repayment	$6,680,000	$0	$26,103,881	$0	$0	$0	$0	$0	$0	$0	$32,783,881
New Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Reserve Outlays	**$6,940,000**	**$0**	**$26,103,881**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$33,043,881**
Rate Stabilization Reserve Balance	**$43,693,166**	**$84,290,267**	**$43,500,759**	**$85,406,465**	**$86,467,054**	**$102,162,251**	**$129,687,196**	**$144,137,523**	**$158,927,706**	**$177,926,694**	

Expansion Addendum Appendices

Appendix A: [Resolution approving cities as members of LACCE]
Appendix B: Joint Powers Agreement
Appendix C: Member Ordinances
Appendix D: Los Angeles Community Choice Energy Implementation Plan and Statement of Intent (August 15, 2017)
Appendix E: Los Angeles Community Choice Energy Implementation Plan Addendum No. 1 (December 29, 2017)

Appendix A: LACCE Resolution No. __-___

[Insert LACCE Resolution Text with Signature]

Appendix B: Joint Power Agreement

1. Agoura Hills
2. Alhambra
3. Arcadia
4. Beverly Hills
5. Calabasas
6. Camarillo
7. Carson
8. Claremont
9. Culver
10. Downey
11. Hawaiian Gardens
12. Hawthorne
13. LA County
14. Malibu
15. Manhattan Beach
16. Moorpark
17. Ojai
18. Oxnard
19. Paramount
20. Redondo Beach
21. Rolling Hills Estates
22. Santa Monica
23. Sierra Madre
24. Simi Valley
25. South Pasadena
26. Temple City
27. Thousand Oaks
28. Ventura
29. Ventura County
30. West Hollywood
31. Whittier

[Insert Full JPA document]

Appendix C: Member Ordinances

1. Agoura Hills
2. Alhambra
3. Arcadia
4. Beverly Hills
5. Calabasas
6. Camarillo
7. Carson
8. Claremont
9. Culver
10. Downey
11. Hawaiian Gardens
12. Hawthorne
13. LA County
14. Malibu
15. Manhattan Beach
16. Moorpark
17. Ojai
18. Oxnard
19. Paramount
20. Redondo Beach
21. Rolling Hills Estates
22. Santa Monica
23. Sierra Madre
24. Simi Valley
25. South Pasadena
26. Temple City
27. Thousand Oaks
28. Ventura
29. Ventura County
30. West Hollywood
31. Whittier

[Insert Member Ordinances]

Appendix D: LACCE Implementation Plan and Statement of Intent

[Insert Original LACCE Implementation Plan]

Appendix E: LACCE Implementation Plan Amendment 1

[Insert LACCE Implementation Plan Amendment 1]

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 8

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Item: Authorize the LACCE Executive Director to Negotiate and Execute a Statement of Work #2 for Phase 2 Data Management Services with Calpine Energy Solutions

Date: March 1, 2018

RECOMMENDATION:

Authorize Los Angeles Community Choice Energy (LACCE) Authority Executive Director, in consultation with the Board Chair, to negotiate and execute a Statement of Work #2 for Data Management and Customer Call Center Services with Calpine Energy Solutions LLC.

BACKGROUND AND DISCUSSION:

At the February 1, 2018 meeting of the LACCE Board, the Board directed staff to negotiate a Statement of Work (SOW) with Calpine Energy Solutions to provide for the provision of data management services for Phase 2 of the LACCE program. The Board further directed that staff return to the Board with that SOW at the March 1, 2018 meeting so that these services can be secured in a timely fashion and the program can remain on schedule for a June 2018 launch of Phase 2.

The recommended SOW #2 provides for a nearly four-year term that is terminable at LACCE's sole discretion prior to August 1, 2018 (effective November 30, 2018) which is the latest date by which LACCE must decide on a data management service provider for Phase 3 services. However, invocation of this termination provision would subject LACCE to an early-termination fee of $526,000 to cover the significant unamortized cost for Calpine's build-out of the data infrastructure and customer management systems needed to serve the roughly 120,000 Phase 2 accounts. These costs include:

- Software development and configuration specific to LACCE;
- Procurement of computer hardware and data storage;
- Implementation management and services which includes SCE data syncs, user testing, etc.; and
- Call Center staffing and training.

At the February meeting, the Board also directed staff to begin preparations of a Request for Proposals for Phase 3 services so that the Board could consider its options for a long-

term service provider. However, staff is now recommending against issuance of such an RFP and that LACCE instead continue to rely on the services of Calpine through 2021. This recommendation is based on the following:

- Staff has been very pleased with the high quality of services provided to LACCE by Calpine in Phase 1. LACCE and Calpine have developed a strong working relationship to ensure all SCE-dependent processes are vetted and known issues are addressed in advance. In addition, Calpine is the only entity that has any, let alone Calpine's three years of, experience in managing through these issues on the SCE system. A new provider for Phase 3 would have little time to prepare for the largest launch of CCA service in California history with over 900,000 residential customer accounts. Staff believes that the risk to a successful Phase 3 launch posed by changing vendors at that juncture would be significant, and might have long-term adverse consequences.

- If a new provider enters between Phase 2 and Phase 3 operations, customers could experience confusion and frustration with different phone numbers and different call center scripting. LACCE might, for a while at least, need duplicate web sites to enable LACCE's on-line forms to continue performing post-enrollment opt-out processes for Phase 2 customers while the second provider performed the pre-enrollment opt outs for Phase 3.

- Calpine's SOW #2 directly addresses the important Distributed Energy Resources (DER) data needs of LACCE such that LACCE can immediately begin planning for implementation of DER services. Calpine is currently providing demand response program services for Sonoma Clean Power under the GridSavvy platform which includes residential demand response and deploying EVs and their charging infrastructure as interruptible load. Staff understands that reports of Calpine's prior inability to service DER was due to limitations in PG&E's infrastructure rather than deficiencies on the part of Calpine which does collect and store customer interval data in 15-minute increments.

- Staff believes there are a limited number of highly-experienced data management vendors with CCA experience in the market today. Indeed, Calpine provides these services for nearly every CCA in California. Also, staff notes the current Calpine contract is the result of a comprehensive RFP process that was completed less than a year ago and under which Calpine was the only responsive bidder. Staff believes a second RFP for nearly the same services is unlikely to yield different results. Furthermore, the market for these providing these services in 2021 is likely to have expanded and may include new innovative and cost-saving options, such as joint CCA call center operations, the emergence of other public sector entities, or new partnerships. Staff believes it should focus on nurturing and exploring these possibilities during launch rather than immediately issue a new RFP into a market with limited players.

A summary of the SOW #2 is below and the full SOW appears as Attachment 1.

Services – Calpine's services include data management and operation of a customer contact center. Data management includes operating an electronic data interchange with SCE for customer accounts and energy usage, validating those data and managing exceptions, calculating and submitting to SCE the LACCE's billing charges for each customer account, receiving and validating customer payments from SCE, submitting usage date to the California Independent System Operator, and related reporting functions.

The call center operations include handling calls regarding opt-up, opt-down, and opt-out requests, addressing billing issues related to the LACCE charges, and managing an interactive voice response system.

Term – The Statement of Work #2 is effective on execution and terminates December 31, 2021, subject to the following provisions:

1. LACCE shall have the right, in its sole discretion to terminate, effective on November 30, 2018. In order to exercise this right LACCE shall notify Calpine in writing no later than August 1, 2018.

   In the event that LACCE exercises its right to terminate and the parties do not otherwise agree on a new statement of work for Services covering the term from December 1, 2018 and December 31, 2021, LACCE understands and agrees that (a) Calpine shall not begin any pre-work on Phase 3, (b) Calpine shall discontinue all work on and after November 30, 2018, and (c) LACCE shall pay Calpine an Early Termination Fee of $526,000. The Early Termination Fee reflects Calpine's set-up and opt-out processing costs as well as a service fee for the Opt-Out Notice Services as outlined in the Statement of Work.

2. Mutual Extension of Term. LACCE and Calpine may agree to extend the Term beyond December 31, 2021 and include additional phases at the prices set for in the agreement.

Pricing – The pricing for Phase 1 through May 31, 2018 is $0.25 (twenty-five cents) per active account per month up to 5,000 active accounts through May 31, 2018.

The pricing for all LACCE active accounts served from June 1, 2018 until the Phase 3 start date shall be $1.10 per active account per month.

The pricing for all LACCE active accounts served from the Phase 3 start date through December 31, 2021 shall be as follows:

$1.05 per active account per month, for zero to 500,000 accounts;
$.95 per active account per month, for accounts above 500,000.

STATEMENT OF WORK #2

I. Background:

Los Angeles Community Choice Energy Authority (LACCE), operates a Community Choice Aggregation and Distributed Energy Resource Program ("CCA").

It is anticipated that the CCA will ramp up to full operation in three phases. A timeline and summary of the expected characteristics of these phases is presented below.

Phase	Initiation Date	Expected Number of Customers	Expected Annual GWh
1	February 1, 2018	1,950	215
2	June 25, 2018	136,620	9,276
3	December 1, 2018	926,397	6,045

[Calpine note: Phase 2 numbers are net of Phase 1 accounts and GWH]

Contractor is currently providing data management and call center services to LACCE for Phase 1 of the CCA implementation under the original DELEGATED AUTHORITY AGREEMENT FOR DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES, Statement of Work, and Pricing Schedule dated October 6th, 2017.

Contractor and the LACCE hereby agree to this Statement of Work #2 for Phase 2 and Phase 3 of the CCA implementation and operation as set forth herein.

II. Term:
This Statement of Work #2 shall be effective upon execution through and including December 31, 2021, subject to the following provisions:

1. LACCE's Option to Terminate the Statement of Work #2. LACCE shall have the right in its sole discretion to terminate this Statement of Work #2 effective on November 30, 2018. In order to exercise this right LACCE shall notify Contractor in writing of its decision no later than August 1, 2018.

   In the event that LACCE exercises its right to terminate this Statement of Work #2, and the Parties do not otherwise agree on a new statement of work for Services covering the term of December 1, 2018 through December 31, 2021, LACCE understands and agrees that (a) Contractor shall not begin any pre-work on Phase 3; (b) Contractor shall discontinue all work after November 30, 2018; and (c) LACCE shall pay Contractor an Early Termination Fee of $526,000.00. The Early Termination Fee reflects Contractor's set-up and opt-out processing costs as well as a service fee for the Opt-Out Notice Services set forth in Section 8.0. The Early Termination Fee shall be in addition to any other amounts owed under the agreement and shall be included on LACCE's final invoice. Notwithstanding anything to the contrary in the Contract, LACCE understands and agrees that the Early Termination Fee shall be owed to Contractor in

addition to other amounts owed in the event of a Termination for Convenience under the Contract.

2. Mutual extension of Term. Notwithstanding Paragraph 1 above, Parties may agree to extend the Term beyond December 31, 2021 and include additional phases at the prices agreed to herein or at a new price mutually agreed to by the Parties. Each Party shall notify the other Party in writing of its desire to extend the term no later than July 1, 2021.

The Maximum Amount of the Contract shall be calculated to include all amounts owed under the Statement of Work #2, plus the Early Termination Fee, plus any other amounts owed by CCA under the Agreement. In the event that Parties extend this Statement of Work #2 the Maximum Amount shall be revised as mutually agreed to reflect this extension of services. CCA represents it has necessary approvals to commit funds in accordance with this Section.

III. Scope of Work:
Under the direction of the LACCE staff, Contractor shall provide **all** of the following services:

1.0 Distributed Energy Resource ("DER") Services, Including Demand Response

i. Receive, store, maintain and provide LACCE with access to all necessary and required interval level meter data for each customer account served by LACCE as provided by SCE in accordance with Section 3.1.
ii. Integrate DER customer participation data into LACCE Customer Relationship Management solution in accordance with section 3.3.
iii. Provide call center with skill-based customer service agents ("CSRs"), with access to all needed data, to provide customer support for DER questions and issues in accordance with Section 3.4.
iv. Provide interval level meter data to Distributed Energy Resource aggregator for CAISO settlement.
v. Present DER-related charges and credits onto LACCE bills to customers participating in DER program(s) in accordance with Section 3.5
vi. Provide DER operational and business intelligence reports requested by LACCE.
vii. Support rate structures with hourly interval level pricing.

2.0 Electronic Data Exchange Services

i. Receive and process CCA service requests ("CCASRs") from SCE which specify the changes to a LACCE customer's account status such as a rate class change or opening/closing of an account.
ii. Obtain customer usage data from the SCE's server, including hourly interval usage data at billing level quality.
iii. Communicate and store the amount to be billed by SCE for services provided by LACCE.
iv. Receive and store payment transactions toward LACCE charges from SCE after payment is received by the SCE from customers.

3.0 Reporting

Prepare reports for LACCE including the following:

i. Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on LACCE's behalf.
ii. Daily and monthly report of billing information (usage, amount, customer information, etc.) and payment transactions received.
iii. Weekly report of delinquent accounts, exceptions (usage delayed, usage received but unbilled, usage gaps, etc.), and accounts added and dropped.
iv. Monthly report of billing errors, billing timeliness, customer call center inquiries received, average time required to respond to the inquiry, and percentage of issues resolved.
v. Other reports as may be proposed by LACCE or Contractor

4.0 Customer Information System

i. Establish an operational customer relationship management system 8 weeks prior to Phase 2 Initiation Date, and establish an operational customer information system 4 weeks prior to Phase 2 Initiation Date. Final configuration of systems will be dependent on CCA final program information received from LACCE and programmed into Contractor's systems.
ii. Allow LACCE to have functional access to the online database to add customer interactions and other account notes, to view customer email or written letter correspondence within online database, or view SCE bills for LACCE customers.
iii. Maintain a customer database of all LACCE customers and identify each customer's enrollment status, rate tariff election, payment history, collection status, on-site generating capacity, if applicable, and any correspondence with the customer.
iv. Maintain and provide as-needed historical usage data on all customers for up to five years.
v. Maintain accessible archives of billing records for all LACCE customers from the start of LACCE Service for a period of no less than seven years.
vi. Maintain and communicate as needed records of customers who have been offered service with LACCE but have elected to opt out, either before or after starting service with LACCE.
vii. Maintain and communicate as needed records of net energy metering credits and generation data for customers to be posted on bill and settled at least annually.
viii. Store historical SmartMeter interval level usage data, as received by the Meter Data Management Agent (MDMA), for at least five years.
ix. When requested by LACCE, place program charges on the relevant customer account, identified by Service Agreement ID (SAID).
x. Identify customers participating in various LACCE programs in database.
xi. Include various program payment information in all relevant reports. Perform quarterly LACCE program reviews to assess appropriate customer charge level.

xii. Provide a Business Intelligence tool to access and analyze LACCE program data, including interval level usage data.
xiii. Maintain all customer data according to LACCE's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process.
xiv. Maintain a data management provider security breach policy.

5.0 Customer Call Center

i. Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.
ii. Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.
iii. Staff a call center, during statutory enrollment periods, 24 hours a day 7 days a week to process opt out requests.
iv. Staff a call center during Non-Enrollment Period between the hours of 8 AM and 6 PM PPT Monday through Friday, excluding LACCE and SCE holidays. Review call center hours prior to Phase 3 for appropriateness and effectiveness, and implement changes as mutually agreed.
v. Provide sufficient call center staffing to meet the requirements set forth herein, including designating LACCE specific agents to the extent needed to provide for full functionality and a call center supervisor that will serve as the main point of contact between LACCE and the customer call center staff.
vi. Provide sufficient number of data manager experts available to manage escalated calls between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding LACCE and SCE holidays ("Regular Business Hours").
vii. Unless LACCE exercises its right to early termination of the agreement, Contractor shall locate a call center within the County by December 31, 2018.
viii. Adhere to the following performance standards during non-enrollment periods:
    a. A minimum of 75% of all calls will be answered within 45 seconds.
    b. A minimum of 90% of all calls will be answered within 3 minutes.
    c. 100% of voicemail messages answered within one (1) business day.
    d. 100% of emails receive an immediate automated acknowledgement.
    e. 95% of emails receive a customized response within one (1) business day.
    f. 100% of emails receive a customized response within three (3) business days.
    g. Achieve a no greater than 7.5% abandon rate for all calls.
ix. Adhere to the following performance standards during Enrollment Periods:
    a. A minimum of 75% of all calls will be answered within 60 seconds.
    b. A minimum of 85% of all calls will be answered within 3 minutes.
    c. 100% of voicemail messages answered within one (1) business days
    d. 100% of emails receive an immediate automated acknowledgement.

e. 95% of emails receive a customized response within one (1) business day.
f. 100% of emails receive a customized response within three (3) business days.
g. Achieve a no greater than 10% abandon rate for all calls.

x. Provide monthly reports that demonstrate whether performance standards have been met.

xi. Provide callers with the estimated hold time, if applicable. Provide an automated 'call back' option for callers who will be put on hold for an estimated five minutes or longer.

xii. Record all inbound calls and make recordings available to LACCE staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.

xiii. Track call center contact quality with criteria including:
a. Use of appropriate greetings and other call center scripts
b. Courtesy and professionalism
c. Capturing key customer data
d. Providing customers with correct and relevant information
e. First-contact resolution
f. Accuracy in data entry and call coding
g. Grammar and spelling in text communication (email and chat)

xiv. Evaluate customer satisfaction through voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

xv. Respond to customer inquiries received through email, fax, or web-portal. Receive calls from LACCE customers referred to provider by SCE and receive calls from LACCE customers choosing to contact provider directly without referral from SCE.

xvi. Provide the call center number on SCE invoice allowing LACCE customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

xvii. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

xviii. Respond to telephone inquiries from LACCE customers using a script developed and updated quarterly by LACCE. For questions not addressed within the script, refer inquiries either back to SCE or to LACCE.

xix. Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, fax or web-portal.

xx. Offer bi-annual cross training to SCE call center in coordination with LACCE.

xxi. Participate in coordination meetings, at LACCE request, to promote the resolution of any customer service issues. Such meetings may include LACCE management/ staff and may require on-site participation by Provider's management/staff.

xxii. Ensure monthly status reports are provided during the first week of each month.

xxiii. Provide weekly status reports during statutory enrollment periods.

xxiv. Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during regular business hours.

xxv. Provide translation services for inbound calls for at least the following languages: Spanish, Mandarin, Tagalog, and Vietnamese.

xxvi. Create and maintain online and downloadable forms for the LACCE website so that customers may perform program related tasks including but not limited to changing their account status to enroll or opt out of various LACCE programs. These program changes will be integrated into the customer relationship management system during an hourly sync process. Final configuration of forms will be dependent on CCA final program information received from LACCE and programmed into Contractor's systems.

xxvii. Host LACCE meetings with call center management and representatives on a bimonthly basis.

xxviii. Provide DER, Demand Response, and Energy Efficiency specialist call center staff available to customer during regular business hours.

xxix. Performance Level for Call Center. At LACCE's request, review call center performance statistics and implement Performance Levels as mutually agreed. Once implemented, if such Performance Levels are not met, and Contractor does not remedy any failures by the following month, the fees paid by LACCE to Contractor will be reduced by $10,000.00 for the month of failure.

6.0 Billing Administration

i. Maintain a table of rate schedules, provided by LACCE, and calculate bills with precision down to the interval level.

ii. Apply SCE account usage against applicable LACCE rates.

iii. Review application of LACCE rates to SCE accounts to ensure that the proper rates are applied to the accounts.

iv. Provide timely billing information to the SCE to meet the SCE's billing window.

v. Use commercially reasonable efforts to remedy billing errors in a timely manner, within no more than one billing cycle.

vi. Check preliminary bills from SCE for reasonableness before the bills are sent out.

vii. Maintain a table of rate schedules offered by LACCE to its customers.

viii. Send certain LACCE program charges for non-LACCE customers, when supported by SCE, based on information provided to provider by LACCE.

ix. Send certain LACCE program charges as a separate line item to SCE for placement on monthly bill during term of repayment.

x. Apply SCE account hourly interval usage data for all LACCE customers against applicable rate to allow for customer billing.

xi. Review application of LACCE rates to SCE accounts to ensure that the proper rates are applied to the accounts.

xii. Timely submit billing information for each customer to SCE to meet SCE's billing window.

xiii. Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, no more than one billing cycle.

xiv. Assist with settlement process for net energy metering customers on at least an annual basis and potentially monthly by identifying eligible

customers, providing accrued charges and credits, and providing mailing list to printer.

xv. Provide customer mailing list to printer for new move-in customer notices and opt out confirmation letters routinely within 7 days of enrollment or opt out.

xvi. Send a LACCE-provided letter to customers that are overdue. If no payment is received from the customer after a certain amount of time, issue a Community Choice Aggregation Service Request (CCASR) to return customer to SCE.

xvii. Performance Level for Billing Administration. Contractor shall achieve an accuracy rate of 99% or higher in billing LACCE charges on a monthly basis. If this Performance Level is not met, and Contractor does not remedy this failure by the following month, the fees paid by LACCE to Contractor will be reduced by $10,000.00 for the month of failure.

7.0 Settlement Quality Meter Data

i. Service provider shall provide LACCE or its designated scheduling coordinator with settlement quality meter data ("SQMD") as required by the CAISO.

ii. On LACCE's request, service provider will submit SQMD directly to the CAISO on behalf of LACCE or its designated scheduling coordinator.

***8.0* Opt Out Notice Services**

Contractor shall print and mail opt out notices. Contractor may use a printer other than the LACCE designated printer. This service shall be billed to LACCE on a cost pass through basis.

IV. Certain Bonding Requirements

CONTRACTOR will post or maintain an interim bond or cash equivalent in the amount of ONE HUNDRED THOUSAND UNITED STATES DOLLARS (US$100,000.00), to the California Public Utility Commission on behalf of COUNTY. The bond or cash equivalent will be replaced by COUNTY, or reimbursed to CONTRACTOR, within ninety (90) days upon the expiration or termination of this Statement of Work.

V. Other Terms and Conditions

During the Phase 2 period Contractor and the LACCE agree to work together in good faith to modify the terms and conditions of the contract that are no longer appropriate in light of the assignment of the Contract from the County to the LACCE.

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 9

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Item: **Authorize LACCE Board Chair and Executive Director to Negotiate and Execute TEA Task Order 2 for Power Procurement and Advisory Services**

Date: March 1, 2018

RECOMMENDATION:

Authorize LACCE Board Chair and the Executive Director to negotiate and execute TEA Task Order 2 for Power Procurement and Advisory Services.

BACKGROUND AND DISCUSSION:

The LACCE Board, at its January 17, 2018, approved a shift of the power procurement approach from a "bundled, fixed cost" approach used in Phase 1 to an "unbundled" approach for the various energy products to have more control over the portfolio and take advantage of potentially lower cost power supply for Phase 2. The Board also agreed that amending the December 28, 2018, TEA Agreement for Resource Management Services was the appropriate method to implement the new approach for Phase 2.

The Board also agreed that TEA should be engaged to provide other Advisory Services, such as financial modeling, risk management, administering a Request for Offer process for power supply components, among others. This Task Order provides for those types of services.

The Board also agreed to table the decision on the approach to be taken for Phase 3 to provide an opportunity for more community engagement.

Task Order 2 will implement the new Phase 2 approach by amending the existing TEA contract as approved by the LACCE Board and leave open the discussion of the approach for Phase 3, which will be informed by discussions about ratemaking and procurement strategies over the coming months.

SCOPE OF SERVICES

Power Procurement – TEA will provide transactional services on behalf of LACCE for the purchase and sale of electricity products, including energy, Resource Adequacy capacity, renewable energy and Greenhouse Gas (GHG)-free energy.

Planning and Coordination – TEA will coordinate with LACCE staff, Board and other LACCE consultants where issues affecting procurement, such as;

- Participate in project team meetings with LACCE and other LACCE consultants where issues affecting power procurement are discussed.

- Meet with LACCE staff and consultants to review updated financial projections and finalize Phase 2 targeted portfolio procurement goals to be included in the Request for Offers ("RFO"), as more particularly described in Section 1.1.2. The Parties understand that modifications to LACCE program goals, prior to issuing the RFO or after offers are received, may be needed to balance financial and non-financial program goals given current wholesale market prices and SCE's 2018 generation and PCIA rates. As part of this effort, TEA will provide information to LACCE regarding wholesale market price assumptions for different power products to be procured directly by LACCE.

- Meet with LACCE staff and consultants to discuss issues related to meeting 2018 Resource Adequacy requirements and cost responsibility, including supporting LACCE's discussions with Southern California Edison ("SCE").

- Meet with financial advisors and LACCE's designated provider of credit for the purpose of assessing the working capital requirements necessary to achieve LACCE's procurement strategy. The Parties acknowledge that the size of the credit facility to which LACCE has access will impact how quickly LACCE is able to begin serving new customers.

- Coordinate with Calpine on data management issues relating to their ability to provide billing services for different product options, which will impact LACCE's procurement volumes for products such as renewable and GHG-free energy.

- Coordinate with EES Consulting ("EES") on load forecast requirements, as well as non-power supply cost assumptions required to derive an accurate financial projection for LACCE.

- Work with LACCE staff and its legal counsel to provide certain subject matter expertise on the commercial aspects of the different power supply transactions with emphasis on providing input on the confirmation agreements. LACCE legal counsel will be responsible for developing Edison Electric Institute (EEI) Master Agreement templates and negotiating with LACCE counterparties, as well as providing all legal advice to LACCE.

Prepare Request for Offers (RFO) – As directed by LACCE, TEA will prepare formal RFO documents to be submitted to power suppliers and manage the RFO process on behalf of LACCE for the purpose of procuring power supplies to meet the requirements of Phase 2 customers during the period June 2018 through December 2018. TEA's activities may include:

- coordinating information with prospective suppliers and answering questions
- evaluating offers against economic and non-economic criteria set by LACCE
- based on LACCE needs, develop a short-list of suppliers and review results with LACCE
- evaluate and recommend power suppliers to LACCE
- after master enabling agreements are in place between LACCE and prospective counterparties, if requested by LACCE, TEA will execute procurement on a bilateral basis, as agent, provided that all issues related to credit, as well as responsibilities for confirmations, billing, and settlement are clearly defined by the Parties.

The amount of each product procured will be (i) based on load requirements (monthly peak demand, on-peak energy and off-peak energy) forecast prepared by EES, and (ii) determined working in consultation with LACCE. The Parties agree that LACCE will make the final determination for all procurement decisions.

Due to the potential size of LACCE's load requirements, procurement may need to be staged over several weeks or months. The Parties agree that the need to stage procurement is a function of a prudent hedging strategy, the timing of EEI execution with potential counterparties, as well as the availability of information such as final portfolio content targets, customer opt-outs and customer opt-ups or opt-downs.

Financial Modeling - Based upon all relevant information available, TEA will develop a financial model of LACCE's income and cash flows. The building blocks of the financial model will include load, resources with associated costs, market prices various fixed costs and CAISO fees, executed short-term market transactions and any other variables, as necessary, to create a financial picture of LACCE's income and cash flows.

TEA will update market price assumptions during the procurement process. As offers are received from suppliers, TEA will update the financial model with actual prices and fine-tune procurement targets for each power product. LACCE understands that financial models have limitations and may not capture every possible outcome.

TEA will recommend an overall retail rate adjustment relative to SCE's 2018 generation rates, as well as provide a probability-based assessment of the percentage likelihood of LACCE meeting its 2018 financial and program goals at the selected rate level. The Parties understand that the probability-based assessment will be important

because it is likely that LACCE will need to set its rates in advance of having Phase 2 procurement completed.

Term and Termination – The term of the agreement will be six months after signing and may be terminated upon 30 day's notice.

Compensation - Compensation will be on a time and materials basis at the rate of $215.00 per hour.

Attachments: Proposed TEA Task Order 2.

TEA Task Order 2 for Power Procurement and Advisory Services

This Task Order 2 for Power Procurement and Advisory Services ("Task Order 2") is made and entered this ___ day of February, 2018 (the "Task Order 2 Effective Date"), by and between The Energy Authority, Inc. ("TEA") and the Los Angeles Community Choice Energy Authority (LACCE) ("LACCE"), and the terms and conditions contained herein are hereby incorporated by reference as part of the certain Resource Management Agreement dated the 28th day of December, 2017 (the "RMA"). TEA and LACCE are sometimes referred to herein individually as a "Party," or collectively as the "Parties." Defined terms used herein but not specifically defined shall have the meanings set forth in the RMA or in the CAISO Tariff.

Section 1 Scope of Services.

During the term of this Task Order 2, TEA shall provide to LACCE certain power procurement and related services ("Services"), as more particularly described herein.

Section 1.1 Power Procurement.

Subject to the terms and conditions of the RMA, TEA shall provide Services on behalf of LACCE for Transactions with LACCE counterparties. For purposes of this Task Order, "Transactions" means the purchase and sale of electricity products, including energy, Resource Adequacy capacity, renewable energy and Greenhouse Gas (GHG)-free energy.

Section 1.1.1 Planning and Coordination

TEA will coordinate with LACCE staff and other LACCE consultants on issues affecting procurement, including, but not necessarily limited to:

- Participate in project team meetings with LACCE and other LACCE consultants where issues affecting power procurement are discussed.

- Meet with LACCE staff and consultants to review updated financial projections and finalize Phase 2 targeted portfolio procurement goals to be included in the Request for Offers ("RFO"), as more particularly described in Section 1.1.2. The Parties understand that modifications to LACCE program goals, prior to issuing the RFO or after offers are received, may be needed to balance financial and non-financial program goals given current wholesale market prices and SCE's 2018 generation and PCIA rates. As part of this effort, TEA will provide information to LACCE regarding wholesale market price assumptions for different power products to be procured directly by LACCE.

- Meet with LACCE staff and consultants to discuss issues related to meeting 2018 Resource Adequacy requirements and cost responsibility, including supporting LACCE's discussions with Southern California Edison ("SCE").

- Meet with financial advisors designated by LACCE to review results of LACCE's Credit and Banking Services RFP for the purpose of assessing the effects on LACCE's procurement strategy. The Parties acknowledge that the size of the credit facility to which LACCE has access will determine how quickly LACCE is able to begin serving new customers.

- Coordinate with Calpine on data management issues relating to their ability to provide billing services for different default product options, which will impact LACCE's procurement volumes for products such as renewable and GHG-free energy.

- Coordinate with EES Consulting ("EES") on load forecast requirements, as well as non-power supply cost assumptions required to derive an accurate financial projection for LACCE.

- Work with LACCE staff and its legal counsel to provide certain subject matter expertise on the commercial aspects of the different power supply transactions with emphasis on providing input on the confirmation agreements. LACCE legal counsel will be responsible for developing EEI Master Agreement templates and negotiating with LACCE counterparties, as well as providing all legal advice to LACCE.

Section 1.1.2 Prepare Request for Offers

As directed by LACCE, TEA will prepare formal RFO documents to be submitted to power suppliers and manage the RFO process on behalf of LACCE for the purpose of procuring power supplies to meet the requirements of Phase 2 customers during the period June 2018 through December 2018. TEA's activities may include:

- coordinating information with prospective suppliers and answering questions
- evaluating offers against economic and non-economic criteria set by LACCE
- based on LACCE needs, develop a short-list of suppliers and review results with LACCE
- evaluate and recommend power suppliers to LACCE
- after master enabling agreements are in place between LACCE and prospective counterparties, if requested by LACCE, TEA will execute procurement on a bilateral basis, as agent, provided however that all issues related to credit, as well as responsibilities for confirmations, billing, and settlement are clearly defined by the Parties.

The amount of each product procured will be (i) based on load requirements (monthly peak demand, on-peak energy and off-peak energy) forecast prepared by EES, and (ii) determined working in consultation with LACCE. The Parties agree that LACCE will make the final determination for all procurement decisions.

Due to the potential size of LACCE's load requirements, procurement may need to be staged over several weeks or months. The Parties agree that the need to stage procurement is a function of a prudent hedging strategy, the timing of EEI execution with potential counterparties, as well as the availability of information such as final portfolio content targets, customer opt-outs and customer opt-ups.

Section 1.1.3 Financial Modeling

Based upon all relevant information available, TEA will develop a financial model of LACCE's income and cash flows. The building blocks of the financial model will include load, resources with associated costs, market prices various fixed costs and CAISO fees, executed short-term market transactions and any other variables, as necessary, to create a financial picture of LACCE's income and cash flows.

TEA will update market price assumptions during the procurement process. As offers are received from suppliers, TEA will update the financial model with actual prices and fine-tune procurement targets for each power product. LACCE understands that financial models have limitations and may not capture every possible outcome.

TEA will recommend an overall retail rate adjustment relative to SCE's 2018 generation rates, as well as provide a probability-based assessment of the percentage likelihood of LACCE meeting its 2018 financial goals at the selected rate level. The Parties understand that the probability based assessment will be important because it is likely that LACCE will need to set its rates in advance of having Phase 2 procurement completed.

Section 2. LACCE Obligations.

Section 2.1 LACCE Credit Requirements.

During the term of this Task Order 2, LACCE shall provide credit support for all Transactions with LACCE counterparties made by TEA, as agent, on behalf of LACCE.

Section 2.2 LACCE Payment and Other Obligations.

During the term of this Task Order 2, LACCE shall pay on a current basis for all Transactions with LACCE counterparties for ongoing Transactions made by TEA, as agent, on behalf of LACCE.

Section 3. Term and Termination of this Task Order 2.

Section 3.1 Term of Task Order 2.

This Task Order 2 shall commence on the Task Order 2 Effective Date and shall continue for a period of six (6) months (the "Task Order 2 Term").

Section 3.2 Termination.

Either Party may terminate this Task Order 2 (i) as allowed under the terms of the RMA; or (ii) by providing a minimum of thirty (30) days prior written notice of a designated termination date to the other Party (the "Termination Notice Period").

Section 4. Compensation for Services Provided Under This Task Order 2.

For the Services defined in Sections 1 of this Task Order 2, LACCE shall pay to TEA on a time and materials basis using an hourly billing rate of $215.00 multiplied by the hours of work performed by TEA (collectively, the "Service Fees"), as more particularly described in Section 8 herein.

Section 5. Controlling Terms and Conditions.

The provisions of this Task Order 2 are subject to the Terms and Conditions of the RMA between the Parties. If any provisions of this Task Order 2 conflict with any provisions in the RMA, the provisions of the RMA shall take precedence.

Section 6. Expenses and Reimbursement.

Actual out-of-pocket expenses for travel and participation in on-site meetings are in addition to the compensation outlined in Section 4 herein. Travel costs such as airfare, hotel, ground transportation, per diem or meals (hereinafter, "Expenses") will be billed in the amount incurred by TEA for actual out-of-pocket cost, without any additional mark-up by TEA. Any Expenses incurred shall be billed for the month in which the Expenses are incurred. Air travel will be purchased at coach class fares, with advance purchase discounted tickets used when scheduling permits. Expense reports detailing all Expenses, along with receipts, shall be presented to LACCE for reimbursement.

Section 7. Settlement, Billing, and Payment Terms.

Section 7.1 Direct LACCE Counterparties.

During the Term, TEA shall not be responsible for credit support or payments for Transactions for LACCE with counterparties, other than obligations related to CAISO, as more particularly described in Task Order 1 for Scheduling Coordinator and CRR Management Services ("Task Order 1").

Section 7.2 Hourly Billing and Payments.

TEA billable hourly fees, if any, will be tracked and itemized for each month in which TEA services are performed under this Task Order 2. TEA will bill LACCE on a monthly basis for the amount of fees owed as Service Fees, or other billable hourly fees (hereinafter, "Compensation") pursuant to Section 4 of this Task Order, plus Expenses, if any. Such billable amounts may be (i) itemized on the same monthly invoice(s) related to Task Order 1, or (ii) billed by TEA on an individual invoice for Services related to Task Order 2.

For Service Fees due under this Task Order 2, LACCE shall pay each invoice no later than thirty (30) days (each an "Invoice Due Date") after receiving the invoice from TEA. LACCE will send payment as designated in Section 7.3 herein, or as otherwise designated by TEA.

Section 7.3 Payment Information.

Unless otherwise provided by TEA, LACCE will send payment via electronic funds transfer to TEA's bank account addressed to:

The Energy Authority, Inc.
301 W. Bay Street, Suite 2600
Jacksonville, Florida 32202
Attention: Daina Dean, Accounting

The Parties agree to cooperate to develop and supplement the procedures related to billing and payments for the orderly implementation of Sections 7.1 through 7.3 herein; provided, however, that nothing herein shall require either Party to agree to an amendment to the terms of those sections of this Task Order 2.

Section 7.4 LACCE Failure to Pay.

LACCE's failure to make timely payments for undisputed amounts under this TEA this Task Order 2 before or on each Invoice Due Date, shall be considered a breach of the payment terms of this Task Order 2. In the event such breach is not cured within five (5) business days following written notice by TEA, then LACCE shall be in default (an "Event of Default"). Upon the occurrence of an Event of Default, TEA may, without waiving any other remedies:

(a) Apply any revenues or payments received by TEA for the benefit of LACCE from any third party, if any, towards the outstanding amount owed to TEA;

(b) Apply any monies from security posted by LACCE (including the Lock Box Account if the Credit Solution is in effect) towards the outstanding amount owed to TEA;

(c) Defer collection or provide an extension of outstanding amounts owed to TEA; and/or

(d) Terminate this Task Order 2 and all services provided for herein pursuant to the process set forth in RMA Section 30.2.

Section 7.5 Late Payments.

Any payment for Services under Task Order 2 that is not received by TEA on or before the Invoice Due Date required shall incur a late fee, which shall be calculated by multiplying the total undisputed outstanding balance by the lesser of (i) the Interest Rate (as described in RMA Section 25.2), or (ii) the maximum rate allowable by state law for the number of days which the balance remains outstanding (the "Late Fee").

Section 8. Billing Rates and Additional Work.

The TEA Billing Rate applicable to any work performed by TEA under Task Order 2 is $215.00 per hour. During the Task Order 2 Term, TEA may perform additional work ("Additional Work") which is not described in this Task Order 2 or included in the Services Fees, provide such Additional Work reasonably falls under the scope of work for Task Order 2. LACCE shall pay TEA for such Additional Work on a time and materials basis. After the Initial Term, Billing Rates are subject to annual adjustment and modification by mutual agreement of the Parties. From time to time, LACCE may request, and TEA may provide LACCE with, additional services not described herein, and specifically described in a separate Task Order agreed to in writing, and executed by LACCE and TEA.

Section 9. Functions Performed by LACCE.

Unless otherwise mutually agreed to by the Parties, activities not expressly provided for herein are considered not within the scope of services for this Task Order 2 and shall be performed by LACCE or third parties, unless otherwise addressed in a separate Task Order.

Section 10. Amendment.

This Task Order 2 may only be amended by an instrument in writing signed by each Party's authorized representative.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Task Order 2 to be executed by their respective duly authorized representatives as of the date written in the first paragraph of this Task Order 2.

LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY

By:_____

Name: Diana Mahmud

Its: LACCE Chair

Date: _____

THE ENERGY AUTHORITY, INC.

By:_____

Name: Joanie C. Teofilo

Its: President and CEO

Date: _____

ATTEST:

By: _____

Name:

Title:

Date: _____

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 10

To: LACCE Board of Directors

From: LACCE Staff

Item: **Authorize LACCE Board Chair and Executive Director to Negotiate and Execute a Contract for Credit and Banking Services with River City Bank**

Date: March 1, 2018

RECOMMENDATION:

Authorize LACCE Board Chair and the Executive Director to negotiate and execute a contract for Credit and Banking Services with River City Bank.

BACKGROUND AND DISCUSSION:

PFM, Los Angeles Community Choice Energy Authority's (LACCE) Financial Advisor, on behalf of LACCE, recently distributed a Request For Proposal (RFP) for Credit and Banking Services.

The RFP was distributed to over 75 institutions including national banks, regional banks and California local banks, among others. We believe this was the widest RFP distribution by any CCA to date.

Seven different institutions had significant enough early interest to submit questions. To PFM's knowledge, this was the first interest in the CCA space from three of these entities which represents a significant expansion of the financial marketspace for CCAs. Ultimately, given the limited number of banks comfortable and familiar with CCAs only four RFP responses were received:

- Barclays (credit only)
- Beneficial State Bank (banking services only);
- JP Morgan (credit and banking); and
- River City Bank (credit and banking).

PFM, along with LACCE staff and the ad hoc LACCE Finance Committee, reviewed the proposals and focused in on a few key areas of consideration for selection: experience, cost, ability to meet desired terms and scalability.

Experience: For **banking** services, only River City Bank has CCA experience and they served the majority of CCAs launched to date. For **credit** services, all three banks that proposed have worked with CCAs. River City Bank has the most extensive experience having worked with almost all of the programs that have launched while JP ($150MM SFPUC) and Barclays ($50MM EBCE (pending)/$20MM Peninsula) have experience with some of the larger programs and larger facilities.

Cost: River City Bank had the lowest proposed cost for both banking and credit.

Desired Terms: LACCE requested that the credit facility be available to repay its loan from Los Angeles County by the end of the County's fiscal year (June 2018). River City Bank was the only bank to allow for this in its entirety. Barclay's has requested that LACCE retain $2.5MM of the County's loan on a subordinate basis until certain financial covenants can be met. Those covenants will not be met by end of the County's fiscal year. JP Morgan had even more stringent terms on County repayment than Barclays.

Scalability: LACCE solicited credit in the amount of $20MM to $31MM. The amount of credit needed will depend on several factors, such as total number of LACCE members, dynamic power markets and LACCE's future growth. The largest variable related to the credit need is the amended CPUC resolution which if it had passed in its original form would have severely limited the number of members who could receive Phase 2 service in June 2018; i.e. our credit need would have been closer to $20MM.

After the CPUC adopted the amended resolution it appears that a much larger number of LACCE members will be able to begin receiving service in June 2018, resulting in a larger credit need. Upon review by EES Consulting and TEA the $31MM appears to be sufficient for LACCE's immediate credit needs.

It should be noted that River City Bank is at or close to its maximum lending ability at the current request level and would be unable to immediately lend more if necessary. Barclays has demonstrated an ability to lend for higher amounts ($35MM) but has requirements on repayment (or in this case nonrepayment) of the County start up loan that are unacceptable.

CONCLUSION:

CCA programs are unique and still new enough that not many banks have policies in place to allow them to do credit business with CCAs. As a startup it is important to have an experienced partner that can help LACCE meet its expected and future needs.

After careful consideration of the RFP responses LACCE staff, with concurrence by the ad hoc Finance Committee recommends that LACCE pursue both the Line of Credit and Banking services with River City Bank and authorize the LACCE Board Chair and Executive Director to negotiate and execute a contract with River City Bank.

River City Information:

River City Bank (RCB) is located at 2485 Natomas Park Dr, Sacramento, CA with 12/31/17 Assets of over $2 Billion and Total Capital of $185 Million. The bank has 145 employees located in Sacramento and 13 branch offices. They have provided banking and credit services for Marin Clean Energy (MCE), Silicon Valley Clean Energy (SVCE) and Monterey Bay Community Power (MBCP), among others. In addition to traditional banking and credit services they are familiar with "lock box arrangements" for CCAs for power supply purchases. They have done so with MCE, SVCEA, MBCP, East Bay Community Energy (in progress), City of Pico Rivera, San Jacinto and Rancho Mirage (in progress).

River City is not rated but provided the following ranking from the following lessors known independent-bank rating firms:

- BauerFinancial – *Five Stars "Superior" – Highest Rating*
- Veribanc – *Green – Three out of Three – Highest Rating*
- Findley – *Super Premier – Highest Rating*

Attachments:

Attachment 1 – Summary of Bank responses to the LACCE RFP

Proposer	River City				
Contacts	Stephen A. Fleming sfleming@rivercitybank.com 916-567-2649 Rosa Hilmarsdottir Cucicea rosa.cucicea@rivercitybank.com 925-398-2763	Facility Amount	Option 1: (3 Region) $20M Option 2: (24 Region): $31M	Pricing	Offer: Revolving Line of Credit Term: 1 year with option to convert to Term Loan -Upfront Fee: 0.25% (Paid at Closing) + $2,500 - 1mL + 1.75% Term Loan: up to 5yr of monthly payments -Fixed: 3yr Treasury + 2.0% - Variable: 1mL + 1.75%
		Contingencies	- Requires a depository relationship including the lockbox account and Debt Service Reserve Accounts (if condition is not met interest rate increases 2%)		
Firm Overview	Smaller California regional bank specializing in businesses and public entities (including renewables)	Covenants	- Immediate draw on RLOC to fund DSRF at 10% drawn amt. (RC has 1st lien on DSRF) - Maintain a minimum Tangible Unrestricted Net position at levels and on dates to be agreed - 1.25x DSC on Term Loan -No additional debt -Phasing Reg's: Failure to follow will result in Event of Default - Prior to close, LACCE must be operational and Phase 1 in place - Phase 2 rollout to non-residential customers must be successfully implemented by Aug. 31, 2018 - Phase 3 rollout to residential customers must be successfully implemented by Dec. 31, 2018		
Experience	Limited Banking experience in Public Sector - Has worked with the City of Davis, Valley Clean Energy, East Bay Community Power, City of Pismo Beach, City of Lodi - Silicon Valley Clean Energy, Monterey Bay Comm. Power, Marin Clean Energy, Sonoma Clean Power. Cal Choice Energy Auth.				
Capital	- Total Cpital : $185M - Total Assets: $2.0B				
Bank Ratings	Not Rated	Counsel Fees	No estimate given - billed by Counsel		
Bank Counsel	Not Rated	Notes	- Fee waiver on 1st yr cash mgmt. business	Expiration of Term Sheet	None Provided

Proposer	JP Morgan				
Contacts	Heather Talbott heather.x.talbott@jpmorgan.com 212-270-4875 Alyson Goetschius alyson.l.goetschius@jpmorgan.com 212-270-0335	Facility Amount	- Startup: $3.3M Term Loan - Option 1 (3 Region): $10M facility - Option 2 (24 Region): $21M facility	Pricing	Start-up: -JPM is offering an amount of up to $3.3M for a Term Loan to be drawn fully at closing - Fees (Taxable/Tax-Exempt): 3yr: 1mL + 0.75% 3yr: 79% of 1mL + 0.50% 4yr: 1mL + 1.00% 4yr: 79% of 1mL + 0.65% 5yr: 1mL + 1.25% 5yr: 79% of 1mL + 0.85% Ongoing: Amount: $10M for 3Region, $21M for 24Region - Undrawn Fee: 1yr Term: 0.35% 2yr Term: 0.40% 3yr Term: 0.45% 4yr Term: 0.50% 5yr Term: 0.55% - Drawn Fee: Taxable | Tax-Exempt 1yr Term: 1mL + 3.00% | 1yr Term: 79% of 1mL + 2.50% 2yr Term: 1mL + 3.25% | 2yr Term: 79% of 1mL + 2.75% 3yr Term: 1mL + 3.50% | 3yr Term: 79% of 1mL + 3.00% 4yr Term: 1mL + 3.75% | 4yr Term: 79% of 1mL + 3.25% 5yr Term: 1mL + 4.00% | 5yr Term: 79% of 1mL + 3.50% - Standby LOC (may be used for support collateral req's): 1yr Term: 3.00% 2yr Term: 3.25% 3yr Term: 3.50% 4yr Term: 3.75% 5yr Term: 4.00% - DSC Coverage Pricing Adjustments: (Undrawn/Drawn/SBLOC) >1.75x: Above Rates <=1.75x > 1.50x : +0.10% / +0.25% / +0.25% <=1.50x > 1.25x : +0.25% / +0.50% / +0.50%
		Contingencies	-Line available upon full draw AND Lauch Date has been confirmed for Phase 2 Startup Loan: Fully Cash Collateralized County Loan must be Subordinate		
Firm Overview	Major National Bank with extensive experience in the Public Sector	Covenants	Startup: -Clawback Provision - Default if 3 JPA members withdraw or 1 member with at least 10% voting share - No additional debt other than the Revolving Line Ongoing Line: In addition to the above: -Rate Stabilization Reserv at 15% of Gross Revs -Operating Reserve at min 90days - set rates to cover operating and debt costs - DSC Coverage of at least 1.25x (Net Rev pledge) -1 yr Term out Provision		
Experience	-Over $17 Billion in outstanding credit commitments across over 160 clients ($1.5 Billion in CA) - Provides credit to city of Oxnard, CADWR, Muni Improvement Corp of LA, LAC Capital Asset Leasing Corp, City of LA Wastewater -Provides credit to SFPUC for CleanPower				
Capital	-Total Capital: $258.4B				
Bank Ratings	Aa3/A+/AA- P-1/A-1/F1+ (All Stable)	Counsel Fees	Unable to provide fee estimate		
Bank Counsel	McGuireWoods LLP	Notes		Expiration of Term Sheet	April 4, 2018

Proposer	Barclays				
Contacts	Jay Saakvitne james.saakvitne@barclays.com 212-528-1053 Cassandra Bolz cassandra.bolz@barclays.com 212-526-3974	Facility Amount	-Up to $35M	Pricing	-Term: 3 / 4 / or 5 years - Facility Amount: up to $35 million - Undrawn Fee 3yr Term: 0.75% 4yr Term: 0.85% 5yr Term: 1.00% - Drawn Fee ($30M): 3yr Term: 1mL + 3.25% 4yr Term: 1mL + 3.50% 5yr Term: 1mL + 3.90% -Default Rate: Bank Prime Rate + 9%
		Contingencies	$2.5M of County Loan must be maintained until the operating reserve fund and DSC covenants are met County Loan must be Subordinate		
Firm Overview	Smaller of the Major banks with large footprint in municipal space	Covenants	- No additional indebtedness, except for the County loan - Operating reserve fund equal to 90days of operating expenditures funded over the first 12 months of the facility -DSC of 2.0x after an initial ramp-up period using 5yr amortization of total facility and County Loan		
Experience	-Over $8 billion in outstanding credit agreements/facilities -Works with Peninsula Clean Energy ($12M loan), EBCE ($50M Loan), Silicon Valley Clean Energy, CleanPowerSF -Works in LA Cnty with LAX, MWDSC, LACMTA, City of LA, City of Long Beach, LADWP				
Capital	-Tier 1: $56.5B -Net Assets: $87.5B				
Bank Ratings	A1/A/A P-1/A-1/F1 (Neg/Stable/Stable)	Counsel Fees	Capped at $75,000		
Bank Counsel	McDermott Will & Emery	Notes	- Up to $6M of the Line may be used to pay down the County Loan, fund power purchases, or use for capital	Expiration of Term Sheet	May 3, 2018

Proposer	River City			
Contact	Stephen A. Fleming sfleming@rivercitybank.com 916-567-2649			
Estimated Fees and Earnings	Estimated Monthly Service Charges	Earnings Credit Rate	Assumed Investable Balance	Earnings
	$426.00	0.50%	$8,977,500.00	$3,689.38
Notes	Will waive all cash management fees for the first year			

Proposer	JP Morgan			
Contact	Heather Usiski heather.d.usiski@jpmorgan.com 949-833-4379			
Estimated Fees and Earnings	Estimated Monthly Service Charges	Earnings Credit Rate	Assumed Investable Balance	Earnings
	$704.15	0.55%	$8,977,500	$4,058.32
Notes				

Proposer	Beneficial State Bank			
Contact	Craig Hill chill@beneficialstate.com 503-200-5512			
Estimated Fees and Earnings	Estimated Monthly Service Charges	Earnings Credit Rate	Assumed Investable Balance	Earnings
	None Provided	0.25%	$3,689	$0.76
Notes	Retail Lockbox Services			

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 11

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Item: Communications Agency for LACCE

Date: March 1, 2018

RECOMMENDATION

Engage The Energy Coalition (TEC) to provide marketing and outreach services for the LACCE and delegate authority to the Board Chair and Executive Director to negotiate and execute a one-year contract starting March 2018 and ending February 2019 for these services.

BACKGROUND AND DISCUSSION

As authorized by the Board, LACCE staff issued an RFP for marketing and outreach services on January 5, 2018. The RFP was emailed directly to over 50 agencies, was posted to relevant websites, and was shared via social media. Eight proposals were received by the February 1, 2018 deadline.

Staff formed a review team to evaluate the proposals, consisting of LACCE Director Lindsey Horvath, Executive Director Ted Bardacke, and staffer Ellen Dux. After review, staff determined that three agencies were qualified to meet LACCE's needs. They were:

- Circlepoint
- TEC
- SGA

On February 15, 2018, the review team conducted interviews with Circlepoint and SGA; TEC was interviewed on February 22, 2018. References were also checked for the top rated entities.

The review team unanimously agreed that TEC and their tem will best met LACCE's marketing and outreach needs, and that its proposed budget is within the FY18-19 allocation of $200,000 for these services.

TEC qualifications include:

- Extensive experience working with utilities, public agencies, municipalities and CCA's in Southern California;
- Strong understanding of utility customer motivation and how to incorporate those into the CCA business model;
- Proficiency in developing and executing large, long-term strategic plans for both broad-based markets and niche market segments;
- Deep experience in communicating and messaging across multiple languages, cultures, income levels and geographies;
- Ability to dedicate appropriate staff resources immediately and a comprehensive subcontractor network capable of executing all required tasks, including multicultural marketing and creating print/digital/social media content for multiple platforms;
- Possession of a deep network of relationships in LACCE member jurisdictions that can be leveraged for City and County-based marketing efforts;
- Creative flair and the desire to create a unique look and feel for LACCE that can be leveraged for future partnerships with customers;
- High-level commitment to the CCA business model and a desire to participate in the restructuring of California's energy market;
- Strong references

Contract Negotiations

Staff has held preliminary discussions with TEC about contract terms and some jointly-agreed upon modifications to the scope delimitated in the RFP. Upon Board approval, contract execution is expected in early March. It important to note that almost 100,000 opt-out notices will be sent to potential customers in mid-April; this will be LACCE's first contact with the vast majority of customers. TEC has indicated they will front-load staff and planning resources to have good messaging and material in place prior to the mailing of these notices.

Under contract terms, TEC will provide comprehensive marketing services from March 2018 through February 2019. Services and tasks will include but are not limited to (per the RFP):

- Developing a communications and outreach plan;
- Developing branding guidelines and communications policy;
- Conducting audience research, including focus groups as necessary, for customer segmentation;
- Developing messaging in multiple languages;
- Developing marketing collateral, including print, digital, and social content;
- Participating in the outward-facing tasks of the customer enrollment process, starting with Phase 2;
- Conducting community and stakeholder engagement;
- Creating a media relations plan;
- Creating and facilitating performance evaluation, reporting, and data collection

Additionally, web design/build services also may be included in the Scope of Work as the LACCE website transitions from a repository of information to a customer and stakeholder engagement tool.

Attachment:

1. TEC team background, organizational structure, examples of work product, and full TEC RFP response

CPA CLEAN POWER ALLIANCE of Southern California

the Energy Coalition

RFP 18-01
MARKETING & OUTREACH SERVICES
Presented to CPASC
February 22, 2018

WHO WE ARE

The Energy Coalition (TEC) is a non-profit 501(c)3 organization with over 45 years of experience designing and implementing strategies that transform energy use, generate capital and inspire people to take sustainable energy actions.

Program Design & Implementation

Education & Workforce Development

Marketing & Outreach

Policy & Master Planning

MARKETING & OUTREACH

- Communication Plans
- Stakeholder Engagement
- Campaign Execution & Outreach
- Tools, Templates & Collateral
- Branding & Logo Development
- Workshops & Events
- Website Design & Support
- Video Production
- Case Studies

the Energy Coalition

OUR PORTFOLIO

Southern California REGIONAL ENERGY NETWORK

WESTSIDE Energy Partnership

NCCC ENERGY PARTNERSHIP

PEAK

energy upgrade CALIFORNIA in Los Angeles County

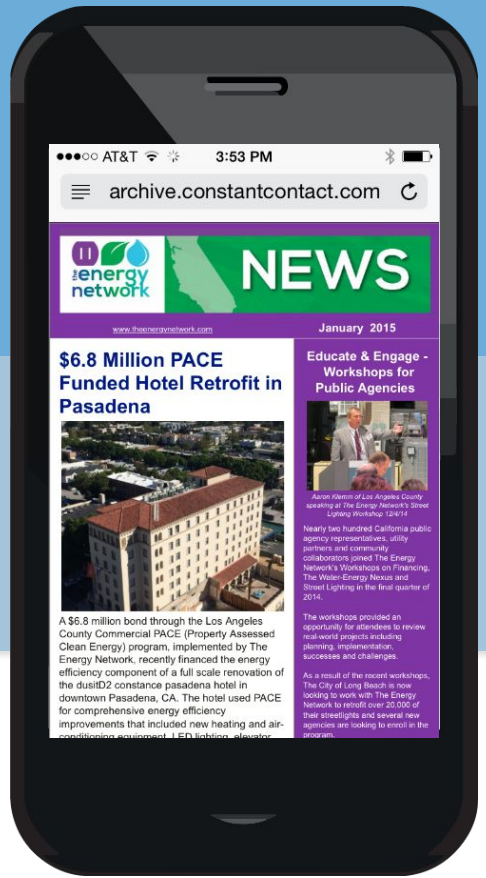
- TEC is the **marketing and outreach** provider **for SoCalREN**, a program that makes energy efficient retrofits available to **more than 700 public agencies**
- TEC is the **statewide Workforce Education and Training** (WE&T) K-8 Education working with all CA IOUs as well as with LADWP and SMUD
- TEC **created** the **first Local Government Utility Partnership** and currently implements three LGPs
- TEC **led the brand development, marketing,** education and **outreach** for **Energy Upgrade California** in **Los Angeles County**

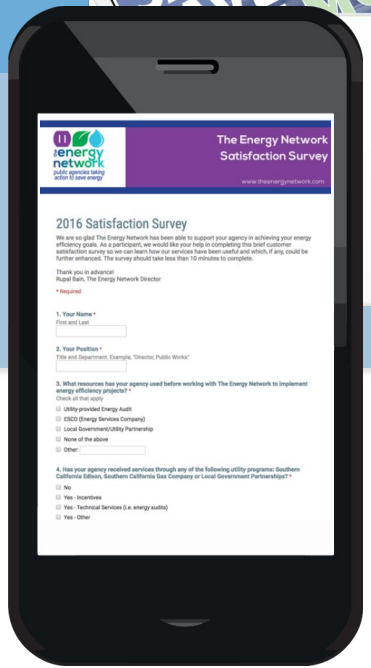
OUR CLIENTS & PARTNERS

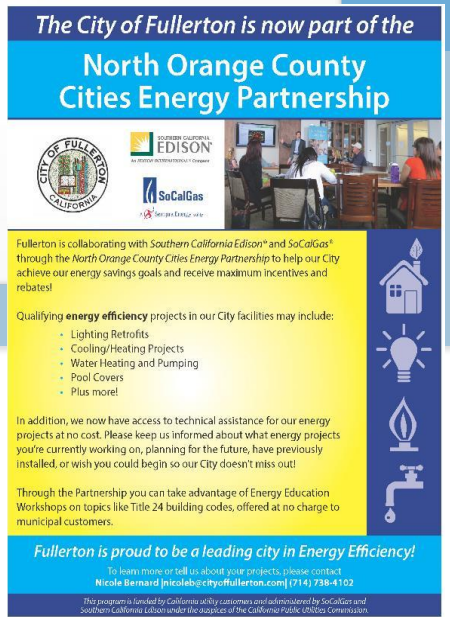
OUR PROPOSED TEAM

Number of TEC FTE's at TEC: **50+**
Number of TEC staff for this project: **11**
TEC office locations: Irvine, Los Angeles, Oakland, San Diego

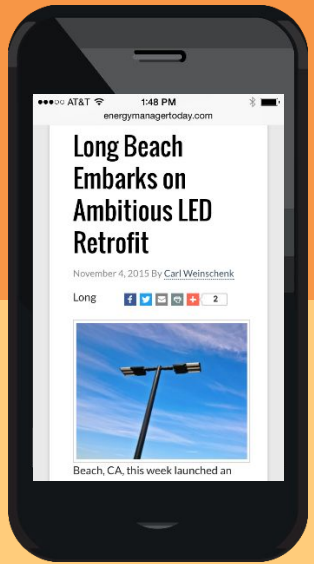
WORK SAMPLES







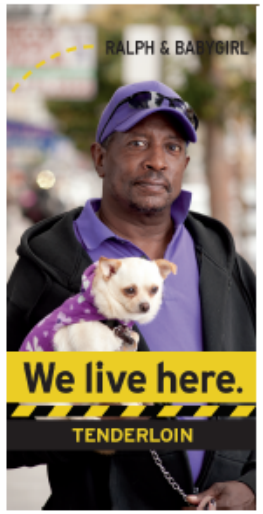
WORK SAMPLES



WORK SAMPLES

¿Cuentas de gas y electricidad altas?
¡Obtenga hasta $8,000 de reembolso por mejoras en la eficiencia del uso de energía!
energy upgrade CALIFORNIA
in Los Angeles County
Mejore su casa. Obtenga reembolsos. Ahorre dinero.
냉난방 요금이 높다구요?
에너지 효율개선으로 최고 $8,000 까지 돌려 받으세요!
energy upgrade CALIFORNIA
in Los Angeles County
「全屋」解決方案
現在更新有什麼好處?
energy upgrade CALIFORNIA
in Los Angeles County

Slow
down!
Jane Kim
VISION
ZERO
SF


RALPH & BABYGIRL
We live here.
TENDERLOIN

緩速
慢行！
Jane Kim
VISION
ZERO
SF

THE ZHENG FAMILY
我們在這裡生活。
TENDERLOIN

¡Más
despacio!
Jane Kim
VISION
ZERO
SF

ROSAMARIA
Yo vivo aquí.
TENDERLOIN

Chậm
lại!
Jane Kim
VISION
ZERO
SF

THE PHAM FAMILY
Chúng tôi sống tại đây.
TENDERLOIN

SF TO LA • END AIDS • 545 MILES
RIDE LOVE LIVE
AIDS/LifeCycle®

RIDE LOVE LIVE
JUNE 2018
Join us! Registration opens today.
STRONGER TOGETHER
AIDS/LifeCycle®

RIDE LOVE LIVE
JUNE 2018
Join us! Registration opens today.
STRONGER TOGETHER
AIDS/LifeCycle®

SF TO LA • END AIDS • 545 MILES
WE'RE READY FOR ACTION! ARE YOU?
RIDE LOVE LIVE
AIDS/LifeCycle®

SF TO LA • END AIDS • 545 MILES
RIDE LOVE LIVE
AIDS/LifeCycle®

JUNE 24TH, 2018
SF TO LA • END AIDS • 545 MILES
RIDE LOVE LIVE
AIDS/LifeCycle®

www.cleanagency.com
830 Traction Ave, Suite 3A
Los Angeles, CA
323-255-9178
info@cleanagency.com

About **Clean Agency**

- **Established in 2002** by CEO Seri McClendon
- We work with companies to **measure, improve and communicate** on the environmental impact of their:
  - operations
  - products
  - packaging
  - value chains

Our Clients include

Dreyer's

Disney

Steelcase

City of Santa Monica

Nestlé

Gerber

LA THE PORT OF LOS ANGELES

Tim Hortons

SPIN MASTER

AVERY DENNISON

asics

CAESARS ENTERTAINMENT

Liz claiborne

EPSON EXCEED YOUR VISION

MATTEL

ECOVER POWERED BY NATURE

NOMACORC

NewPage

yogaworks

CISCO

REFORMATION

GRANITE

CLEAN

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 11

To: Los Angeles Community Choice Energy Authority Board of Directors

From: LACCE Staff

Item: Logo for LACCE

Date: March 1, 2018

RECOMMENDATION

Adopt the “stylized lightning bolt” as the design for the Clean Power Alliance logo (see design variations on next page).

BACKGROUND AND DISCUSSION

Under terms of its contract, ATAK Interactive was charged with creating a logo for the Los Angeles Community Choice Energy program. The Board of Directors decided to first change the name of the organization before selecting a logo. ATAK assisted with this process and the Board selected Clean Power Alliance as its new name on February 1, 2018. ATAK was then asked to design a logo for CPA.

Staff requested that the CPA Board Members who served on the Ad Hoc Naming Committee to also serve on the Ad Hoc Logo Committee to assist with developing the new logo. The committee members included Culver City, West Hollywood, Claremont, and the County of Ventura. They were joined by CPA Executive Director Ted Bardacke.

After soliciting logo preferences and design input from the committee and staff, on February 14, 2018, ATAK provided nine logo designs for review and comment. From this initial batch, the committee chose two design directions to pursue. ATAK was instructed to continue iterating these two by incorporating specific design notes.

The Logo committee convened again on February 22, 2018 to review the revised designs. The committee is recommending that the Board approve the “stylized lightning bolt” concept, shown on the next page, as the design for the CPA logo. Committee members especially like the design for its simplicity, boldness, and versatility to be used with or without the “Clean Power Alliance” words.

This concept is still being refined in terms of color, gradient and font treatment. A final design based on this concept will be presented at the March 1 Board meeting.

CPA
CLEAN
POWER
ALLIANCE

CPA
CLEAN
POWER
ALLIANCE

CPA
CLEAN
POWER
ALLIANCE

CPA
CLEAN
POWER
ALLIANCE

LOS ANGELES COMMUNITY CHOICE ENERGY

Staff Report – Item 13

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Formation of Committees

Date: March 1, 2018

RECOMMENDATION:

It is recommended that the Board:

1. Approve the establishment of a Finance, Legislative & Regulatory, and Energy Planning & Resources as standing committees and Communications & Outreach, Personnel and Operating Policies & Procedures, and Community Advisory Committee Development as ad hoc committees; and

2. Approve the structure of an Executive Committee and open a three-week nomination period for at-large members of the committee.

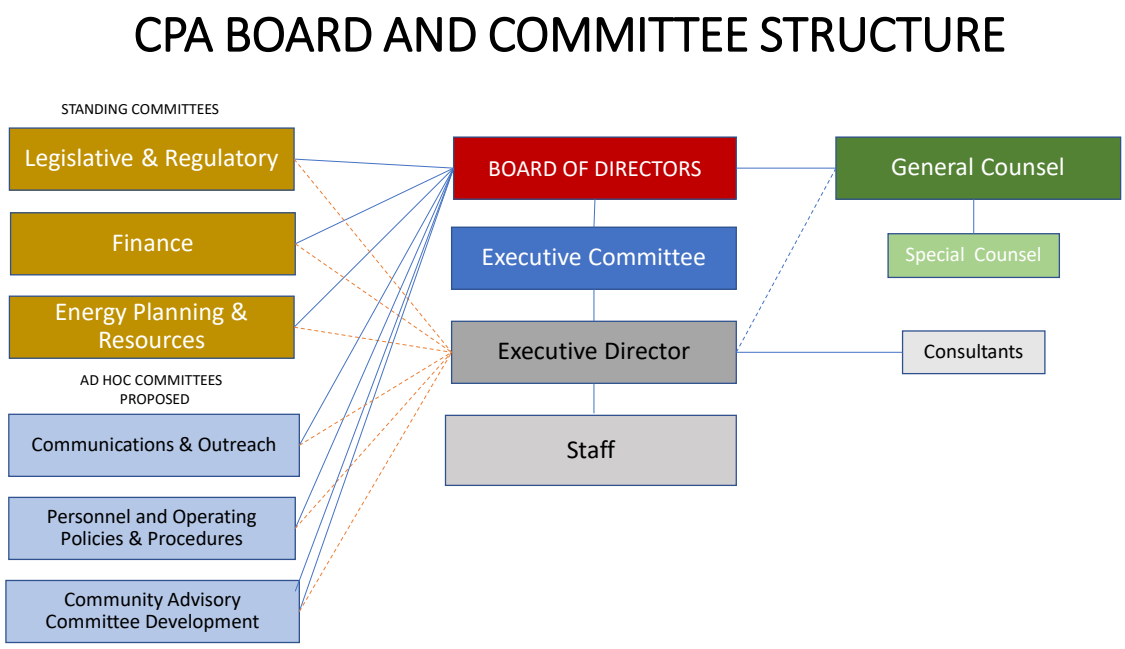
BACKGROUND AND DISCUSSION:

At the January 17, 2018 meeting of the LACCE Board, the Board considered options for the establishment of an Executive Committee and provided direction to staff to work with the Chair and Vice Chair to refine the committee structure. Since that meeting, the Board Chair and Vice Chair have also solicited volunteers for a number of committees and several Directors have volunteered. In consultation with the Chair and Vice Chair, staff are now recommending that the Executive Committee be comprised of nine members as follows:

1. Board Chair
2. First Vice Chair
3. Chair of the Finance Committee
4. Chair of the Legislative and Regulatory Committee
5. Chair of the Energy Planning and Resources Committee

6. At-Large (from within LA County, also serves as Second Vice Chair when First Vice Chair is from Ventura County)
7. At-Large (from within LA County)
8. At-Large (from within Ventura County, also serves as Second Vice Chair when First Vice Chair is from LA County)
9. Previous Board Chair (after the first year)

This structure is shown visually below:



Additionally, it is recommended that:

- The Chair would select each of the standing and ad hoc committee chairs.
- Standing committee chairs must be the primary representative from their city but alternate directors can serve on committees and may serve as ad hoc committee chairs.
- One at-large seat is designated for Ventura County members and two for Los Angeles County members to reflect the balance among members and load between these two areas.
- The Los Angeles at-large seats would be elected by the Los Angeles Directors and the Ventura at-large seat would be elected by the Ventura Directors.
- One of the at-large seats shall be designated as a Second Vice-Chair such that the there is one Vice Chair from each county.

- The Chair will work to ensure that the Executive Committee reflects the broad diversity of geographic, socioeconomic, and city sizes.
- Other ad hoc committees may be established by the Board as the need arises.
- All Executive Committee members and committee chairs have the ability to serve a maximum of two consecutive one-year terms, so that other Board members have the opportunity to serve in a leadership position

Finally, if this structure is approved, it is recommended that a three-week nomination period be opened during which Directors could nominate themselves or other Directors by communicating to the Board Chair. Elections for at-large seats would be held at the April 5, 2018 board meeting.

LOS ANGELES COMMUNITY CHOICE ENERGY

Item V. Legislative and Regulatory Update

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: **Legislative and Regulatory Update**

Date: February 23, 2018

Regulatory Issues

1. Resolution E-4907

The CPUC issued Draft Resolution E-4907 on December 8, 2017. The Resolution proposed a new restriction on the launch schedule for new and expanding CCAs. The motive for the resolution was to require CCA participation in the full year-ahead resource adequacy planning cycle prior to launch of service and to thereby prevent alleged cost-shifting from CCA to bundled customers. Specifically, the resolution requires a full calendar year delay between a CCA's Implementation Plan ("IP") submission and launch of service. This would mean that a CCA wishing to serve new load in 2019 would need to submit their IP or IP Addendum on or before 1/1/2019. IPs submitted between 1/1/2018 and 1/1/2019 would not be allowed to serve load until 1/1/2020.

The resolution was subsequently modified and unanimously approved on February 8, 2018. The modifications created two exceptions to the rule that apply to this year (2018) only. First, the deadline for the submission of Implementation Plans to serve load in 2019 was extended to March 1st, 2018 (an allowance that LACCE intends to utilize with its Implementation Plan Addendum #2). Second, the resolution allows CCAs that have submitted Implementation Plans between 12/8/2017 and 3/1/2018 to apply to the CPUC for a waiver to serve that load in 2018. The caveat is that the CCA must negotiate with its incumbent IOU on terms to repay the IOUs stranded one-year Resource Adequacy contracts. If the CCA and the IOU are unable to reach an agreement, the payment method will be resolved via an ongoing CPUC Proceeding on Resource Adequacy (R.17-09-020 discussed in greater detail below). LACCE is currently negotiating with SCE on these terms.

2. Resource Adequacy R.17-09-020

The CPUC opened rulemaking proceeding 17-09-020 in September 2017 as part of a biennial compliance function to review and update Resource Adequacy ("RA") rules for years 2019 and 2020. This cycle, the CPUC intends to address larger structural issues

with the RA program and to address unresolved issues from Resolution E-4907 (discussed above) such as developing a cost allocation methodology for stranded one-year RA contracts. Many CCAs hope to use this proceeding as a venue to revisit the rigid launch timeline established in the resolution. In addition, longer-established CCAs hope to mitigate cost shifting they perceive to their own customers because of double procurement. The proceeding held a workshop to discuss proposed methodologies on February 22nd and 23rd. These CCA-specific issues are expected to be resolved as part of the first track of the proceeding in June 2018, though delays are likely.

3. Petition for Modification of Decision 12-12-036 (R.12-02-009)

On January 30, 2018, PG&E, SCE, and SDG&E ("IOUs") filed a joint petition to modify a 2012 CPUC decision (D.12-12-036 in proceeding R.12-12-009) that restricts IOU marketing on CCAs and establishing an IOU "Code of Conduct" and implementing Senate Bill 790 (Leno, October 2011). In their Petition for Modification ("PFM"), the IOUs argue that restricting IOU communication with local governments and the press regarding community choice aggregation is an infringement on their first amendment rights. In addition, the IOUs argue that this modification to the Code of Conduct would be in the public interest to ensure that local governments are 'better informed of the risks' of CCA. CalCCA has hired a high-profile legal team to address these issues and the LACCE team has supported these efforts by providing evidence of LACCE's careful process for reviewing CCA throughout its many jurisdictions.

4. PCIA Review – R.17-06-026

The Power Charge Indifference Adjustment (PCIA) Review proceeding will revise the methodology for calculating the fees that IOUs charge CCAs for power contracts stranded by CCA departure from bundled IOU service. Parties provided the first conceptual ideas for new methodologies at the recent January 16th and 17th CPUC workshop, though full data analysis was not possible at the time of that workshop due to delays in data transfer from IOUs to the CCAs. That data transfer is now mostly complete and the CalCCA technical consultants have begun their full analysis. Testimony with new methodology proposals is now due on April 2nd, 2018. Evidentiary hearings will run from May 7th-11th 2018 with opening briefs due June 1st, 2018. The Proposed Decision on this proceeding is expected in late July 2018.

5. Integrated Resources Planning (R.16-02-007)

On 2/8/2018, the Commission approved its Proposed Decision regarding the Integrated Resources Plan ("IRP") requirements, though with one change. IRPs for this year are now due August 1, 2018, rather than the previous deadline of June 1, 2018. IRPs are long-term power supply planning documents submitted to the CPUC for review to ensure compliance with state reliability, greenhouse-gas mitigation, and cost-minimization targets. These documents will be due every two years.

6. CCA Bond Requirements (R.03-10-003)

The CCA Surety Bond proceeding, which will revise the amount of the surety bond that CCAs are required to submit to the CPUC prior to launch, remains in a holding pattern pending the overdue proposed decision from the Administrative Law Judge.

Legislative Issues

As part of a broad legislative advocacy strategy for CCAs, CalCCA conducts a great deal of lobbying at the state level. To support their efforts, they have requested that CCAs form relationships with their local legislators by setting up in-district meetings. CalCCA has advised that these meetings are the single most powerful step we can all take to prepare for future legislative challenges.

Staff is working to schedule these in-district meetings with the legislators that represent our territory, in order to introduce LACCE and discuss how we can work with them on legislative issues, should the need arise during this year's session. Ted, Gary, and Bill will be attending these meetings, as well as the Chair of the Legislative and Regulatory Committee.

Staff would also like to invite Board members to join these meetings. As meetings are scheduled in your district, staff will send you the calendar invites and meeting information. As the legislature is currently in session, we expect the majority of these meetings to be scheduled on Fridays when the legislators are in-district for the weekends.

LOS ANGELES COMMUNITY CHOICE ENERGY

Item VI – Executive Director Report

To: LACCE Board of Directors

From: Ted Bardacke, Executive Director

Subject: **Monthly Update**

Date: February 23, 2018

LACCE Membership Update

LACCE staff made more than 100 presentations to city councils over the course of 2017 and the early part of 2018. The current official LACCE membership is now 29 jurisdictions; two more cities, Ventura and Oxnard will consider joining by the end of February.

Customers will begin to be served based on the year in which their member jurisdiction joined LACCE. See roster below. There are approximately 950,000 eligible customers in the 29 confirmed entities, with a total annual energy load of almost 14,000 GW/year.

2018 Customers		2019 Customers
Agoura Hills	Malibu	Camarillo
Alhambra	Manhattan Beach	Moorpark
Arcadia	Ojai	Oxnard (Pending)
Beverly Hills	Paramount	Redondo Beach
Calabasas	Rolling Hills Estates	Simi Valley
Carson	Santa Monica	Ventura City (Pending)
Claremont	Sierra Madre	Whittier
Culver City	South Pasadena	
Downey	Temple City	
Hawaiian Gardens	Thousand Oaks	
Hawthorne	Ventura County	
LA County	West Hollywood	

Per PUC regulations, membership in LACCE for 2018 and 2019 load closes on March 1. Additional cities that choose to join LACCE for 2020 load will need to approve JPA documents by December 31, 2018. Staff intends to facilitate a discussion about outreach and recruitment strategy for additional members in the coming months.

Board Members, Alternates and Member Staff are reminded that orientations remain available and can be scheduled in your cities at your convenience.

Community Advisory Committee

At the January 17th Board meeting, staff presented a Community Advisory Committee straw proposal for Board consideration. The proposal was prepared after researching existing CCA advisory committees and hosting public workshops to gather input. At that meeting Board and public comments were recorded by staff, and they reflected the need to address certain fundamental decisions about the committee structure and purpose. Aspects of the proposal that garnered the most discussion included committee size, committee mission, and authority. The need for extensive community outreach in conjunction with the committee application process was also discussed.

At that meeting the Board voted to defer a decision on the Community Advisory Committee until the Executive Director came on board and additional expected cities formally joined LACCE. Incorporated in the motion to defer was also the recommendation that Board members make an effort to educate and engage their constituents about the committee in the interim. The Board requested that staff consolidate input and bring this item back with further recommendations at a later date.

Staff recommends that an ad-hoc Board committee be formed to consider options, final recommendations, and oversee the committee application and selection process. The Board Chair and Vice-Chair have put out a call for volunteers to serve on this committee. Staff will provide support in the hope that the committee will make recommendations on committee structure and mission at the April board meeting.

Phase 1 Operations

LACCE service has grown to 1950 accounts at LA County municipal facilities across a wide range of geography and building type. Average daily energy sales are over 200,000 kWh. Calpine reports no significant service issues. This "pilot" phase has revealed some account service items that will require close attention in Phase 2, including handling of new accounts, new account holders, move-outs, and vacancies.

Phase 2 Schedule

We expect to begin transitioning Phase 2 customers (commercial/industrial/municipal) in June. It may take up to 3 months to transition all Phase 2 accounts to LACCE from Edison. In addition to overseeing a number of technical and regulatory matters in anticipation of this transition, staff is currently focused on several key tasks, including:

Large and Key Customer Outreach

Staff intends to make direct contact with large key customers in our service territory to introduce LACCE. It is important that this contact take place prior to

the first opt-out notices being mailed out in mid-April. Bill Carnahan will lead this effort, assisted by our selected communications firm and an additional consultant specializing in working with large energy users. In the coming weeks, Board members will be asked to identify socially influential commercial customers in their jurisdictions who should receive a direct call or visit from LACCE staff.

Power Procurement and Rate Setting

Staff will work with TEA on gathering market intelligence to help craft a proposal for final Phase 2 rates, which will be presented to the Board for consideration at its April meeting. This effort will not only focus on Phase 2 but also be used to help provide market context to the discussion about overall procurement and ratemaking approach that staff intends to facilitate in accordance with the schedule described in Agenda Item III (4).

Staffing/Hiring

Jacquelyn Betha will be joining LACCE on February 28 as Executive Assistant to the ED and with the expectation that she will be designated Board Secretary and Custodian of Records at the April Board meeting.

Bill Carnahan will assume the new title of Special Assistant to the Executive Director, and continue to work under his current consulting contract.

Job notices will soon be posted in early March for the following Director and Manager level positions:

- Director, Power Planning and Procurement
- Director, Legislative and Regulatory Affairs
- Director, Technology Integration and Data Analytics
- Manager, Community Outreach

Contracts Executed

No new contracts were executed this month.

Conferences/Speaking Engagements/Sponsorships/Grants

ED will speak at the UCLA Anderson Energy Innovation Conference on April 16.

Board members and ED will appear on panels at the Infocast Community Choice Energy Summit in San Diego April 24 – 26.

LACCE intends to be a lead sponsor of the annual Business of Local Energy Symposium in Sacramento June 4 -5. In conjunction with this sponsorship, several conference passes will be made available to board members who wish to attend.