

**MEETING of the Energy Planning and Resources Committee
of the Clean Power Alliance of Southern California**

Wednesday, April 25, 2018

12:00 p.m.

555 West 5th Street, 35th Floor

Los Angeles, California 90013

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 Jacquelyn Betha, at least 2 working days before the meeting at jbetha@cleanpoweralliance.org or (213) 269-5870 ext.1001. 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.

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

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

*Arcadia Public Works Service Center
11800 Goldring Road
Arcadia, CA 91066*

Clean Power Alliance Energy Committee Meeting
April 25, 2018

Oxnard City Hall Annex - CONFERENCE Room
300 W Third Street, 4th Floor
Oxnard, CA 93030

Santa Monica City Hall – Room 209
1685 Main Street
Santa Monica, CA 90401

Thousand Oaks City Hall
Public Works Conference Room
2100 Thousand Oaks Blvd
Thousand Oaks, CA 91362

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee 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.

III. REGULAR AGENDA

1. Approve Minutes from March 28, 2018 Energy Planning and Resource Committee Meeting
2. Energy Contracting Update and Next Steps
3. Integrated Resources Plan Compliance and Discussion of Long Term Approach

IV. COMMITTEE MEMBER COMMENTS

V. STAFF COMMENTS

VI. ADJOURN

Clean Power Alliance Energy Committee Meeting
April 25, 2018

Public records that relate to any item on the open session agenda for a regular committee meeting are available for public inspection. 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.

MEETING of the Energy Planning and Resources Committee of the Clean Power
Alliance of Southern California

Wednesday, March 28, 2018, 12:00 p.m.
555 West 5th Street, 35th Floor
Los Angeles, California 90013

ACTION MINUTES

I. WELCOME AND ROLL CALL

Committee Chair Carmen Ramirez called the meeting to order. Board Secretary Julie Gomez conducted Committee roll call:

Present

Arcadia – Alternate Director Tom Tait
Carson – Alternate Director Reata Kulcsar
Oxnard – Director Carmen Ramirez (Chair)
Santa Monica – Director Kevin McKeown
Sierra Madre – Director John Harabedian

Absent

Arcadia – Director Sho Tay
Malibu – Director Skylar Peak
Santa Monica – Alternate Director David Petit
Thousand Oaks – Alternate Director Helen Cox

II. PUBLIC COMMENT

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

III. REGULAR AGENDA

1. Presentation on Current Energy Contracting Processes, Including Contracting Documents

Discussion took place. No action was taken.

2. Discussion of Options for Contract Execution Delegation Authority

Discussion took place. No action was taken.

Public Comment: Chad Tady, Sun Power

IV. COMMITTEE MEMBER COMMENTS

The Committee agreed to hold regular meetings on the last Wednesday of the month going forward.

The interview panel selection for data management provider was briefly discussed.

V. STAFF COMMENTS

No additional staff comments.

VI. ADJOURN

Committee Chair Ramirez adjourned the meeting.



Energy Contracting Update: 2018 Short-Term RFO

Prepared for

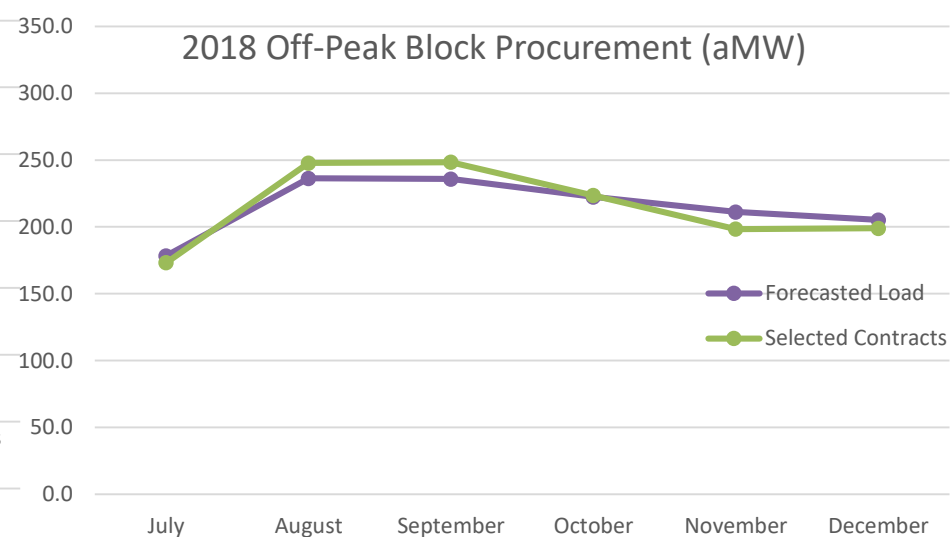
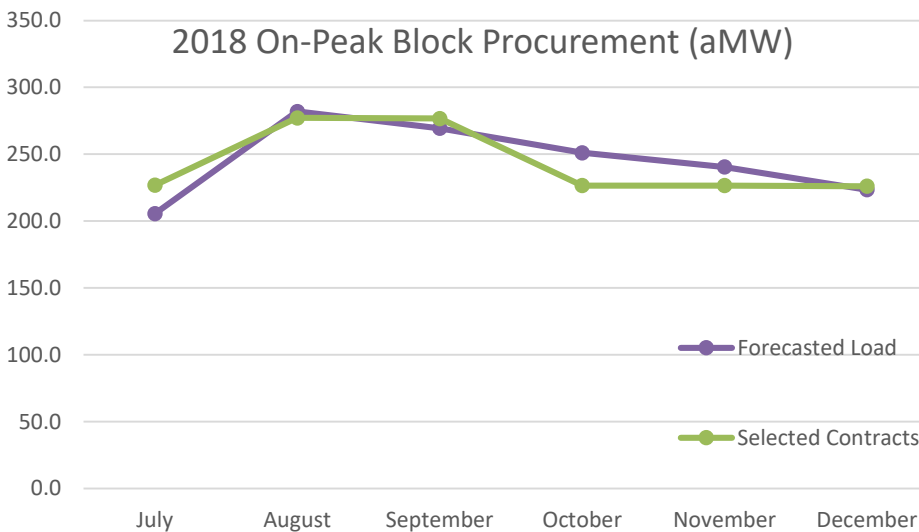


Summary

- Fixed Price Energy
 - Received offers from 6 suppliers
 - Executed confirmations with 5 suppliers to meet 2018 requirements and to begin layering in purchases through 2020
- Renewable and Carbon-free/Low-carbon Energy
 - Received offers from 8 suppliers
 - Negotiations underway with 6 suppliers
 - Expected to fill significant portion of 2018 requirements and to begin layering in purchases through 2020
 - Will continue to explore portfolio optimization opportunities and complete residual procurement for 2018 needs in coming weeks
- Resource Adequacy (“RA”)
 - Received offers from 4 suppliers
 - Negotiations underway
 - Plan to execute confirmations this week for a portion of 2018 RA requirements and to begin layering in purchases through 2020
 - Plan to issue new RFO for remaining 2018 RA requirements

Block Energy

- Fixed-priced blocks of energy provide cost certainty for CPA supply portfolio
 - Highest priority due to price volatility
- Offers received from 6 suppliers
 - Offered volumes for 2018 exceed CPA needs
- Executed confirmations with 5 suppliers
 - 100 percent of 2018 target volumes contracted at prices below assumptions used to set rates
 - Began layering in purchases through 2020



Renewable Energy

- Offers received from 6 suppliers
 - Offered volumes varied by year (2018-2020) and product (PCC1, PCC2), but total renewable offers for 2018 exceed CPA needs
- Negotiations underway with 3 suppliers
 - Plan to execute confirmations for majority of forecast 2018 renewable requirements
 - Will begin layering in purchases through 2020
- Will complete residual procurement for 2018 in coming weeks

Carbon-free and Low-Carbon Energy

- Offers received from 7 suppliers
 - Offered volumes for 2018 exceed CPA needs
- Negotiations underway with 5 suppliers
 - Plan to execute confirmations to meet 2018 all carbon-free/low-carbon requirements
 - Will begin layering in purchases through 2020

Resource Adequacy (“RA”)

- Offers received from 4 suppliers
 - Offered volumes vary greatly by year (2018, 2019, and 2020) and product (System, Local LA Basin, Local Big Creek/Ventura, Flexible)
- Negotiations underway with 4 suppliers
 - Plan to execute confirmations for a portion of 2018 RA requirements
 - Will begin layering in purchases through 2020
- Plan to issue new RFO for 2018 RA
 - 2018 RA true-ups for July through December, as well as Q3 CAM allocations, have been provided to all load serving entities, which may change offers



Integrated Resource Plan

Compliance and 2020 Prep

Overview

- Regulatory Requirement
- IRP Compliance Requirements
- Proposed Schedule
- Long Term IRP Plan

Regulatory Requirement

- CPUC Decision February 20 18
 - CPUC to review and approve (certify) the substance of **compliance** IRP
 - Provides CPUC with authority over aspects of CCA renewable integration planning
 - Defines GHG-free resources for the first time excluding RPS buckets 2 and 3
- IRP must be filed **August 1, 20 18**, repeated on 2-year cycle
 - CPUC work group is currently working on input assumptions for the IRP to be filed in May 20 20 (next cycle)

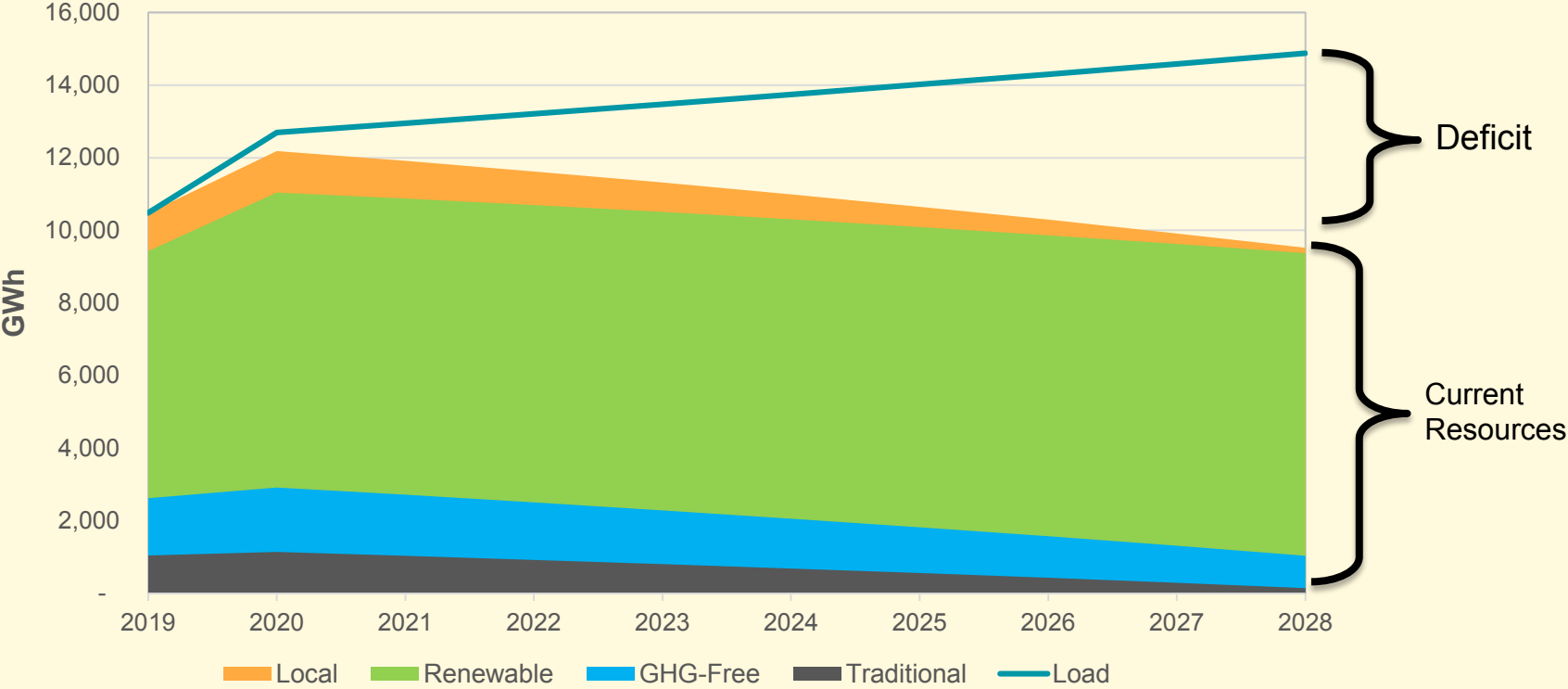
IRP Compliance Requirements

- CEC load forecast –cover period through 2030 with data for 2022, 2026 and 2030
- Reference System Portfolio (determined by CEC) used for “Conforming Portfolio”
 - Alternative Portfolios are optional and must be explained and justified
 - GHG emission benchmark and accounting methodology determined by CEC
 - Gas Price projections based on 2017 IEPR projection
- CPA must select “Preferred Portfolio” including analysis of:
 - Local air pollution minimization
 - Cost & Rate Analysis
 - Local Needs Analysis, including impact on disadvantaged communities
 - CAISO most recent Transmission Plan
- Action Plan for 1-3 years
- Data Summary
- Lessons Learned

Compliance IRP Steps

- Load Resource Balance
- Needs Assessment
- Current resources and contracts
- Current programs
- Potential Supply and Demand Side Resources
- Evaluation Criteria
- Portfolio Evaluation
- Risk Analysis
- Documentation

Load/Resource Balance Example

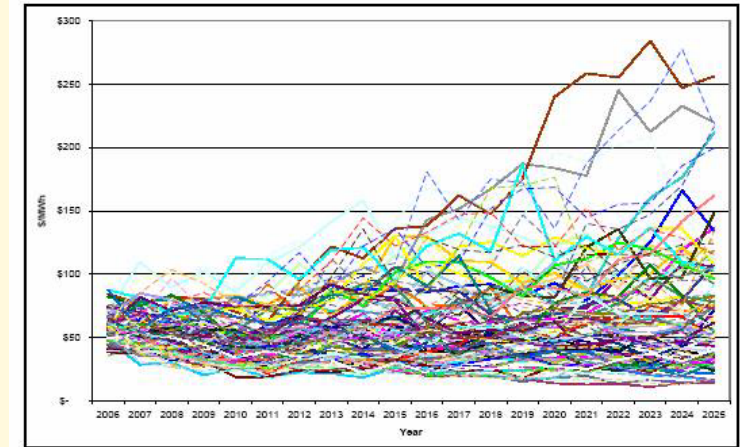


Regulatory Requirements

- Renewable Portfolio Standard (SB350)
 - 50% by 2030
 - 65% with minimum 10 year contract beginning in 2021
- Resource Adequacy (D 17-06-027)
 - Effective load carrying capacity (ELCC) for wind and solar
- Electric Storage (AB 2514)
 - Energy storage target of 1% forecasted 2020 peak load by 2024
 - 36.6 MW for CPA
- GHG requirements
 - AB 1110 : CEC methodology adopted for calculation of GHG intensity for each product offered by retail supplier.

Risk Analysis/Preferred Portfolio

- Risk analysis is performed to evaluate portfolio costs under different planning assumptions
 - Market Price Risk
 - GHG-free resource costs
 - Demand-side program achievement
 - Load forecast variances
 - Resource Costs
 - Other variables



- Preferred Portfolio selected based on least cost/least risk/goal objectives

Long Term IRP Planning

- The 2018 Compliance IRP is a first step in CPA's long-term procurement strategy
- **For many CCAs and utilities, it is not the same as their internal strategic planning IRP document**
 - Internal IRP needs to come from a place of overall vision and mission values
 - Internal IRP needs to reflect unique circumstances
- The 2018 Compliance IRP will **provide base data and insights into the tradeoffs that will need to be considered for CPA's own long-term strategic IRP.**
- For 2020 it is envisioned that the compliance IRP and the internal strategic IRP will be combined, such that the Compliance IRP will be a subset of CPA's own Long-Term Strategic Resources Plan

Proposed Work Plan

1. April 25 Energy Committee - Proposed work plan/introduction
2. May 5 Board Meeting –Update on IRP workplan
3. May 30 Energy Committee –Load Resource Balance, Resources/Programs, Draft Portfolios
4. June 7 Board Meeting –Summary of Energy Committee meeting work/decisions
5. June 27 Energy Committee –Portfolio Results, Preferred portfolio, Action Plan
6. July 12 Board Meeting –IRP Update and delegation of authority to Energy Committee to approve Final IRP
7. July 25 Energy Committee –Approval of Final Compliance IRP
8. August 1 Compliance IRP due to CPUC



Wrap-Up

- The 2018 Compliance IRP will have to be developed fast – a full IRP (Compliance + Internal Strategic) usually takes 9 months
- EES and CPA Staff will work with Energy Committee to develop the 2018 Compliance IRP
- Updates will be provided at each meeting with opportunity for feedback
- CPUC IRP Process is ongoing, and assumptions for the next cycle are already being discussed