

**REGULAR MEETING of the Board of Directors of the
Los Angeles Community Choice Energy Authority
Thursday, October 5, 2017**

City of Calabasas, Council Chambers
100 Civic Center Way, Calabasas, CA 91302
2:00 pm

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 Matt Skolnik, at least 2 working days before the meeting at mskolnik@ceo.lacounty.gov or (213) 893-0286. Notification in advance of the meeting will enable LACCE 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 LACCE staff who will distribute the information to the Board members and other staff.

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

This item is reserved for persons wishing to address the Board on any LACCE-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Executive Director's or Staff Report on the Regular Agenda; or 3) Board Members'

Reports on the Regular Agenda. Public comments on matters not listed above 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 to you at the discretion of the Board Chair.

III. REGULAR AGENDA

1. Appointment of Acting Chair and Vice Chair
2. Approval of the Minutes from the September 7, 2017 Board of Directors Meeting
3. Approval of delegated authority to the Executive Director to execute agreements for goods and services for amounts not exceeding \$10,000
4. Approval of contract terms with The Energy Authority for scheduling coordination and energy-related services, and authorization to the Executive Director to execute the final contract
5. Approval of contract terms with Constellation for power supply products for LACCE phase 1 accounts, and authorization to the Executive Director to execute the final contract
6. Presentation on best practices for marketing and outreach

IV. STAFF AND BOARD ANNOUNCEMENTS

V. CLOSED SESSION

PUBLIC EMPLOYMENT
(Government Code Section 54957)

Recruitment of Executive Director and General Counsel

VI. ADJOURN – TO NOVEMBER 2, 2017

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 the purpose of making those public records available for inspection. The documents are also available on LACCE's internet website. The website is located at: <http://www.lacounty.gov/sustainability>.

Staff Report – Item 1

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Item 1: Appoint Acting Chair and Vice Chair

Date: October 5, 2017

RECOMMENDATION:

Staff recommends that the Board select a Director to serve as Acting Chair, and another Director to serve as Acting Vice Chair for the October Board meeting.

BACKGROUND AND DISCUSSION:

Section 5.1 of the LACCE JPA specifies that the Directors shall elect, from among the members, a Chair who shall be the presiding officer of Board meetings, and a Vice Chair who shall serve in absence of the Chair. The duties of the Chair include presiding over Board meetings, signing all contracts on behalf of the Authority, and such other duties that may be determined by the Board.

At its August Meeting, the Board decided to rotate the Chair and Vice Chair positions for the duration of 2017 to give each member an opportunity to serve in those capacities. It was also decided that whoever was elected Vice Chair for a meeting would be expected to be elected as Chair for the subsequent meeting. As such, it is necessary to elect a Chair and Vice Chair to preside over the October Board meeting and to perform the other typical duties of a Board Chair.

**Meeting of the Board of Directors of the
Los Angeles Community Choice Energy Authority (LACCE)**

**Thursday, September 7, 2017
Los Angeles Cleantech Incubator
525 S. Hewitt Street, Los Angeles CA**

MINUTES

I. Welcome and Roll Call

Chair Kuehl called the meeting to order at 2:05 p.m. Vice Chair Zuckerman, and Directors Mahmud and Weintraub (via telephone) being present a quorum was established.

II. Regular Agenda

1. Appoint Acting Chair and Vice Chair

Chair Kuehl nominated Vice Chair Zuckerman as Acting Chair and Director Mahmud as Vice Chair and Vice Chair Zuckerman and Director Mahmud seconded the nomination. The motion was unanimously approved.

2. Approval of minutes from the August 4, 2017 Board Meeting

Vice Chair Mahmud requested that for future minutes, details about the content of the public comments received should be noted.

Director Kuehl motioned to approve the minutes of the August 4, 2017 Board Meeting and Chair Zuckerman seconded the motion.

Director Weintraub abstained from the vote, explaining that she was not present at the August 4 Board Meeting. The motion was approved, with Director Weintraub abstaining.

3. Presentation – Electric Utility/CCA 101

Executive Director Bill Carnahan gave a presentation to the Board that gave an overview of the electric utility business in California. He stated that he would give this presentation as part of the orientation for incoming board members, and would take direction from the Board on any revisions or improvements.

4. Delegation of authority to the Executive Director to authorize expenditures of budgeted funds to support LACCE operations

Bill Carnahan provided an overview of the report. Vice Chair Mahmud motioned to approve. The motion was seconded by Chair Zuckerman and was approved unanimously.

5. Approval of budget adjustment of up to \$75,000 for LACCE membership into the California Community Choice Association

Bill Carnahan discussed the item and invited all LACCE Board members to attend the Annual CalCCA Conference in Riverside.

Director Weintraub motioned to approve, and Director Kuehl seconded the motion. The motion was approved unanimously.

Chair Zuckerman recommended that the Board take public comment out of order at this time ahead of item IV.

V. Public Comment

Joe Sullivan, IBEW Local 11

Joe Sullivan delivered comments in which he expressed his desire that LACCE follow a power marketer model as opposed to a consultant model. He compared the services of a short-term scheduling coordinator and a long-term portfolio manager.

IV. Board Member and Staff Announcements

Chair Mahmud recommends that we have a standing item on legislative and regulatory updates.

Gary Gero stated that because AB 813 was not agendized as an item for discussion, if the Board desired to take a position on the bill it could schedule a special meeting. It was unanimously agreed that no special meeting would be necessary and that cities would work individually and LACCE would continue to work through CalCCA.

Chair Zuckerman initiated a discussion of future schedule for meetings. It was decided that meetings would be scheduled every first Thursday of every month at 1 or 2 pm at locations to be determined.

V. Public Comment

As noted earlier, public comment was provided prior to staff updates.

VI. Closed Session

The Board entered closed session. Once concluded, the Board returned, and Chair Zuckerman reported that no action was taken during closed session.

VII. Adjourn

The meeting was adjourned at 3:38 pm.

Staff Report – Item 3

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Item 3: Approval of delegated authority to the Executive Director to execute agreements for goods and services for amounts not exceeding \$10,000

Date: October 5, 2017

RECOMMENDATION:

Staff recommends that the Board delegate authority to the Executive Director to execute agreements for goods and services not exceeding \$10,000 to expedite the procurement of small contracts and pay for general business expenses.

BACKGROUND AND DISCUSSION:

The need has arisen for LACCE staff to contract for temporary part time staff to assist with general operational needs as well as to manage vendor coordination. Additionally, the Executive Director currently does not have authority to execute agreements for general business expenses, such as supplies and services.

The Board-adopted budget provides for \$50,000 to be used for contingencies. Staff recommends that the Board delegate authority to the Executive Director to execute agreements for goods and services not exceeding \$10,000 individually or \$50,000 in aggregate for FY 17-18. Granting authority to the Executive Director to execute agreements up to \$10,000 will expedite business operations, rather than continuing to bring them to the Board for approval. The Executive Director will provide updates at the monthly Board meetings regarding any new agreements entered into under this authority.

Staff Report – Item 4

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Item 4: Approval of contract terms with The Energy Authority for scheduling coordination and energy-related services, and authorization to the Executive Director to execute the final contract

Date: October 5, 2017

RECOMMENDATION

After review and evaluation by LACCE staff and a panel of outside experts of the five proposals submitted in response to a Request for Proposals (RFP) issued by LACCE for Scheduling Coordination Services, staff recommend the award of the contract to The Energy Authority (TEA), Bellevue, Washington.

BACKGROUND

One of the most important functions that LACCE will need to perform for the members is the hourly, daily and future scheduling to make it possible for LACCE power resources to be available to varying LACCE loads through the California Independent System Operator. At its August 2017 meeting, the LACCE Authority Board authorized the release of an RFP for these services. Five firms responded to the RFP and were evaluated on the following:

1. Financial Viability and Cash Flow Options
2. Background and Operational Experience
3. Program Requirements
4. Proposers approach to supporting local renewables and the LA County Labor Force
5. Cost

TEA Experience and Proposal

TEA is a non-profit corporation and is wholly owned and directed by its eight owners, who are exclusively municipal or state-chartered electric utilities. The owners are: American Municipal Power, Inc., City Utilities of Springfield, Missouri, Cowlitz Public Utility District, Gainesville Regional Utilities, MEAG Power, Nebraska Public Power District, and Santee Cooper.

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TEA has 20 years of experience operating as a not-for-profit power marketer providing customized scheduling, procurement and portfolio risk management solutions to community owned electric service providers. TEA's experience includes direct experience with CCA formation and operations having successfully assisted Redwood Coast Energy Authority (RCEA) launch its CCA Program on May 1, 2017. TEA also recently executed a service agreement with the City of Solana Beach to provide "turnkey" CCA services, and has been selected by the Western Riverside Council of Governments and Coachella Valley Association of Governments to provide Scheduling Coordinator and portfolio management services. TEA's fee proposal is fixed for the 3-year term of agreement and includes both fixed and volumetric components to scale with buildout of LACCE's program. Based on projected loads contained in the RFP, TEA's fee proposal equates to \$0.07 or \$0.12 per megawatt-hour depending upon the scope of services LACCE requests.

TEA states in its proposal that it "understands the unique challenges associated with procuring the necessary short-term capital to fund the pre-launch expenses, working capital requirements and power supply needs of a new CCA. TEA is prepared to support LACCE's initial financial requirements through the following methods:

- Service fees will not accrue prior to program launch in January 2018;
- TEA will maintain credit requirements with CAISO throughout the term of the agreement;
- During the first 18 months of program operation, LACCE may defer payments owed to TEA for services fees and CAISO settlements subject to the following conditions:
 - Payment for any invoice may be deferred up to a maximum of 100 days;
 - Total deferred payments outstanding at any time may not exceed \$4 million;
 - The net open energy position that LACCE plans to procure from CAISO day-ahead and real-time energy markets may not exceed 10 percent of forecast volumes for any month."

If LACCE elects to utilize the financial solution noted above, TEA will assess a credit solution fee during the first 18 months of program operation (see "Fee Proposal" below).

TEA is a certified Scheduling Coordinator (SC) in the CAISO market and will provide a comprehensive suite of SC and related services to fulfill the SC requirements sought by LACCE. TEA anticipates providing the following during the term of agreement:

- Posting and maintaining required credit facilities with CAISO
- Providing a rolling 7-day hourly load forecast updated daily
- Scheduling demand bids in the Day-Ahead Market
- Submitting Inter-Scheduling Coordinator Trades (ISTs) for energy supply and ancillary services procured by LACCE

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- Coordinating with supplying generator owners and submitting supply schedules to the Day Ahead Market (if and when appropriate)
- Verifying market awards
- Coordinating e-tagging for power import schedules (if required)
- Submitting annual and monthly Resource Adequacy plans to CAISO
- Validating CAISO and counterparty settlement statements
- Monitoring CAISO regulations and market rules

TEA's services include assisting with scheduling and settling Shaped Conventional Energy, Ancillary Services and Resource Adequacy Capacity procured by LACCE, as well as managing LACCE's Congestion Revenue Rights Portfolio. TEA will also assist LACCE with developing its initial Energy Risk Management Policy as part of its base scheduling services, and is also available to provide subject matter expertise, upon request. These advisory services will be provided on a time and material basis.

Of particular interest to LACCE members is future services provided for renewable energy and distributed energy resources.

Renewable Energy Acquisition

TEA is a not-for-profit power marketer and has procured both long- and short-term renewable energy supplies for Redwood Coast Energy Authority, the University of California, and other public utilities located in the Pacific Northwest and elsewhere throughout the United States. Solicitation processes used have included both formal and informal methods. Renewable resource types include solar, wind, landfill gas and biomass. Procurement activities in the Pacific Northwest have also included marketing surplus PCC1 and PCC2 renewable supplies on behalf of TEA's public utility clients. As part of TEA's base scheduling service offering, TEA will share market intelligence gained through its regular interactions with wholesale energy markets, including potential counterparties for different products and current market price levels. Additionally, and as requested by LACCE, TEA will provide subject matter expertise to LACCE on renewable energy acquisitions, including consulting on resource solicitations, discussing scheduling issues and requirements, and reviewing supply offers. These additional advisory services will be provided by TEA on a time and material basis.

Distributed Energy Resource Deployment

As requested by LACCE, TEA will provide subject matter expertise to LACCE on possible future distributed energy resource development. Such activity may include, but not be limited to, consulting on resource solicitations, discussing scheduling issues and requirements, and reviewing specific resource options. These advisory activities will be provided by TEA on a time and material basis.

Fee Proposal

Annual Base Scheduling Service*

\$115,000

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Annual Congestion Revenue Rights Management	\$110,000
Base Scheduling Incremental Fee Phase 2 Loads	\$0.035/MWh
CRR Management Incremental Fee Phase 2 Loads	\$0.035/MWh
Base Scheduling Incremental Fee Phase 3 Loads	\$0.01/MWh
CRR Management Incremental Fee Phase 3 Loads	\$0.01/MWh
Credit Solution Fee (optional during 1 st 18 months)	\$0.125/MWh
Advisory Services	\$215/hour

* Includes the cost of developing the initial Energy Risk Management Plan and Procurement Strategy.

Based on projected loads, TEA's fee proposal, excluding the credit solution fee and advisory services, equates to an average fee of \$0.124/MWh over the 3-year term of the agreement.

Proposed fees are fixed for the initial 3-year term of the agreement. After the initial term, fees will escalate based upon a mutually agreeable consumer price index.

Staff Report – Item 5

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Item 5: Approval of contract terms with Constellation for power supply products for LACCE phase 1 accounts, and authorization to the Executive Director to execute the final contract

Date: October 5, 2017

Recommendation

After review and evaluation by LACCE staff and a panel of outside experts of the six proposals submitted in response to a Request For Proposals issued by LACCE for Power Supply and Ancillary Services, staff recommends the award of the contract to Exelon Generation Company, LLC (“Constellation”), located in Baltimore, MD with a west coast office in Portland, OR.

Background

One of the most important functions that LACCE will need to perform for the members is building a portfolio of power supply resources to reliably meet the needs of LACCE for Phase 1 of its implementation including: Resource Adequacy, Carbon-Free Energy, and Renewable Energy, using shaped conventional energy (including Ancillary Services). Six firms responded to the RFP and were evaluated on the following:

1. Financial Viability and Cash Flow Options
2. Background and Operational Experience
3. Program Requirements
4. Proposers approach to supporting local renewables and the LA County Labor Force
5. Cost

Constellation Experience

Constellation has a proven and reliable track record of providing energy supply, renewable energy supply to meet the California Renewable Portfolio Standard (“RPS”) requirements, resource adequacy (“RA”), carbon-free energy and scheduling coordinator services to operational CCAs in California over the last four years and to the Direct Access (“DA”) load that it has served in California since Direct Access was started in 1998. It works directly with CCA employees at each of the operational CCAs, and has attended and/or sponsored various CCA symposiums, meetings, and webinars.

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Constellation has worked closely with the CCAs in many regulatory proceedings on competitive retail market design matters and issues that affect both CCAs and DA. Constellation serves over 2,000MW of DA and CCA peak load. Constellation's large load serving footprint in California allows them to offer competitive pricing for shaped energy for all of the LACCE program needs. It agrees to work with LACCE program to acquire the optimal portfolio of market energy, renewable energy, and carbon-free energy. Constellation has a long history and a well-established active trading presence throughout the Western Electricity Coordinating Council ("WECC"), that will enable them to work with LACCE to acquire renewable energy to meet the product offerings that LACCE intends to offer its customer, including its emphasis on proximity of renewable supply to Los Angeles County. The Proposal includes multi-level RPS pricing to match or exceed SCEs current RPS targets. Constellation has substantial experience working with Municipal Aggregation programs nationwide and start-up CCAs in California. Constellation's staff is able to provide solutions to meet LACCE's needs during the start-up period. The contracting entity is Exelon Generation Company, LLC, rated by both S&P and Moody's as an investment grade rated entity.

Constellation Proposal (from the proposal):

- **Power Procurement:** Constellation serves over 2,000MW of DA and CCA peak load. Constellation's large load serving footprint in California positions us to offer competitive pricing for shaped energy for all of the LACCE Phase 1 program needs. We will work with LACCE program to acquire the optimal portfolio of market energy, renewable energy, and carbon-free energy.
- **Renewable Energy Supply:** Constellation has a long history and a well-established active trading presence throughout the Western Electricity Coordinating Council ("WECC") that will enable us to work with LACCE to acquire renewable energy to meet the product offerings that LACCE intends to offer its customers, including its emphasis on proximity of renewable supply to Los Angeles County. Our Proposal includes multi-level RPS pricing to match or exceed SCEs current RPS targets.
- **Credit Support:** Constellation has substantial experience working with Municipal Aggregation programs nationwide and start-up CCAs in California. We have an experienced team in place to provide solutions to meet LACCE's needs during the start-up period.
- **Investment Grade Counterparty:** The contracting entity is Exelon Generation Company, LLC, rated by both S&P and Moody's as an investment grade rated entity.

In the RFP, LACCE states, "With respect to providing services that support local renewables and the labor force within LA County, please refer to the "Operational Capabilities" section, which highlights several Utility-Scale renewable projects within LA County that Constellation or affiliates either own and/or operate. Shaped Conventional (Non-renewable) Energy including Ancillary Services; Constellation is willing to provide fixed price, full requirements energy supply for LACCE's Phase 1 customer accounts. Constellation will deliver all energy to the SP15 EZGen Hub, as defined by the

California Independent System Operator (“CAISO”). All of the conventional (non-renewable) energy will be market energy from non-specified sources. Constellation is agreeable to supply shaped energy for the minimum term requested in the RFP, beginning January 1, 2018 through December 31, 2020, but is also willing to consider longer contract durations.

Constellation actively participates in the western power and gas markets, and has transactional experience at all the liquid western interconnect trading hubs, including Mid-C, COB, NP15, SP15, ZP26, Mead, Mona, Palo Verde, and 4Corners, with a variety of market participants, including investor-owned utilities, municipalities, cooperatives, irrigation districts, and independent power producers. This transactional experience facilitates our ability to provide competitive market based pricing to meet LACCE’s energy needs. Resource Adequacy Capacity-Constellation is an active buyer and seller of RA Capacity given its load serving obligations in California that have spanned 18 years, including active involvement in the growing CCA market. Constellation will provide system, local and flexible RA in the amounts required to supply Phase 1 of LACCE’s load (volumes to be provided by LACCE). Constellation will provide RA capacity from various resources that have been qualified by the California Independent System Operator and the CPUC to meet the system, local, and flexible RA, in the amounts necessary to meet the RA requirements established by the CPUC for LACCE’s Phase 1 load (volumes to be provided by LACCE).

Constellation is an active supplier to several California CCAs. It started in 2014 when it was selected through a competitive bid process to serve the full energy requirements of Sonoma Clean Power Authority (“SCP”), including energy, RA, renewables, and carbon free energy. Constellation served as SCP’s scheduling coordinator from 2014 through 2016. Currently, Constellation serves SCP through conventional shaped energy supply. Since 2014, Constellation’s CCA footprint has rapidly expanded.

Distributed Energy

Constellation has a strong portfolio of distributed energy solutions nationwide. Constellation says it will work with LACCE to ensure projects provide optimal balance of reliability, sustainability, and economics to meet the LACCE’s renewable goals. Constellation has supplied more than 125 customers with solar energy solutions. Constellation has over 380 operational solar installations across the United States that produce ~300 MW of power.

California Utility Scale Solar- Exelon owns and operates Antelope Valley (“AV”) Solar Ranch One, a 242 MW solar photovoltaic (“PV”) project located in northern Los Angeles County. AV Solar Ranch One is one of the largest PV solar projects in the United States with approximately 3.8 million solar panels, and has a long-term PPA with PG&E. AV Solar Ranch One delivers economic benefits to the local community and the state of California. These benefits include the generation of state and local tax revenues and up to 15 ongoing operations and maintenance positions, with an emphasis on hiring workers from the local area. Constellation also owns a 30 MW solar project that serves

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the Sacramento Municipal Utility District (“SMUD”). SMUD purchases all of the energy generated from four separate systems located on sites in Sacramento County, California. The utility scale solar project is part of SMUD’s Feed-In Tariff (FIT) program. Through SMUD’s FIT program, 100 MW of solar PV has been developed and installed in Sacramento County. In 2016, Constellation completed a 1.2 MW solar project for the Port of Los Angeles. The utility scale solar project is part of the City of Los Angeles’ Feed-in Tariff (FIT) program. The renewable energy generated from the rooftops projects is sold to the Los Angeles Department of Water and Power (LADWP). Finally, Exelon also has an ownership interest in California’s Solar Energy Generating Systems (SEGS) units IV, V and VI (equivalent to 8 MW), which are located in Kramer Junction, CA.

Other CCA Experience

Marin Clean Power: Constellation currently supplies MCE with fixed blocks of energy.

Sonoma Clean Power: Constellation currently supplies the SCP CCA program with fixed price hourly shaped energy and forecasting services.

Peninsula Clean Energy: Constellation currently supplies the PCE CCA program with fixed price hourly shaped energy and RPS products.

Silicon Valley Clean Energy: Constellation currently supplies the SVCEA CCA program with fixed price hourly shaped energy, RPS, and Carbon-Free energy products.

Pricing

Comparative pricing among all of the proposals that met LACCE’s needs including RPS for the three-year period for Phase 1, Constellation was lowest.

An important element of the Constellation proposal was provision of delayed payment option which would allow a delay in paying them for energy to decrease the amount of money needed by LACCE for the cash flow delay between the time the energy is sold to the customer, the meter is read, the customer pays and the money is transferred to the LACCE bank to pay Constellation.

Staff Report – Item 6

To: Los Angeles Community Choice Energy Board of Directors

From: Kit Cole Consulting, LLC

Item 6: Marketing and Outreach Best Practices Assessment

Date: October 5, 2017

INTRODUCTION:

As LACCE prepared to launch its service, the County of Los Angeles contracted with Kit Cole Consulting, LLC, to research, assess, and report on current – and best - practices in community choice aggregation (CCA) program communications. “Communications” included marketing and customer communications, public outreach and engagement activities, and programs and projects that have been designed and/or implemented across current CCAs.

ASSESSMENT FINDINGS

Commonalities Across CCAs

Generally, CCAs have approached communications similarly, with some slight variations because of geography or local culture. Most CCAs have only undertaken (and continue to emphasize) general communications and marketing, almost solely focused on raising customer awareness and understanding of what a CCA is (and isn't).

All CCA's interviewed for this study took a mass communications approach to informing their audiences, by communicating broad customer-focused messages across a variety of channels like Facebook, the internet and the US mail.

It is important to note that we found no CCAs to have undertaken qualitative or quantitative research or measurement pre- and/or post-communication, so there's very little data on whether CCA outreach *actually* changed customer behavior.

The best practices we cite in this report were named as “effective” by CCA staff based on highly anecdotal evidence. For example, staff may have received feedback from customers at a community event, like a farmer's market, and then based on that feedback, decided that a certain campaign did or didn't work.

CCAs reported beginning communications to their customer base and stakeholders very early in the CCA formation and creation process, generally with the support of a communications consultant at first, then bringing on paid staff six months to a year later.

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Every CCA had their materials in-language in English and Spanish, with some also producing in-language materials in Mandarin.

Challenges and Opportunities

The top communication challenges that CCAs reported facing are as follows:

Customer confusion over the bill - Educating customers about their bill proves a challenge because customers don't pay attention to their bill until there is a rate change - and then concern escalates rapidly. Staff we interviewed recommended placing videos that explain the bill in highly visible locations on the CCA website and on YouTube, and re-posting those videos regularly on social media platforms.

Customer anxiety over "losing" a discounted rate - Low- and fixed-income customers are typically concerned about the impact on their discount rate should they become a customer of the CCA. CCAs we interviewed recommended including information on automatic discount rate transfer as a part of overall pre- and post- enrollment messaging to help address customer anxiety.

Considerations for LACCE

Based on our interviews and findings, we recommend that LACCE consider the following to maximize communications efforts and resources:

Data - Collect data before - and after - the implementation of every communications effort. Given that there is very little actual quantitative or qualitative data (pre- or post-communications efforts) in the CCA community, LACCE can ensure that it is spending money on communication that works by utilizing data.

Messages - Use simple and concise messages that are consistent with local community culture. Make sure all communication is easy to understand and free of industry terminology, acronyms, and technical jargon.

Staff Update

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Staff Update

Date: October 5, 2017

STAFF UPDATE:

LACCE Membership Update

- One of the top priorities of staff is to continue to provide information and presentations to cities and city councils who are considering joining LACCE.
- To date, staff has given over 70 presentations to various city councils, city commissions and committees, city staff, councils of governments, and the general public.
- As the open enrollment period to join LACCE comes to an end, staff anticipates a substantial increase in engagement with interested cities. We currently have nearly 20 additional presentations scheduled over the next months with many others in process.
- We expect that many cities will make a decision to join LACCE in late October or early November so that they have enough time to have a second reading of the enabling ordinance prior to the end of the year.

LACCE Workplan

- Staff has developed and continues to update a LACCE Workplan for Fiscal Year 17-18 (Attachment A), which highlights the timing of important Board actions and key milestones.
- Importantly, the Workplan shows that some important organizational and policy decisions will not be made until the close of the open enrollment period at the end of this year.

Community Advisory Committee

- Staff is planning two community workshops for October to provide the public with a program update, and to discuss the formation of the Community Advisory Committee (CAC).
- After conducting these meetings and collecting input, staff will work with the Board to develop a final plan for CAC formation.
- Staff intends to host more public meetings on the CAC throughout the remainder of the year.

Budget Update

- LACCE saw only two expenditures in the month of September, both of which fell within the scope of the Board-adopted budget:
 - CalCCA Membership Fee, approved by the Board at its September meeting.
 - The monthly invoice for the services of the Executive Director.
- Under the terms of the MOU between LACCE and the County of Los Angeles, LACCE is to reimburse the County at the end of FY17-18 for the cost of staff and contractor time provided to assist in the implementation of LACCE.
- The LACCE FY 17-18 budget allocates \$680,000 in total for these services.
- LACCE staff is working with County staff on a budget tracking method for these costs, and will return to the Board in November with the cost-to-date for this County assistance.

Website Design and Branding

- As authorized by the Board, LACCE Staff issued an RFP for website design and program branding on August 30, 2017, and proposals were received on September 20, 2017.
- After evaluating proposals, conducting interviews, and contacting references, staff determined that the proposal from ATAK Interactive best meets the needs of LACCE.
- ATAK Interactive has performed a similar scope of services for the public entities LA Clean Tech Incubator (LACI) and All City Employees Benefits Service Association (ACEBSA).

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- References contacted for ATAK Interactive stated that their experience working with ATAK was exceedingly positive, professional, and communicative.
- Staff is currently working with ATAK Interactive to negotiate the final contract, and will report to the Board upon contract execution.

Legislative and Regulatory Update

CCA Moratorium Legislation

- During the last weeks of the recent State legislative session, the CCA community successfully opposed potential legislation that would have threatened the existence or viability of LACCE and other CCAs. These bills are likely to be considered again in the legislature next year.
- The CCA community put forth a tremendous effort to fight against this legislation, and recognition is owed to CalCCA and its members, as well as our own Board, for their work in advocating for CCAs and LACCE to state policy makers.

Southern California Edison Comment Letter on LACCE Implementation Plan

- On September 19, 2017 Southern California Edison (SCE) submitted a comment letter to the CPUC regarding the LACCE Implementation Plan.
- Staff notified the Board of the letter on September 20, and of staff's intent to acquire legal assistance to issue an appropriate response. Staff executed a short-term engagement letter with a qualified firm (Douglass & Liddell) on September 25 for this specific task.
- Included in SCE's list of concerns were statements related to the schedule of LACCE's implementation which LACCE believed to be incorrect.
- LACCE engaged SCE after the submission of their letter, and on September 25, SCE issued a supplemental letter in which they reaffirmed their commitment to the LACCE implementation schedule and a collaborative relationship.
- LACCE will issue its response in early October.

California Choice Energy Authority Complaint to the CPUC

- On September 25, 2017, the California Choice Energy Authority issued a letter to the CPUC in which they draw attention to a potential violation by SCE of the code of conduct rules that govern the relationship between CCAs and incumbent utilities.

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- Staff is investigating the SCE activities cited in the letter, and will respond appropriately should a determination be made that these activities warrant a response.

Events

- September 27-29 – Annual meeting of the Northern California Power Agency.
- October 2-3 – Annual meeting of the statewide association of CCAs, the California Community Choice Association (CalCCA).

LACCE Workplan
 August 2017 - July 2018
 Finance

		2017					2018						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Finance	Approve MOU with LA County	◆											
	Adopt Intial Budget	◆											
	Engagement with the financial community												
	Development of loan package												
	Approval of commerical loan for phases 2 and 3								◆				
	Repayment of County loan									◆			
	Board Presentation on draft FY 18-19 Budget												
	Adopt FY 18-19 Budget											◆	

Staff Work

◆ Board Item

End of open enrollment period for cities to join LACCE, December 27, 2017

LACCE Workplan
 August 2017 - July 2018
 Power and Rates

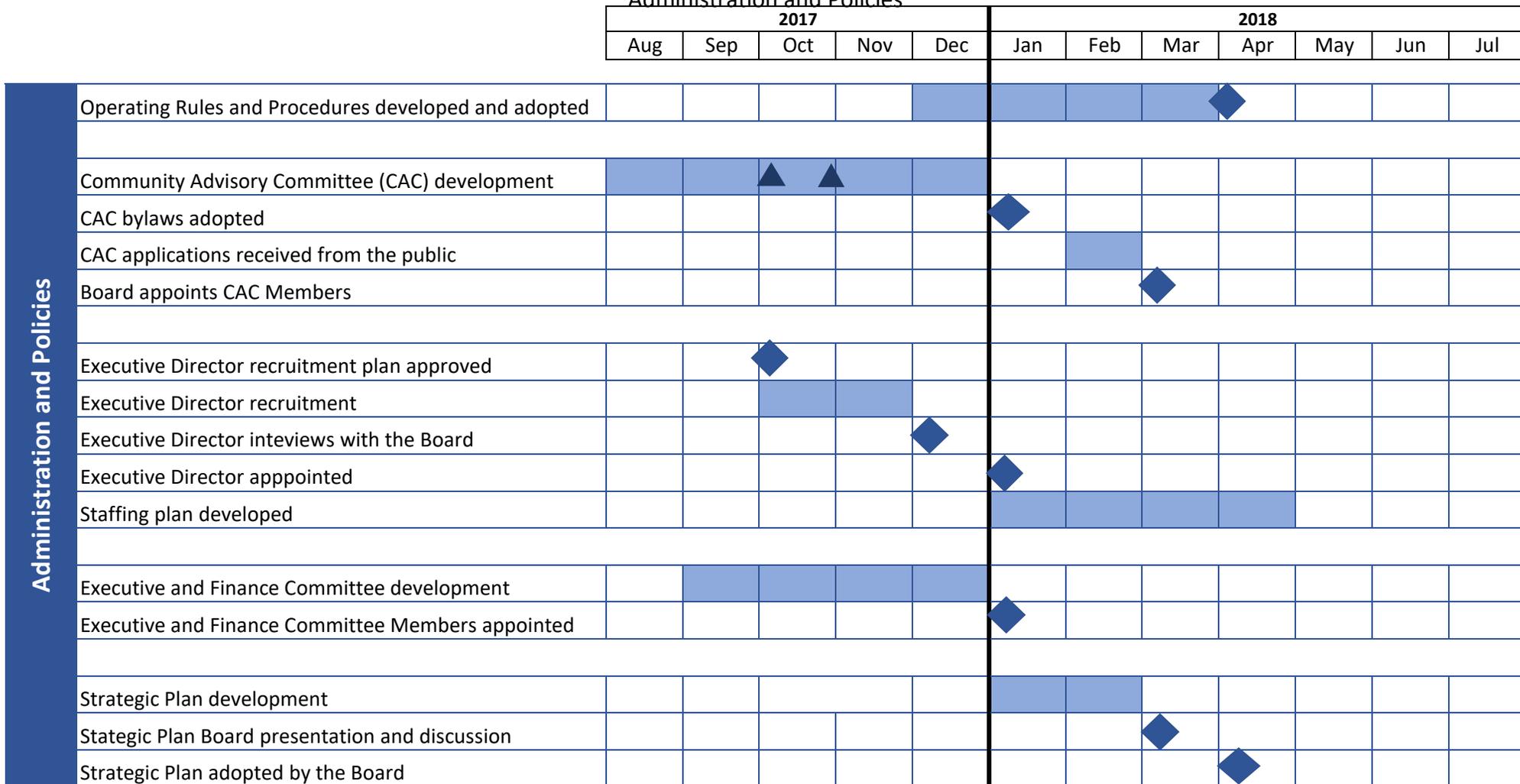
2017					2018						
Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul



- Staff work
- ◆ Board item
- ★ Electric Service Begins

End of open enrollment period for cities to join LACCE, December 27, 2017

LACCE Workplan
 August 2017 - July 2018
 Administration and Policies



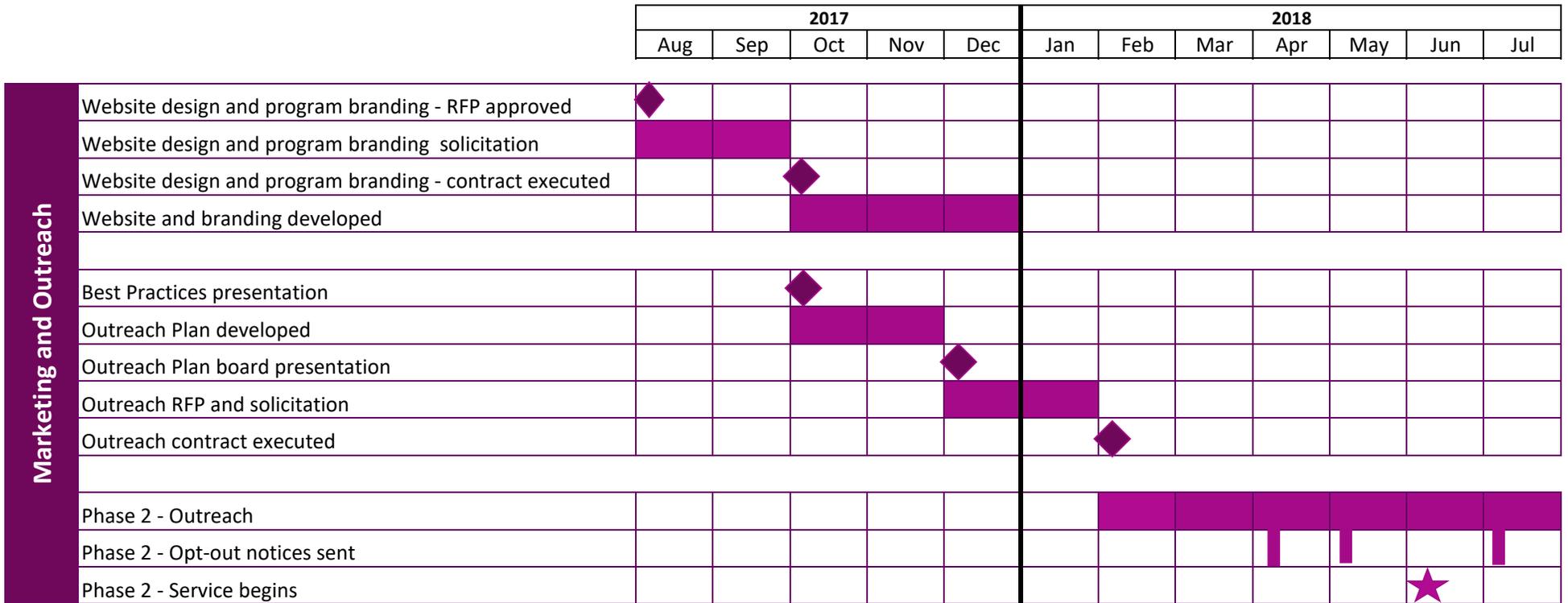
Staff work

Board item

Public Meeting - Community Advisory Committee development

End of open enrollment period for cities to join LACCE, December 27, 2017

LACCE Workplan
 August 2017 - July 2018
 Communication and Outreach



- Staff work
- ◆ Board item
- Opt-out notices sent
- ★ Electric service begins

End of open enrollment period for cities to join LACCE, December 27, 2017