

**REGULAR MEETING of the Board of Directors of the
Los Angeles Community Choice Energy Authority
Thursday, December 7, 2017
1:00 p.m.**

Los Angeles Cleantech Incubator
525 S. Hewitt Street
Los Angeles, CA 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 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 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. REGULAR AGENDA

1. Appoint Acting Chair and Vice Chair
2. Approve the Minutes from the November 2, 2017 Board of Directors Meeting
3. Approve Amendment Number 1 to the Los Angeles Community Choice Energy (LACCE) Authority Joint Powers Agreement
4. Approve Budget Amendment to earmark \$2.7 Million of the LA County loan for assuring payment to Constellation for phase 1 power supply costs
5. Adopt Resolution Approving Rate Schedules effective February 1, 2018, through December 31, 2018, for phase 1 accounts
6. Approve request to develop a plan for temporary staff assistance
7. Adopt policy for new entrants to LACCE after the Initial Enrollment Period
8. Legislative and Regulatory Update
9. Discussion Item: LACCE name change
10. Discussion Item: 2018 Board Meeting Schedule and Strategic Planning Session

IV. STAFF AND BOARD ANNOUNCEMENTS

V. CLOSED SESSION

PUBLIC EMPLOYMENT
(Government Code Section 54957)

Recruitment of Executive Director and General Counsel

VI. ADJOURN – TO JANUARY 18, 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 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: lacce.org

Staff Report – Item 1

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Appoint Acting Chair and Vice Chair

Date: December 7, 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 November 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 2017 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. As such, it is necessary to elect a Chair and Vice Chair to preside over the December 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, November 2, 2017, 1:00pm
Los Angeles Cleantech Incubator, Training Room 401
525 S. Hewitt, Los Angeles, CA 90013

MINUTES

I. WELCOME AND ROLL CALL

Chair Mahmud called the meeting to order at 1:00pm. Chair Mahmud, Vice Chair Weintraub (by phone), and Directors Kuehl, Horvath, and Sham being present, a quorum was established. Director Zuckerman was absent at time of roll call.

Alhambra was welcomed as the newest member of LACCE, with Mayor Stephen Sham serving as the Board representative.

II. PUBLIC COMMENT

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

III. REGULAR AGENDA

1. Appoint Acting Chair and Vice Chair

Although the Board agreed to rotate chairmanship each month, as Director Weintraub was not physically present at the meeting, it was suggested she remain Vice Chair until the December meeting when she could then assume chairmanship. Chair Mahmud then nominated Director Horvath as Acting Chair, and Director Kuehl seconded the nomination. The motion was approved unanimously.

2. Approval of minutes from the October 5, 2017 Board Meeting

Director Mahmud moved to approve, and Director Kuehl seconded.

No request for public comment was received on this item.

Motion was approved, with Director Sham abstaining, as he was not present at the October 5 Board meeting.

3. Thirty Days Advance Notice of Proposed Amendment #1 to the Los Angeles Community Choice Energy Joint Powers Authority Agreement

Staff has recommended an amendment to the JPA to make explicit the policy regarding how the authority will dispose of power contracts in the event a city departs.

Chair Horvath moved to approve the staff recommendation to place this item on the December Board agenda in accordance with today's meeting serving as 30 days advance notice. Director Kuehl and Director Mahmud both seconded.

No request for public comment was received on this item. The motion was approved unanimously.

4. Approve the assignment of the contract with Calpine Energy Solutions for data management services for Phase 1 accounts

Los Angeles County contracted with Calpine to manage the complex data transfers that take place between the IOU and the CCA. Calpine is currently providing services to the LACCE Authority through the Memorandum of Understanding between LACCE and the County executed on August 4, 2017. Staff recommended to the Board that LACCE:

1. Approve the assignment to the LACCE Authority of Los Angeles County's contract with Calpine for data management services for Phase 1 accounts.
2. Delegate authority to the Executive Director, or designee, to take any necessary steps and execute agreements to effectuate assignment of the contract between the County of Los Angeles and Calpine to the LACCE Authority for an amount not to exceed \$10,000
3. Delegate authority to the Executive Director, or designee, to negotiate and execute amendments provided LACCE Authority counsel approval is obtained.
4. Delegate authority to the Executive Director, or designee, to terminate the contract as necessary provided LACCE Authority counsel approval is obtained

Drake Welch of Calpine gave a presentation providing an overview of Calpine and the services they provide for LACCE.

Public Comment:

Joe Sullivan, IBEW Local 11 and NECA – Mr. Sullivan stated in his public comment that he has concerns about Calpine. He referenced comments

made by MCE, another CCA, that Calpine did not have the services to support DER (Distributed Energy Resources), and that other CCAs have said Calpine does not effectively support demand response and energy efficiency programs.

Director Mahmud noted that she was uncomfortable with staff recommendations 3 & 4. She recommended limiting delegation of authority in staff recommendation 3 to only extend to amendments with no financial impact, and to exclude recommendation 4. Director Mahmud emphasized that any potential termination should come back to the Board and that a replacement vendor should be lined up before terminating.

Chair Horvath moved to approve staff recommendations 1-3, with the limitation to recommendation 3 proposed by Director Mahmud to only extend to amendments with no financial impact, and to exclude staff recommendation 4 from the motion.

Director Sham seconded. The motion was approved unanimously.

The Board requested that the Calpine Power Point presentation be shared with the Board and staff confirmed that it would be.

5. Approve the assignment of the contract with EES Consulting for technical and regulatory services

EES is currently providing services to the LACCE Authority through the Memorandum of Understanding between LACCE and the County executed on August 4, 2017. Staff recommended to the Board that LACCE:

1. Approve the assignment to the LACCE Authority of Los Angeles County's contract with EES Consulting, Inc. for technical and regulatory services.
2. Delegate authority to the Executive Director, or designee, to take any necessary steps and execute agreements to effectuate assignment of the contract between the County of Los Angeles and EES to the LACCE Authority for an amount not to exceed \$160,000
3. Delegate authority to the Executive Director, or designee, to negotiate and execute amendments provided LACCE Authority counsel approval is obtained.
4. Delegate authority to the Executive Director, or designee, to terminate the contract as necessary provided LACCE Authority counsel approval is obtained

Gary Saleba and Anne Falcon of EES gave a presentation providing an overview of EES and the services they provide for LACCE.

Public Comment:

Joe Sullivan of IBEW Local 11 and NECA – Mr. Sullivan stated in his public comment that he understands the limitations of staff, but that he was surprised by the scope of work for EES. He said that the contract never went out for public bid and that the scope seems to have grown. He expressed that for Phases 2 & 3 he would like to see LACCE move away from a consultant model and toward a portfolio manager model, like what Valley Clean Energy did with SMUD. He stated his concerns lay with local job creation.

Jim Stewart – Mr. Stewart called for the Board to put this contract on hold on the basis of conflict of interest and performance. He expressed concern about a possible conflict of interest over the fact that Howard Choi formerly worked for EES, and that Mr. Choi hired EES. He also expressed concern that EES designed the implementation plan and was now implementing it, rather than the plan going out to bid. He said that he felt it was a conflict of interest that Mr. Carnahan was listed on the EES contract with the Alameda County CCA, and additionally stated that Alameda County had fired EES for non-performance.

In response to public comment, General Counsel confirmed that EES's contract had been carefully vetted for conflicts of interest and that it had gone through the proper RFP process for Los Angeles County.

Director Kuehl asked for confirmation of the contract term end date, which staff confirmed to be August 19, 2018.

The Board allowed Mr. Saleba to respond to Mr. Stewart's comment, and Mr. Saleba confirmed that EES was still under contract with Alameda County for services to East Bay Clean Energy.

Director Kuehl reiterated that that Los Angeles County Board of Supervisors scrutinizes every contract into which the County enters.

Director Mahmud moved to approve staff recommendations 1-3, with the same exception applied to the Calpine contract that would limit recommendation 3 to amendments with no financial impact, and to exclude staff recommendation 4.

Director Kuehl seconded. The motion was approved unanimously.

6. Approve cost sharing agreements with the Western Riverside Council of Governments and the Coachella Valley Association of Governments for legal and technical services

Staff and General Counsel confirmed the agreements were currently being reviewed for potential conflicts, and that they would report back to the Board and explore conflict waivers if necessary.

No request for public comment was received on this item.

Director Mahmud moved to approve. Director Kuehl seconded. The motion was approved unanimously.

7. Presentation: California Community Choice Association

Beth Vaughn, the new Executive Director of California Community Choice Association (CalCCA) gave a presentation providing an overview of the organization and speaking about its strategic priorities for 2018.

Director Zuckerman attempted to call in during this agenda item, but seemed to be experiencing difficulties and hung up.

No request for public comment was received on this item.

At this point Executive Director Bill Carnahan recommended that the Board hear Item #9 out of order, as EES was present and would be presenting on that item.

9. Legislative and Regulatory Updates

Gary Saleba and Anne Falcon of EES gave a presentation about the legislative and regulatory landscape for CCAs in California, and what to expect in the 2018 legislative session.

No request for public comment was received on this item.

8. Discussion Item: Logo designs for Los Angeles Community Choice Energy

The Board reviewed and discussed the three logo options presented. Director Kuehl mentioned that she thought the Board should discuss whether they wanted the name of the LACCE Authority to change in order to deemphasize Los Angeles. The Board directed staff to hold off on moving forward with any logo decision and to return at the December meeting with potential alternate names for LACCE and to advise on legal implications of a name change.

No request for public comment was received on this item.

IV. STAFF AND BOARD ANNOUNCEMENTS

As throughout the meeting the Board was provided with very detailed updates and reports that covered many issues, Mr. Carnahan stated he would refrain from giving his full update and would just let the Board ask questions of staff.

Mr. Carnahan did announce that staff was planning to conduct a community workshop in Culver City on November 16th to solicit community input on the Community Advisory Committee.

The Board asked for updates on new city membership, power supply contract negotiations, and budget tracking method.

No public comment was received on this item.

V. CLOSED SESSION

The Board entered closed session. No action was taken.

VI. ADJOURN

The meeting was adjourned at 3:50pm.

Staff Report – Item 3

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Request Approval of Amendment Number 1 to the Los Angeles Community Choice Energy (LACCE) Authority Joint Powers Agreement

Date: December 7, 2017

RECOMMENDATION

Direct the Board to approve Amendment Number 1 to the Joint Powers Agreement (JPA) that would make explicit the LACCE's Authority's obligation to use its best efforts to sell a member's pro rata share of energy and the obligation of the departing member to pay any marginal difference between the purchase and sale price for such power, if any.

BACKGROUND

On November 2, 2017, pursuant to section 4.11.1, subdivision (d), of the JPA, the Board provided thirty days advance notice of the intent to amend the JPA. This matter will require two-thirds vote of the appointed Directors to take such action.

Section 8 of the LACCE Authority JPA agreement addresses the withdrawal of members from the LACCE Authority and includes a provision allowing members of the LACCE Authority to withdraw from the LACCE Authority with a minimum 180-day notice while also allowing the LACCE Authority to assess costs related to the departing member's participation in the program in order to, in effect, hold the remaining members harmless from any such liabilities.

It had been anticipated that during the 180-day notice period the LACCE Authority would seek to dispose of any power that it may have procured on behalf of the residents and businesses of the department member. In discussions with cities, the County of Los Angeles has clearly stated as much and has said that departing cities would only be held liable for the marginal difference between the purchase price and the sale price of such power, if any. However, no such obligation on the part of the LACCE Authority or the department member to do so exists within the JPA.

Therefore, in order to make clear the LACCE Authority's obligation to undertake its best efforts to sell the withdrawing member's pro rata share of any power purchased, an amendment to the JPA has been proposed. Similarly, this amendment also makes

Los Angeles Community Choice Energy

explicit the obligation of the withdrawing member to pay the difference in costs as described.

To effectuate this, the following language in **bold** is proposed to be added to Section 8.1.3 of the JPA agreement:

8.1.3 Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement, including, but not limited to, Power Purchase Agreements. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Policies and Procedures shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party. **Notwithstanding the foregoing, the Authority shall use best efforts to sell the withdrawing party's pro rata share of the liability under the Power Purchase Agreement within the 180 days. In the event the Authority sells the withdrawing member's share or a portion thereof, the withdrawing party will pay the difference between the liability under the Power Purchase Agreement and the liability sold to the other party, if any.**

Los Angeles Community Choice Energy

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

This Amendment Number One to the Los Angeles Community Choice Energy Authority ("Authority") Joint Powers Agreement ("Agreement") is made and entered into this ____ day of December, 2017, by and between the County of Los Angeles, a body corporate and politic and political subdivision of the State of California (the "County"), the City of Rolling Hills Estates, a municipal corporation, the City of South Pasadena, a municipal corporation, the City of Calabasas, a municipal corporation, the City of West Hollywood, a municipal corporation, the City of Alhambra, a municipal corporation, and the City of Sierra Madre, a municipal corporation.

RECITALS

1. The Authority's Joint Powers 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. The cities of South Pasadena, Calabasas, West Hollywood, Alhambra and Sierra Madre have subsequently joined the Authority and are parties to this Agreement.
3. The parties wish to amend this Agreement for the purposes clarifying the obligations of the Authority and a withdrawing member under Section 8.1.3 of the Agreement.

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

1. Section 8.1.3 of the Agreement shall be deleted in its entirety and read as follows:

8.1.3 Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 8.4 (Continuing Liability; Refund) of this Agreement, including, but not limited to, Power Purchase Agreements. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Policies and Procedures shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party. Notwithstanding the foregoing, the Authority shall use best efforts to sell the withdrawing party's pro rata share of the liability under the Power Purchase Agreement within the 180 days. In the event the Authority sells the withdrawing member's share or a portion thereof, the withdrawing party will pay the difference between the liability under the Power Purchase Agreement and the liability sold to the other party, if any.

2. All other terms and conditions of the Agreement shall remain in effect.

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

Staff Report – Item 4

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Approve budget amendment to earmark \$2.7 Million of the LA County loan for the purpose of assuring payment to Constellation for phase 1 power supply costs

Date: December 7, 2017

RECOMMENDATION:

Approve an amendment of the LACCE budget to earmark \$2.7 Million of the LA County Loan proceeds (\$10 million total loan) into an approved Exelon Generation Company (Constellation) account as collateral for the payment of power purchases being made by Constellation to serve LACCE Phase 1 loads.

BACKGROUND AND DISCUSSION:

LACCE chose Constellation to be the power supplier for LACCE Phase 1 loads after completing a competitive RFP process. Over the course of the last three months the parties, LACCE and Constellation, have been negotiating the contract based on delegation from the Board for the Interim Executive Director to execute the contract when negotiations are completed.

The final issue to be resolved was the appropriate method for LACCE to provide collateral or security for payments made to Constellation for their purchases for energy to serve the LACCE Phase 1 loads. The parties agreed to the following:

- LACCE will post collateral to Constellation in the form of cash or a letter of credit, from a qualified institution, for the term of the transaction.
- LACCE cash collateral will be wired to M&T Bank and deposited into a Exelon Generation Company, LLC account (wiring instructions will be provided)
- Constellation has provided LACCE with an estimated posting requirement of \$2.7MM based on the assumption that LACCE will elect a standard payment deferral of 55 days.

Los Angeles Community Choice Energy

Fiscal Impact

Attachment 1 contains a revised monthly FY 17-18 Budget, which shows that this \$2.7MM can be accommodated within LACCE's existing and projected cashflow.

Also note that while the MOU between the County and LACCE provides for a \$10MM loan, the attached budget only contemplates using approximately \$7MM, with the understanding that the remaining \$3MM would be available to LACCE should its start-up and operations require it.

Attachments 1 – LACCE FY 17-18 Monthly Budget

Staff Report – Item 5

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Adopt Resolution to Approve LACCE Phase 1 Rate Schedules effective February 1, 2018 through May 31, 2018

Date: December 7, 2017

RECOMMENDATION

Request the LACCE Board approve the attached Resolution to Approve LACCE Phase 1 Rate Schedules effective February 1, 2018 through May 31, 2018.

BACKGROUND

During its August meeting, the LACCE Board requested that LACCE procure the maximum renewable percentage power that allows Phase 1 rates effective February 1, 2018 to be set equal to the generation rates offered by Southern California Edison (SCE), less non-bypassable charges. These rates will be in effect through May 31, 2018. The policy allows for Los Angeles County municipal accounts to increase their renewable resource share, while not increasing the cost of power. Based on the current power supply contract indicative price, the renewable share was increased to 60% renewable for Phase 1.

In January, LACCE is set to send notices to the County of Los Angeles (County) accounts to be enrolled in to LACCE's program in early February 2018 as required by law. These notices will inform County municipal facilities of how they can get access to LACCE rates, and provide comparison between these rates and SCE's.

ANALYSIS & DISCUSSION

The conventional approach to rate design is to calculate the cost of service to all customers, and to allocate that cost to the various customer classes using appropriate cost-causation methodologies. Then rates are set that will recover that cost from each customer class. Most Community Choice Aggregations (CCA) take a different approach for the first several years of operation, to lessen customer confusion during the establishment of the CCA.

Attachment 2 presents the proposed LACCE generation rates for each applicable rate schedule. Because the final rates for 2018 have not yet been provided by SCE, the proposed LACCE rates are based on the SCE 2017 rate structure and indicative rate

Los Angeles Community Choice Energy

	Peak	\$21.14			N/A	-	\$0.19	=	\$20.95
	Part-Peak	\$3.99			N/A	-	\$0.04	=	\$3.95

*Estimated SCE 2018 rates

** PCIA & CTC

*** 0.009095 * SCE's otherwise applicable generation rate

Customer assignment to the appropriate LACCE rate schedule will be done by mapping customers to from their corresponding SCE rate schedule, as indicated in Attachment 2. LACCE's data manager will be responsible for ensuring that each customer is billed in accordance with their assigned rate schedule.

It should be noted that the savings on total electric charges will vary among customers because of the wide variation in transmission and distribution charges, including the variations caused by residential tiered delivery rates. In future rate-setting cycles, it may be desirable to evaluate alternative rate designs that may include: 1) simplification in terms of the number of different rate schedules offered and the variety of charges contained within each rate schedule; 2) adjustments to demand charges with offsetting changes to energy charges; 3) adjustments to specific charges to ensure alignment with LACCE's cost structure.

Pro Forma Projections

Annual revenues at the proposed rates are projected to match the annual power cost for the Phase 1 load.

Conclusion

The rates recommended for the LACCE program for phase 1 are slightly lower than SCE's expected 2018 rates. The vast majority, if not all, enrolled customers will be expected to save 2% on generation costs relative to SCE service at the time of enrollment. This is possible because the recommended rate structure closely resembles the current SCE rate structure, so all customers would be expected to see similar generation cost reductions on a percentage basis. The recommended rates are projected to yield sufficient revenues to cover anticipated LACCE program power supply costs.

Fiscal Impact

The adoption of rates will have an impact on the finances of Los Angeles Community Choice Energy as described in the Pro Forma Projections section of the memo.

Attachments

1. Resolution for Los Angeles Community Choice Energy Phase 1 Rate Schedule Effective February 1, 2018
2. Rate Schedule Exhibits for Rate Resolution

RESOLUTION NO. 17-003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS ANGELES COMMUNITY CHOICE ENERGY AUTHORITY APPROVING CUSTOMER GENERATION RATES FOR PHASE 1

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

WHEREAS, the Los Angeles Community Choice Energy Authority (“Authority”) was formed on June 27, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Los Angeles County; and

WHEREAS, the Board of Directors directed staff to procure power supply for Phase 1 load utilizing the maximum renewable resource mix while keeping the Authority’s customer generation rates equivalent to Southern California Edison’s ("SCE") Generation rates.

NOW THEREFORE, the Board of Directors ("Board") of the Los Angeles Community Choice Energy Authority does hereby resolve, determine, and order as follows:

Section 1. The proposed rate schedules as presented in Attachment 2 are hereby approved.

Section 2. The rates set forth in Attachment 2 shall remain in effect through May 2018.

Section 3. If SCE’s 2018 actual rates are significantly different than the estimated rates used to determine the rates for Phase 1, Staff may return to the Board for approval for revised rates

PASSED AND ADOPTED this 7th day of December, 2017.

Acting Chair, Los Angeles Community
Choice Energy Authority

Attest:

Secretary, Los Angeles Community
Choice Energy Authority

Attachement 2
Los Angeles Community Choice Energy
Proposed Rates (Based on 2018 Estimated SCE rates from ERR)

LACCE Rate Schedule	SCE Equivalent Rate Schedule	Unit/Period	LACCE Proposed Generation Rate	SCE Surcharged	LACCE Proposed Generation Rate Plus Surcharges
DOMESTIC	DOMESTIC, D-PG, D-S, D-SDP, D-SDP-O, DE, DE-S, DE-SDP, DE-SDP-O				
Energy Charge (\$/kWh)		All Energy	\$0.06207	\$0.01956	\$0.08163
TOU-GS-1-A	TOU-GS1A, TOU-GS1A-AE, TOU-GS1A-AEC, TOU-GS1A-C				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.13815	\$0.01069	\$0.14884
		Summer Mid-Peak	\$0.09710	\$0.01031	\$0.10741
		Summer Off-Peak	\$0.06979	\$0.01005	\$0.07984
		Winter Mid-Peak	\$0.06525	\$0.01001	\$0.07526
		Winter Off-Peak	\$0.05559	\$0.00992	\$0.06551
TOU-GS-1-B	TOU-GS1B, TOU-GS1B-AE, TOU-GS1B-AEC, TOU-GS1B-C, TOU-GS1B-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.12192	\$0.01054	\$0.13246
		Summer Mid-Peak	\$0.04336	\$0.00980	\$0.05316
		Summer Off-Peak	\$0.02399	\$0.00962	\$0.03361
		Winter Mid-Peak	\$0.07680	\$0.01012	\$0.08692
		Winter Off-Peak	\$0.04569	\$0.00983	\$0.05552
Demand Charge (\$/kW)		Summer On-Peak	\$7.14	\$0.07	\$7.20
		Summer Mid-Peak	\$2.71	\$0.02	\$2.74
TOU-GS-2-A	TOU-GS2A, TOU-GS2A-AE, TOU-GS2A-AEC, TOU-GS2A-C				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.32031	\$0.02152	\$0.34183
		Summer Mid-Peak	\$0.07642	\$0.01924	\$0.09566
		Summer Off-Peak	\$0.01500	\$0.01866	\$0.03366
		Winter Mid-Peak	\$0.03306	\$0.01883	\$0.05189
		Winter Off-Peak	\$0.02208	\$0.01873	\$0.04081

Attachement 2
Los Angeles Community Choice Energy
Proposed Rates (Based on 2018 Estimated SCE rates from ERR)

LACCE Rate Schedule	SCE Equivalent Rate Schedule	Unit/Period	LACCE Proposed Generation Rate	SCE Surcharged	LACCE Proposed Generation Rate Plus Surcharges
TOU-GS-2-B	TOU-GS2B, TOU-GS2B-AE, TOU-GS2B-AEC, TOU-GS2B-C, TOU-GS2B-S, TOU-GS2B-SAE				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.07711	\$0.01924	\$0.09635
		Summer Mid-Peak	\$0.03665	\$0.01887	\$0.05552
		Summer Off-Peak	\$0.01501	\$0.01866	\$0.03367
		Winter Mid-Peak	\$0.03307	\$0.01883	\$0.05190
		Winter Off-Peak	\$0.02209	\$0.01873	\$0.04082
Demand Charge (\$/kW)		Summer On-Peak	\$19.10	\$0.18	\$19.28
		Summer Mid-Peak	\$3.73	\$0.03	\$3.76
TOU-GS-2-R	TOU-GS2R, TOU-GS2R-AE				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.01552	\$0.01867	\$0.03419
		Summer Mid-Peak	\$0.07642	\$0.01924	\$0.09566
		Summer Off-Peak	\$0.01500	\$0.01866	\$0.03366
		Winter Mid-Peak	\$0.03306	\$0.01883	\$0.05189
		Winter Off-Peak	\$0.02208	\$0.01873	\$0.04081
TOU-GS-2-PRI-B	TOU-GS2B, TOU-GS2B-AE, TOU-GS2B-AEC, TOU-GS2B-C, TOU-GS2B-S, TOU-GS2B-SAE				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.07580	\$0.01923	\$0.09503
		Summer Mid-Peak	\$0.03533	\$0.01885	\$0.05418
		Summer Off-Peak	\$0.01369	\$0.01865	\$0.03234
		Winter Mid-Peak	\$0.03175	\$0.01882	\$0.05057
		Winter Off-Peak	\$0.02077	\$0.01872	\$0.03949
Demand Charge (\$/kW)		Summer On-Peak	\$18.74	\$0.17	\$18.91
		Summer Mid-Peak	\$3.36	\$0.03	\$3.40
TOU-GS-3-A	TOU-GS3A, TOU-GS3A-AE				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.29559	\$0.02017	\$0.31576
		Summer Mid-Peak	\$0.07235	\$0.01808	\$0.09043
		Summer Off-Peak	\$0.01766	\$0.01757	\$0.03523
		Winter Mid-Peak	\$0.03320	\$0.01771	\$0.05091
		Winter Off-Peak	\$0.02292	\$0.01762	\$0.04054

Attachement 2
Los Angeles Community Choice Energy
Proposed Rates (Based on 2018 Estimated SCE rates from ERR)

LACCE Rate Schedule	SCE Equivalent Rate Schedule	Unit/Period	LACCE Proposed Generation Rate	SCE Surcharged	LACCE Proposed Generation Rate Plus Surcharges
TOU-GS-3-B	TOU-GS3-B, TOU-GS3-B-C, TOU-GS3-B-S, TOU-GS3-BAES, TOU-GS3B-AE,				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.07817	\$0.01813	\$0.09630
		Summer Mid-Peak	\$0.03788	\$0.01776	\$0.05564
		Summer Off-Peak	\$0.01766	\$0.01757	\$0.03523
		Winter Mid-Peak	\$0.03320	\$0.01771	\$0.05091
		Winter Off-Peak	\$0.02292	\$0.01762	\$0.04054
Demand Charge (\$/kW)		Summer On-Peak	\$19.23	\$0.18	\$19.41
		Summer Mid-Peak	\$3.79	\$0.03	\$3.82
TOU-GS-3-PRI-B	TOU-GS3-B, TOU-GS3-B-C, TOU-GS3-B-S, TOU-GS3-BAES, TOU-GS3B-AE,				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.07686	\$0.01812	\$0.09498
		Summer Mid-Peak	\$0.03657	\$0.01774	\$0.05431
		Summer Off-Peak	\$0.01635	\$0.01755	\$0.03390
		Winter Mid-Peak	\$0.03189	\$0.01770	\$0.04959
		Winter Off-Peak	\$0.02161	\$0.01760	\$0.03921
Demand Charge (\$/kW)		Summer On-Peak	\$18.86	\$0.17	\$19.03
		Summer Mid-Peak	\$3.41	\$0.03	\$3.44
TOU-GS3-R-PRI	TOU-GS3-R				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.29352	\$0.02015	\$0.31367
		Summer Mid-Peak	\$0.07027	\$0.01806	\$0.08833
		Summer Off-Peak	\$0.01558	\$0.01755	\$0.03313
		Winter Mid-Peak	\$0.03112	\$0.01769	\$0.04881
		Winter Off-Peak	\$0.02084	\$0.01760	\$0.03844
TOU-PA-2-A	TOU-PA2A, TOU-PA2A-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.30508	\$0.01475	\$0.31983
		Summer Mid-Peak	\$0.06879	\$0.01253	\$0.08132
		Summer Off-Peak	\$0.02324	\$0.01211	\$0.03535
		Winter Mid-Peak	\$0.03884	\$0.01225	\$0.05109
		Winter Off-Peak	\$0.02850	\$0.01216	\$0.04066

Attachement 2
Los Angeles Community Choice Energy
Proposed Rates (Based on 2018 Estimated SCE rates from ERR)

LACCE Rate Schedule	SCE Equivalent Rate Schedule	Unit/Period	LACCE Proposed Generation Rate	SCE Surcharged	LACCE Proposed Generation Rate Plus Surcharges
TOU-PA-2-B	TOU-PA2B, TOU-PA2B-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.10192	\$0.01285	\$0.11477
		Summer Mid-Peak	\$0.04456	\$0.01231	\$0.05687
		Summer Off-Peak	\$0.02324	\$0.01211	\$0.03535
		Winter Mid-Peak	\$0.03884	\$0.01225	\$0.05109
		Winter Off-Peak	\$0.02850	\$0.01216	\$0.04066
Demand Charge (\$/kW)		Summer On-Peak	\$11.77	\$0.11	\$11.87
		Summer Mid-Peak	\$2.12	\$0.02	\$2.14
TOU-PA-2-SOP-1	TPA2-SOP1				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.07912	\$0.01263	\$0.09175
		Summer Mid-Peak	\$0.03244	\$0.01219	\$0.04463
		Summer Off-Peak	\$0.02357	\$0.01211	\$0.03568
		Off-Peak	\$0.04289	\$0.01229	\$0.05518
		Super Off-Peak	\$0.02535	\$0.01213	\$0.03748
Demand Charge (\$/kW)		Summer On-Peak	\$19.98	\$0.18	\$20.16
TOU-PA-3-B	TOU-PA3B, TOU-PA3B-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.09157	\$0.00870	\$0.10027
		Summer Mid-Peak	\$0.04332	\$0.00825	\$0.05157
		Summer Off-Peak	\$0.02478	\$0.00807	\$0.03285
		Winter Mid-Peak	\$0.04020	\$0.00821	\$0.04841
		Winter Off-Peak	\$0.03044	\$0.00812	\$0.03856
Demand Charge (\$/kW)		Summer On-Peak	\$10.20	\$0.09	\$10.29
		Summer Mid-Peak	\$1.64	\$0.02	\$1.66
TOU-8-SEC-B	TOU-8-B, TOU-8-B-APSE, TOU-8-B-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.06278	\$0.01561	\$0.07839
		Summer Mid-Peak	\$0.03742	\$0.01537	\$0.05279
		Summer Off-Peak	\$0.02010	\$0.01521	\$0.03531
		Winter Mid-Peak	\$0.03568	\$0.01535	\$0.05103
		Winter Off-Peak	\$0.02537	\$0.01526	\$0.04063
Demand Charge (\$/kW)		Summer On-Peak	\$20.89	\$0.19	\$21.08
		Summer Mid-Peak	\$4.01	\$0.04	\$4.04

Attachement 2
Los Angeles Community Choice Energy
Proposed Rates (Based on 2018 Estimated SCE rates from ERR)

LACCE Rate Schedule	SCE Equivalent Rate Schedule	Unit/Period	LACCE Proposed Generation Rate	SCE Surcharged	LACCE Proposed Generation Rate Plus Surcharges
TOU-8-PRI-B	TOU-8-B, TOU-8-B-APSE, TOU-8-B-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.06662	\$0.01063	\$0.07725
		Summer Mid-Peak	\$0.04127	\$0.01039	\$0.05166
		Summer Off-Peak	\$0.02434	\$0.01023	\$0.03457
		Winter Mid-Peak	\$0.03964	\$0.01037	\$0.05001
		Winter Off-Peak	\$0.02953	\$0.01028	\$0.03981
Demand Charge (\$/kW)		Summer On-Peak	\$20.95	\$0.19	\$21.14
		Summer Mid-Peak	\$3.95	\$0.04	\$3.99
TOU-8-SUB-B	TOU-8-B, TOU-8-B-APSE, TOU-8-B-S, TOU-8-S				
Energy Charge (\$/kWh)		Summer On-Peak	\$0.06266	\$0.01109	\$0.07375
		Summer Mid-Peak	\$0.03930	\$0.01088	\$0.05018
		Summer Off-Peak	\$0.02318	\$0.01072	\$0.03390
		Winter Mid-Peak	\$0.03814	\$0.01086	\$0.04900
		Winter Off-Peak	\$0.02840	\$0.01077	\$0.03917
Demand Charge (\$/kW)		Summer On-Peak	\$20.67	\$0.19	\$20.86
		Summer Mid-Peak	\$3.81	\$0.04	\$3.85
LS-1	AL-2, AL-2-A, DWL-A, DWL-B, DWL-C, LS-1-ALLNITE, LS-1-MIDNITE, LS-1-TAP, LS-2, LS-2-A, LS-2-B, LS-3, OL-1, OL-1-ALLNITE, OL-1-MIDNITE				
Energy Charge (\$/kWh)		All Energy	0.04293	\$0.00041	\$0.04334
TC-1	TC-1				
Energy Charge (\$/kWh)		All Energy	0.06144	\$0.00084	\$0.06228

Staff Report – Item 6

To: Los Angeles Community Choice Energy Board of Directors
From: LACCE Staff
Subject: Approve request to develop a plan for temporary staff assistance
Date: December 7, 2017

RECOMMENDATION

The Board acknowledge the need to provide additional temporary staffing, and allow the Interim Executive Director to bring back a plan for the Board’s approval at the January meeting.

BACKGROUND AND DISCUSSION:

Since April 2017, LACCE staff has been making numerous presentations to City Councils across Los Angeles County. The LACCE staff consists of an LA County employee (Matthew Skolnik) assigned to LACCE full time, Gary Gero, LA County Chief Sustainability Officer, who dedicates a large percentage of his time on LACCE activities, and a contract employee (Bill Carnahan) who is currently serving as the LACCE Interim Executive Director. These three have been tasked to reach out to the 82 interested cities through meetings with staff, presentations at local city meetings, and presentations at City Council meetings. This “membership development” effort has been very time consuming but tremendously success, such that at the writing of this report, LACCE has 10 members, 8 cities in various stages of approval of the Ordinance to become members, and a half - dozen or more cities exploring participation in LACCE.

Membership development is at a decision point because the open enrollment period will soon be closing. The Board is currently developing a policy related to conditions for cities requesting membership after open enrollment period. This should lessen the LACCE staff workload in this area but there are many more cities eligible to join so it is uncertain what level of effort will be needed in the near term.

At the same time LACCE staff has been busy with membership development, a great deal of effort and time is being spent (and will be spent in the future) assuring LACCE is operational for Phase 1 in February. Additionally, recent efforts have been centered on contracting with a power supplier, scheduling coordinator and data management firm.

Los Angeles Community Choice Energy

Near term, LACCE needs to hire an Executive Director, undertake a strategic planning effort including an integrated Resource Plan, staffing plan, secure longer term financing, set up an office, prepare to begin service to Phase 2 commercial and industrial customers, and provide local coordination of our legislative and regulatory efforts.

Looking forward, current LACCE staff finds that at this point in LACCE implementation, it would be prudent to acquire temporary staff assistance to ensure the successful launch of phases 2 and 3.

Hiring permanent LACCE staff will take time, starting with the hiring of a full time Executive Director in February and continuing over the course of the next several months. Since it is premature to recommend hiring new LACCE staff, it is recommended that the Board authorize the Interim Executive Director to hire temporary staff to assure that all the necessary work is accomplished in a timely fashion and nothing gets overlooked or left undone due to staffing constraints.

This temporary staffing could be filled with temporary hires or filled with staff from the County (a benefit because they will have access to County servers, on which LACCE documents and materials are contained), or from the Members, or hired from a temp agency.

Unfortunately, LACCE existing staff has not had time to fully flesh out the exact needs to determine how much this effort would cost. If we are thinking about 2 or 3 people, full time at an hourly cost of \$30 to \$50 per hour for 6 months, the cost would be \$60,000 to \$150,000. LACCE will need to identify funding within the existing budget or through a reduction of reserves.

Staff Report – Item 7

To: Los Angeles Community Choice Energy Authority Board of Directors
From: LACCE Staff
Subject: Adopt policy for new entrants to LACCE after the Initial Enrollment Period
Date: December 7, 2017

RECOMMENDATION:

Adopt a policy for new entrants after December 27, 2017 that:

- 1) Allows for the entrance of new members to LACCE if it is determined that doing so is in the best economic interests of LACCE and its ratepayers, but that delays such entrance if it is not;
- 2) Considers each new entrant's impact on LACCE's financial condition on a case-by-case basis and seeks initial (and reimbursable) funding from new entrants if LACCE anticipates it will be unable to manage the new entrant's entry in a way that is protective of LACCE's financial position and cash flow requirements; and
- 3) Consolidates the entry of new members such that amendment of the Implementation Plan only occurs twice a year to provide certainty and efficiency in their incorporation into the LACCE program.

BACKGROUND:

In April 2017, the Los Angeles Board of Supervisors approved a no-interest loan of up to \$10 million to cover the initial start-up costs of the LACCE Authority and specifically stated that cities that join the program within 180 days of the effective date of the joint power authority (JPA) agreement would not be required to provide any initial funding to offset the startup cost of the program. The JPA agreement became effective on June 27, 2017 and pursuant to its express terms the no cost offer to join LACCE expires on December 27, 2017.

Section 2.5 of the JPA agreement provides the LACCE Authority with the ability to accept new members to the program after the initial period if certain specified conditions are met. Included among those provisions is the payment of any fee that the LACCE Authority Board may impose at its discretion.

Los Angeles Community Choice Energy

With the nearing expiration of the initial enrollment period, cities have asked what the cost to join the program might be if they do not join by the end of this year. Staff have investigated the policies of other CCAs and have conducted an initial financial assessment to help inform a potential policy governing new entrants.

DISCUSSION:

There are several financial considerations that must be addressed when considering new entrants each of which will be discussed below. These are:

- The impact of new entrants on LACCE and its ratepayers;
- The cost to obtain power on behalf of the new entrant's residents and businesses, including any financing and administrative costs;
- Potential effects of such purchase on the LACCE cash flow; and

The primary driver of any potential assessment on new entrants following the initial enrollment period is the cost to procure power on behalf of the member's residents and businesses. Depending on the size of the city joining and conditions in the power market when the city joins, these factors can affect both LACCE's overall power costs and its cashflow, each of which must be addressed by any potential policy.

Impact on LACCE and its Ratepayers

Perhaps the most significant question for LACCE is the potential for the new entrant's power procurement costs to cause LACCE's overall power procurement costs to rise thereby resulting in either reduced margins or higher rates or both. In the Marin Clean Energy program, this effect is assessed for each new entrant and if it is determined that it is uneconomic to add the new member at the current time, then the new member's acceptance into the program is deferred until market conditions improve to avoid these impacts. On the other hand, if the new entrant's power procurement costs are equivalent to or lower than the overall cost of power, then the new entrant may be added without reservation if its membership provides a benefit to the program overall. It is recommended that LACCE adopt this approach as policy for new entrants.

If the LACCE Authority Board does wish to add new entrants despite the economic impact, it could require the new entrant to make the program whole by covering its marginal marginal cost of entry. However, it is expected that most cities would prefer to wait to join rather than pay such a buy-in fee. Such instances should be addressed on a case by case basis if a city seeks to join immediately rather than waiting until market conditions improve.

Power Procurement Costs, Administrative Costs, and Impact on Cash Flow

If LACCE and/or its vendor is unable to cover the cost for power purchases on behalf of a new entrant using its existing capital or credit reserves, it could ask the city to cover those costs (in which case the new entrant would subsequently be reimbursed through program revenues). As a very rough estimate, the average cost per customer account to procure power is approximately \$1,000 per year, the average number of customer

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accounts relative to a city's population is 2.5, and there is a potential 60-day lag between power procurement and revenue that may need to be covered. The table below estimates this cost:

City Population	Accounts	Annual Power Cost	60-Day Float Cost
10,000	4,000	\$ 4,000,000	\$ 666,667
50,000	20,000	\$ 20,000,000	\$ 3,333,333
150,000	60,000	\$ 60,000,000	\$ 10,000,000

Much less significant are the potential additional administrative costs to include the new entrants. It is estimated that the primary administrative cost associated with adding new members is the cost to prepare and submit an amendment to the Implementation Plan. This is estimated at approximately \$25,000 which can be assessed to new entrants on a pro rata share basis if the LACCE Authority Board deems it necessary. Our review of other CCAs shows that these costs are not assessed to new entrants since the program benefits overall from economies of scale that new members bring. As such, staff do not recommend imposition of this cost to new entrants at the present time. However, this recommendation may change if administrative costs are greater than presently anticipated.

Staff also believe that the program should be able to manage the power procurement costs for most new entrants using its available resources. As such, it is recommended that the LACCE Board adopt a flexible policy that directs staff to assess LACCE's ability to manage the power procurement on behalf of new entrants on a case-by-case basis with the principle that LACCE will manage these costs to the extent it can do so without causing undue burden on LACCE's finances, including its cash flow.

This is consistent with other existing CCAs in which these costs are typically handled by the CCA using its reserves or credit, but with the caveat that it retains the authority to request some reimbursable funds from the new entrant as appropriate.

Timing of New Market Entrants

Finally, the question of when new market entrants begin receiving electrical service is important to consider so that the the LACCE program operates efficiently and effectiely. LACCE will be required to file an amended Implementation Plan or Addendum to its Implementation Plan and CPUC certification will be necessary before any new entrant can commence receipt of electrical service. Once the revised Implementation Plan is certified, Southern California Edison requires six months until service can be transitioned to LACCE. To provide effective program and power procurement planning, this should be a systematic process. Therefore, it is recommended that new entrants be batched every six months as follows:

Phase 4 (First Batch New Entrants)

January-June 2018:

- New entrant adopts the implementing ordinance and JPA agreement, but delays executing the JPA agreement until advised by LACCE to do so.

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June 2018:

- LACCE assesses whether economic to add new member and if so applies policy regarding financial condition and cash flow. If no significant adverse impact is anticipated from the new entrant's participation in the program, the city executes the JPA agreement. If not, LACCE either defers the new member's entry until the next batch review.

July 2018:

- LACCE files revised Implementation Plan with CPUC for new entrants.

September 2018:

- CPUC certifies Implementation Plan.

March 2019:

- New entrants begin electric service.

Phase 5 (Second Batch New Entrants)

June-December 2018:

- New entrant adopts the implementing ordinance and JPA agreement, but delays executing the JPA agreement until advised by LACCE to do so.

December 2018:

- LACCE assesses whether economic to add new member and if so applies policy regarding financial condition and cash flow. If okayed to enter program, city executes the JPA agreement. If not, LACCE either defers the new member's entry until the next batch review.

January 2019:

- LACCE files revised Implementation Plan with CPUC for new entrants.

March 2019:

- CPUC certifies Implementation Plan.

September 2019:

- New entrants begin electric service.

Staff recommends that this proposed consolidation of new entrants be considered by LACCE as appropriate.

Staff Report – Item 8

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: **Legislative and Regulatory Update**

Date: December 7, 2017

Regulatory Issues

1. PCIA Review – R.17-06-026

The Power Charge Indifference Adjustment (PCIA) is a charge from investor-owned utilities (IOUs) on CCA and DA customers to recover costs associated with IOU power contracts stranded when customers depart bundled service. In late June 2017, the CPUC initiated rulemaking R.17-06-026 to “review, revise, and consider alternatives to the Power Charge Indifference Adjustment.” The first step in this proceeding was to determine the extent of CCA access to IOU power procurement contracts data. Access to the IOU procurement contracts would allow CCAs to evaluate which of the IOU’s contracts were necessary to serve their load, and those that may have unnecessarily increased the stranded asset pool. One of the key issues of debate was how many years of data the IOUs would be required to provide. On November 22nd, the Administrative Law Judges ruled largely in favor of the CCAs on this issue. There were other remaining issues, and the judge directed the parties to continue discussions and return with another “Joint Report” by December 8th, 2017. Once these issues are settled, the CCAs will be able to request data from the IOUs and begin to formulate their positions for the upcoming “data-informed” workshops in January.

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

This proceeding is one of many implementing the mandates of the California Clean Energy & Pollution Reduction Act (SB 350). Specifically, this proceeding implements the mandate that large load serving entities (LSE) in California will need to file Integrated Resource Plans to detail how each LSE will meet their customers resource needs and comply with environmental mandates. On May 17, 2017, CPUC staff issued a proposed methodology called the Reference System Plan (RSP) for how the IRPs should be prepared. Parties have been providing comments and we now expect the final RSP in January. All operating

LSEs, including LACCE, will then owe the CPUC their IRP in 2018, likely by the end of the 2nd quarter.

3. CCA Bond Requirements – R.03-10-003

This proceeding will review and potentially reset the surety bond amount required from CCAs to their incumbent IOU prior to launching service. The surety bond is meant to insure the IOU and bundled customers against costs that would be incurred in the event a CCA fails or involuntarily terminates. The key issue of debate in this proceeding has been whether the surety bond should cover any level of “emergency procurement”, which refers to the power contract procurement IOUs would have to pursue in the event a CCA failed. CCAs contend the surety bond should cover only the administrative fees associated with customer reentry to IOU service in the event the CCA fails. In contrast, the IOUs have asked for extensive emergency procurement insurance. The precedent in this case works slightly against the CCAs because other Energy Service Providers (ESPs), such as those that serve Direct Access (DA) customers, do pay a surety bond that covers some emergency management. However, the CCAs have made a strong case that they are more financial stable than the ESPs. The proceeding has concluded the period for opening and reply briefs, and we are now awaiting a final decision. We currently estimate that a revised surety bond methodology could take effect as early as the 3rd quarter of 2018.

4. AB 1110 Implementation - Greenhouse Gases Emissions Intensity Reporting

On September 26, 2016, the California State Legislature passed AB 1110 which directs the California Energy Commission to revise the power content reporting requirements for load serving entities to reflect the greenhouse gas emissions intensity of their power. Initial drafts of the rulemaking suggested the CEC would evaluate Bucket 2 RECs (which refers to firmed and shaped power from outside California) with non-zero GHG emissions. CalCCA has protested this implementation of the law, arguing that in-state renewable resources (Bucket 1 RECs) are also effectively firmed and shaped within the CAISO pool. The next step on this issue will be the release of the final staff report expected in January. This issue will likely not have as large an impact on LACCE as on CCAs in PG&E territory because SCE was only 40% GHG-free whereas PG&E was almost 70% GHG-free as of 2016.

Legislative Issues

With the California State Legislature out of session, there are no updates on legislative issues.

Staff Report – Item 9

To: Los Angeles Community Choice Energy Board of Directors
From: LACCE Staff
Subject: Name Change for Los Angeles Community Choice Energy
Date: December 7, 2017

RECOMMENDATION:

Staff recommends the Board discuss and provide further direction on the following potential names:

- Angeles Power Alliance (APA)
- Clean Energy Community Alliance (CECA)
- Golden State Energy (GSE)
- Golden State Power (GSP)
- Metropolitan Energy Authority (MEA or Metro Energy)
- Metropolitan Power Authority (MPA)
- Pacific Power Alliance (PPA)
- Southern California Clean Power (SCCP)
- Southern California Community Energy (SCCE)

BACKGROUND AND DISCUSSION:

At the November 7, 21017 meeting of the LACCE Board, the Board directed staff to research a potential name change and provide name change options for Board consideration at the December meeting. This action was in response to Board discussion that the current name may not be properly representative of the LACCE territory and the many communities that will participate in the LACCE CCA program.

Staff worked with ATAK Interactive, the branding consultant hired by LACCE for logo and website design services, to assist with this additional branding service. ATAK consultants held a brainstorming session with LACCE staff at which the desires and practical parameters for a name change were discussed, as well as the values a new name could possibly communicate. Additionally, certain challenges were discussed, such as the fact that many acronyms in the California energy arena are already in use. ATAK Interactive

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then presented a list of potential names to staff, from which a selection has been provided for Board consideration, along with some additional options generated by staff.

Staff has provided a list of name change options to the Board for consideration and discussion, with the expectation that the Board will provide instruction on how they'd like staff to move forward.

Potential options include making a decision based on the names contained in this staff report, appointing a certain number of Directors to sit on a subcommittee to work with staff to make a recommendation to the full LACCE Board, or delegating to staff the selection of the new name.

Staff Report – Item 10

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: Discussion Item: 2018 Board Meeting Schedule and Strategic Planning

Date: December 7, 2017

RECOMMENDATION:

Staff recommends that the Board discuss and set the meeting schedule for 2018, and discuss potential dates and options to conduct LACCE strategic planning sessions in early 2018.

Staff Update

To: Los Angeles Community Choice Energy Board of Directors

From: LACCE Staff

Subject: **Staff Update**

Date: December 7, 2017

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.
- There has been an intense flurry of city action as the open enrollment period for cities to join LACCE comes to a close.
- Staff gave 17 presentations alone in November, and has at least 15 more scheduled for December.
- Staff anticipates membership to grow to 20-25 by the end of this 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.
- Staff anticipates a thorough review of the Workplan with the Board during a strategic planning session, which staff is planning for early next year.

Community Advisory Committee

- Staff conducted a public workshop in Culver City on November 16th, to provide a program update, and solicit input for the formation of the LACCE Community Advisory Committee (CAC).

Los Angeles Community Choice Energy

- The workshop was productive, and members of the public provided thoughtful input on the design and mission of the CAC.
- Staff anticipated conducting another workshop in December. However, schedule limitations, including the sudden upswell in city correspondences and presentations, hindered staff's ability to organize an effective workshop.
- Staff will continue to provide updates on the CAC, and anticipates CAC formation soon after the initial LACCE Board has formed.

Budget Update

- LACCE saw minimal expenditures for the month of November, all of which fell within the scope of the Board-adopted budget.
- 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.
- LACCE staff is still working with County staff on a budget tracking method for these costs, with the intent to return to the Board at a future meeting with the cost-to-date for this assistance.

Contracts Update

Scheduling Coordinator

- At its October meeting, authorized staff to execute a contract with TEA for scheduling coordination services for Phase 1 accounts, based on the contract terms provided to the Board in the staff report, and the proposal submitted by TEA in response to the LACCE RFP.
- LACCE and TEA are in the final stages of contract negotiations, and expect to execute the final contract in early December.

Power Supply

- At its October meeting, the LACCE Board delegated conditional authority to the Executive Director to negotiate contract terms with Constellation for power supply for Phase 1 if it were determined that, after requesting updated pricing that excluded coal, they were still the lowest and most responsive proposer.
- Constellation has stated that the exclusion of coal resources was within the scope of their original proposal, and would therefore have no effect on their price.

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After checking with other responsive proposers, it was determined that Constellation remained most responsive. Staff has therefore entered into contract negotiations with Constellation for Phase 1 power supply.

- As part of these negotiations, Constellation has also agreed to exclude nuclear power from the Phase I resource mix and has tentatively agreed to limit the use of “unspecified” power to less than 25% (consistent with Marin Clean Energy) and to procure other non-carbon emitting power (e.g., large hydroelectric or other non-renewable clean power) for the remainder of the mix.
- As a result, the Phase I power mix for County facilities will be among the cleanest in the state with approximately 60% from renewable resources, 15% from other non-carbon resources, and no more than 25% from unspecified sources.
- Item 4 on today’s agenda contains a request to earmark \$2.7M in the LACCE budget to provide Constellation with the necessary credit assurances to execute the contract.
- Subject to the Board’s approval of Item 4, staff will finalize and execute its contract with Constellation for phase 1 power supply.

Website Design and Branding

Website

- Staff executed a contract with ATAK Interactive on October 18, 2017 to begin work on website design and branding services.
- ATAK has developed an interim website for LACCE, lacce.org, which contains relevant LACCE documents for the public as well as FAQs and informational material.
- This interim website will be in use as ATAK develops the official LACCE website prior to the launch of phase 2.

Branding

- Draft logos were shown to the LACCE Board at its November meeting.
- Staff was directed to pause LACCE logo development, and return to the Board at its December meeting with potential alternative names for LACCE.
- Item 9 on today’s agenda contains a summary of staff’s work and recommendations for alternative names.

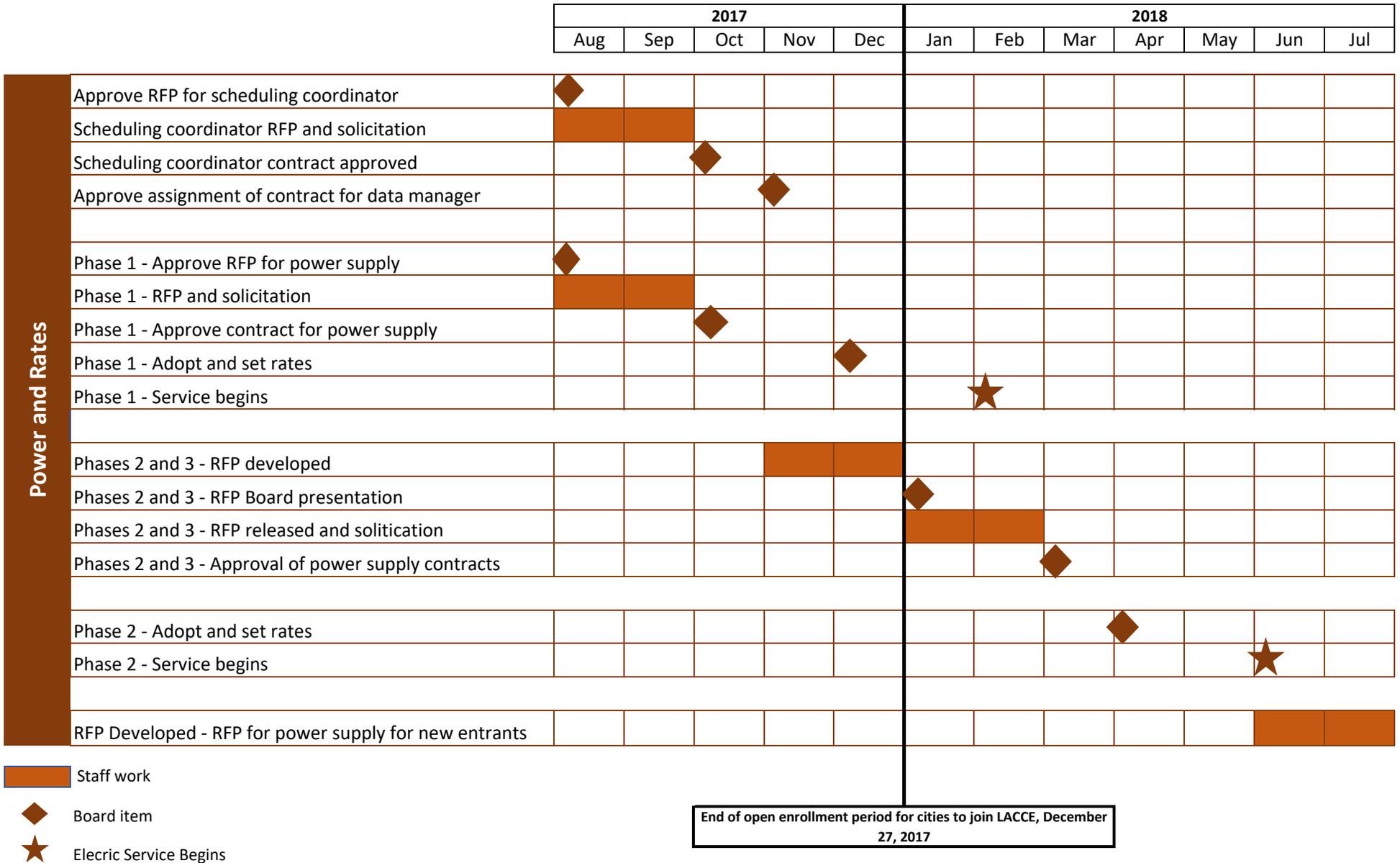
LACCE Workplan
 August 2017 - July 2018
 Finance

	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



LACCE Workplan
 August 2017 - July 2018
 Administration and Policies

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

Administration and Policies	Operating Rules and Procedures developed and adopted											
	Community Advisory Committee (CAC) development											
	CAC bylaws adopted											
	CAC applications received from the public											
	Board appoints CAC Members											
	Executive Director recruitment plan approved											
	Executive Director recruitment											
	Executive Director interviews with the Board											
	Executive Director appointed											
	Staffing plan developed											
	Executive and Finance Committee development											
	Executive and Finance Committee Members appointed											
	Strategic Plan development											
Strategic Plan Board presentation and discussion												
Strategic Plan adopted by the Board												

 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

		2017					2018						
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Marketing and Outreach	Website design and program branding - RFP approved	◆											
	Website design and program branding solicitation	■	■										
	Website design and program branding - contract executed			◆									
	Website and branding developed			■	■	■							
	Best Practices presentation			◆									
	Outreach Plan developed			■	■								
	Outreach RFP and solicitation					■	■						
	Outreach contract executed							◆					
	Phase 2 - Outreach							■	■	■	■	■	■
	Phase 2 - Opt-out notices sent									■		■	
	Phase 2 - Service begins											★	

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

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