



**REGULAR MEETING of the
Energy Planning & Resources Committee of the
Clean Power Alliance of Southern California
Wednesday, June 27, 2018
12:00 p.m.**

**555 West 5th Street, 35th Floor
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 Jacquelyn Betha, at least two (2) working days before the meeting at jbetha@cleanpoweralliance.org or (213) 269-5870, ext. 1001. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

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

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

*Carson City Hall
Executive Conference Room
701 E. Carson Street
Carson, CA 90745*

*Malibu City Hall
23825 Stuart Ranch Road
Malibu, CA 90265*

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

*555 W. 5th Street, Suite 3310
Los Angeles, CA 90013*

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

Clean Power Alliance Energy Committee Meeting Agenda
June 27, 2018

I. WELCOME AND ROLL CALL

II. PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any Clean Power Alliance-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 Committee are requested to complete a speaker's slip. Speakers are customarily limited to two minutes, but an extension can be provided at the discretion of the Chair. If you have anything that you wish to be distributed to the Committee and included in the official record, please hand it to a member of the staff who will distribute the information to the Committee members and staff.

III. REGULAR AGENDA

1. Approve Minutes from May 23, 2018 Energy Planning & Resources Committee Meeting
2. Discuss Energy Risk Management Policy
3. Update on 2018 Integrated Resource Plan

IV. COMMITTEE MEMBER COMMENTS

V. ADJOURN

Public records that relate to any item on the open session agenda for a regular Committee Meeting are available for public inspection. The Board has designated the County of Los Angeles, Chief Sustainability Office, Kenneth Hahn Hall of Administration, Room 493, 500 West Temple Street, Los Angeles, CA 90012, for making those public records available for inspection. The documents are also available on our internet website at www.cleanpoweralliance.org.

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Wednesday, May 23, 2018, 12:00 p.m.
555 West 5th Street, 35th Floor
Los Angeles, CA 90013

MINUTES

I. WELCOME AND ROLL CALL

The meeting was called to order at 12:02 p.m. The Board Secretary, Jacquelyn C. Betha, conducted roll call.

Roll Call				
1	Oxnard	Carmen Ramirez	Committee Chair	Present
2	Arcadia	Tom Tait	Committee Member	Present
3	Carson	Reata Kulscar	Committee Member	Present
4	Malibu	Skylar Peak	Committee Member	Present
5	Santa Monica	David Petit	Alternate	Present
6	Sierra Madre	James Carlson	Alternate	Present
7	Thousand Oaks	Helen Cox	Committee Member	Present

II. PUBLIC COMMENT

There were no comments from members of the public.

III. REGULAR AGENDA

1. Approved Minutes from April 25, 2018 Energy Planning & Resources Committee Meeting

Motion: Tom Tait (Arcadia). Second: Helen Cox (Thousand Oaks). Vote: The item was approved by a unanimous roll call vote.

2. Discussed Integrated Resource Plan Assumptions & Potential Scenarios

Staff provided a presentation on Clean Power Alliance’s process to complete its Integrated Resource Plan (IRP), which in this round is being conducted on a tight timeframe. Staff reported on potential energy portfolio scenarios CPA is analyzing and discussed with the Committee the status of the renewable energy market supply.

3. Resource Adequacy Contracting Update

Staff presented on the status of CPA’s resource adequacy contracting efforts, and stated that the reason CPA experienced a limited response is this is CPA’s first solicitation.

IV. COMMITTEE MEMBER COMMENTS

Chair Ramirez commented that she would be attending an Energy Conference in Sacramento.

V. ADJOURN

Chair Ramirez adjourned the meeting.



Energy Risk Management Policy

Overview

- The July 12, 2018 board meeting includes an approval request for a proposed Energy Risk Management Policy (ERMP) and FY 18-19 Procurement Plan
- The ERMP is a critical component of procurement cost oversight and development of future procurement strategies
- The ERMP is being developed by TEA and staff and will incorporate best practices used by CCAs and other market participants
- The ERMP will replace the current “percentage of annual load” procurement authority of the Executive Director with a more robust risk-based approach that includes more factors and layers of approval
- The Procurement Plan will propose a solicitation schedule for energy hedges, renewable energy, RA, and carbon-free procurement for 2019-2021

EMRP Policy Purpose

- Provide a framework for conducting trading activities and mix of short and long-term contracting to ensure CPA's long-term viability
- Identify and measure the magnitude of risks to which CPA is exposed:
 - Market, regulatory, volumetric, model, operational, counterparty credit, and reputational risk*

The Energy Risk Management Policy will include:

- Risk management governance, including establishment of a staff-level Risk Management Committee (RMC)
 - Members include the Executive Director, COO, and Director of Power Planning & Procurement*
- Delegation of daily procurement responsibilities, including specific limits on transaction types, terms, values, and volumes
- Description of risk measurement, valuation, and stress test methodologies
- Credit policy, including max credit limits, monitoring protocols, and counterparty concentrations

Front, Middle, Back Office

- The EMRP establishes processes, controls, and reporting requirements to ensure compliance and appropriate risk oversight of Front, Mid, and Back office functions
 - Front office – trading and contract origination
 - Mid office – market and credit risk oversight
 - Back office – settlements and billing, contract admin
- Actual front, middle, back office functions will be performed by a mixture of staff and consultants (TEA)

Open Areas

- Between now and the Board Meeting, Staff is finalizing:
 - Risk measurement metrics and limits
 - Necessary internal systems and processes to comply with ERMP controls
 - Interaction between the RMC and the Board
 - ED/RMC authority levels (Based on time, value, type, etc.)
 - Protection of sensitive market information and risk profile
 - Procurement Plan solicitation schedule - still weighted towards closing short-term positions