



**REGULAR MEETING of the Executive Committee of the  
Clean Power Alliance of Southern California**

**Thursday, August 9, 2018**

**2:00 p.m.**

555 West 5<sup>th</sup> Street, 35<sup>th</sup> 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](mailto: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:*

Beverly Hills City Hall  
4<sup>th</sup> Floor, Conference Room 4B  
455 N. Rexford Drive, Beverly Hills, CA 90210

Ventura County Government Center  
Point Mugu Conference Room, 4th Floor Hall of Administration  
800 South Victoria Avenue, Ventura, CA 93009

**I. WELCOME AND ROLL CALL**

Clean Power Alliance Executive Committee Meeting Agenda  
August 9, 2018

**II. PUBLIC COMMENT**

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**III. CONSENT AGENDA**

1. Approve Minutes from June 20, 2018 Executive Committee Meeting

**IV. CLOSED SESSION**

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

**V. REGULAR AGENDA**

3. Review Draft Agenda for August 16, 2018 Board of Directors Meeting
4. Discuss Approach to 2018-2019 CPA Membership Expansion

**VI. COMMITTEE MEMBER COMMENTS**

**VII. ADJOURN**

*Public records that relate to any item on the open session agenda for a regular Committee Meeting are available for public inspection. Those records that are distributed less than 72*

Clean Power Alliance Executive Committee Meeting Agenda  
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*hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board of Directors has designated Clean Power Alliance, 555 W. 5<sup>th</sup> Street, 35<sup>th</sup> Floor, Los Angeles, CA 90013, for making those public records available for inspection. The documents are also available online at [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org).*

REGULAR MEETING of the Executive Committee of the  
Clean Power Alliance of Southern California  
Wednesday, June 20, 2018, 1:30 p.m.

555 West 5th Street, 35th Floor  
Los Angeles, CA 90013

*Beverly Hills City Hall, Conference Room 4B  
455 N. Rexford Drive, Beverly Hills, CA 90210*

*DoubleTree by Hilton Hotel Ontario Airport - Cajon Peak Room  
222 N. Vineyard Ave Ontario, CA 91764*

### **MINUTES**

#### **I. WELCOME AND ROLL CALL**

Chair Diana Mahmud called the meeting to order. Board Secretary Jacquelyn C. Betha conducted roll call.

<b>Roll Call</b>				
1	<b>Beverly Hills</b>	Julian Gold	Director	Remote
2	<b>Hawthorne</b>			Absent
3	<b>Los Angeles County</b>	Sheila Kuehl	Vice Chair	Present
4	<b>Oxnard</b>	Carmen Ramirez	Director	Remote
5	<b>Rolling Hills Estates</b>	Steve Zuckerman	Director	Present
6	<b>South Pasadena</b>	Diana Mahmud	Chair	Present
7	<b>Ventura County</b>	Linda Parks	Vice Chair	Remote
8	<b>West Hollywood</b>	Lindsey Horvath	Director	Present

#### **II. PUBLIC COMMENT**

There were no public comments from any of the locations.

#### **III. CONSENT AGENDA**

1. Approved Minutes from May 16, 2018 Executive Committee Meeting
2. Approved Minutes from June 6, 2018 Executive Committee Special Meeting

Clean Power Alliance Executive Committee Minutes

June 20, 2018

Motion: Los Angeles County, Vice Chair Sheila Kuehl. Second: Beverly Hills, Director Julian Gold. Vote: The Consent Agenda was approved by a unanimous roll call vote.

**IV. REGULAR AGENDA**

3. Reviewed Draft Agenda for July 12, 2018 Board of Directors Meeting

The Committee discussed the proposed topics for the July 12 Board meeting, including the 2019 Rate Making Schedule and Phase-In scenarios, the Data Management and Call Center Services RFP, the Energy Risk Management Policy and procurement plan for 2018-2019, the 2018 Integrated Resource Plan, and the discussion on grid regionalization.

4. Discussed Letter to Legislators re: Customer Choice and CPUC White Paper

The Committee reviewed and discussed distributing a letter to the state legislators representing CPA's service territory regarding community choice aggregation in general, providing an introduction to CPA, and addressing various current regulatory issues including the recently released white paper by the CPUC. The Committee discussed the upcoming en banc between the CPUC and the California Energy Commission, and in response to various issues raised about community choice prior to the en banc, Vice Chair Sheila Kuehl and Monterey Bay Community Power Chair Bruce McPherson co-authored an op-ed.

5. Discussed June 22, 2018 Board Retreat Preparation

Staff updated the Committee on the planned schedule for the June 22 Board Retreat including the three breakout sessions. The itinerary will begin with introductions and consideration of the Fiscal Year 2018-2019 Budget followed by the immediate start of the Retreat, which will include three breakout sessions. Chair Mahmud will lead the session regarding finance, Vice Chair Kuehl will facilitate the rates session, and Vice Chair Linda Parks will lead the session concerning local programs. Each of the invited speakers from the northern California CCAs will participate in a different breakout session to help inform the discussion.

**V. COMMITTEE MEMBER COMMENTS**

Director Lindsey Horvath expressed gratitude for the preparation of the letter that will inform legislators of news on the horizon that may have an impact on CCAs.

Vice Chair Kuehl expressed comments on the timing of the release of the letter and on how the letter will be presented, as the letter does not refer to a legislative bill.

**VI. ADJOURN**

Chair Mahmud adjourned the meeting.



## Staff Report – Agenda Item 3

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**To:** Clean Power Alliance (CPA) Executive Committee  
**From:** Matt Langer, Chief Operating Officer  
**Approved by:** Ted Bardacke, Executive Director  
**Subject:** Review Draft Agenda for August 16, 2018 Board of Directors Meeting  
**Date:** August 9, 2018

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### **SUMMARY**

Staff will present the attached draft August 16 Board Agenda for review by the Executive Committee and will provide verbal updates on topics to be discussed with the Board. Additional details are provided below on Board Agenda Items 9 and 10, which staff is seeking specific feedback on from the Executive Committee.

### **BOARD AGENDA ITEM 9 – 2019 Rate Options**

As CPA prepares to expand service in 2019, member agencies who have not yet chosen a default rate will need to do so to enable 2019 rates to be set and procurement decisions to be made. Beginning on August 20, jurisdictions will have until the end of October to make this selection. During this 10-week window, member agencies that previously selected a default will also be given an opportunity to revisit their default rate tier, and agencies that previously selected a tier only for non-residential customers will be able to select a default for all customers.

CPA is currently offering three rate tiers: 36% renewables, 50% renewables and 100% renewables. This basic tier structure will remain the same, but given that default choices must be made by the end of October before rates are set for 2019, member agencies should be aware of some caveats that apply to the available rate options.

Two main factors drive uncertainty around CPA's 2019 rates:

1. SCE's 2019 rates remain unpredictable until its November 8 rate forecast (ERRA) filing
2. CPA is still in the process of procuring energy for 2019, leaving some uncertainty around costs

By the November 15 Board meeting, SCE will have submitted its final ERRA filing and CPA will have locked in much of its 2019 energy costs. With this added certainty, CPA can set residential rates in November ahead of the February residential roll-out. Commercial and industrial rates will be set in January or February ahead of the May roll-out for those customers.

The rate options and pre-November related considerations are shown in the table below.

Rate Option	Cost Relative to SCE Rates
36% Renewables	1%-2% discount to SCE overall bill
50% Renewables	<p><u>Option A</u>: Matches SCE rates with 45%-55% renewable content</p> <p><u>Option B</u>: 0%-1% overall bill discount to SCE with 50% renewable content</p>
100% Renewables	<p>7%-9% overall bill premium to SCE base rates for non-CARE customers</p> <p>In jurisdictions that choose the 100% renewables rate as their default, CARE customers will be offered 100% renewable content at a cost equal to their rate with SCE by increasing the regular 100% renewables rate in those jurisdictions by an additional 0.25%</p>

Each of the above rate options contains a range of outcomes to reflect the current uncertainty. For the 36% renewables base rate, CPA is targeting a discount to the overall

SCE bill of 1.5%, but the rate discount could be higher or lower depending on SCE rates and CPA costs.

Similarly, CPA is targeting an 8% premium to SCE's overall bill for the 100% renewables rate, but this could be higher or lower depending on the same factors. Another aspect of the 100% renewables rate is the approach to qualified low-income customers who are on the Domestic CARE rate. After several discussions with member agencies who have chosen, or are considering choosing, 100% renewables as their default rate staff developed an option whereby CARE customers will be offered 100% renewables at a rate that matches SCE's base rate (approximately 34% renewables). This avoids automatically increasing costs for CPA's most vulnerable customers. The incremental cost of renewables for the CARE customers is spread amongst the other 100% renewable rate customers in those jurisdictions resulting in an increase of less than 0.25% to their rates.

The 50% renewables rate presents two options to consider. Currently, CPA is targeting a rate equal to SCE's rates for customers choosing the 50% renewables tier. If CPA's financial forecasts improve, it may be possible to either lower rates or increase the renewable content offered to customers. In choosing how to respond to improved finances, a balance between growing reserves and providing enhanced customer value will need to be considered.

Alternatively, if SCE's rates decrease more than expected or energy costs increase materially, CPA could reduce the renewable content from 50% to some lower level to ensure parity with SCE. In this case, the approach will need to balance competitiveness with SCE rates and to achieve renewable energy content as close as possible to the 50% target.

Final decisions on how to handle the 50% renewables option will need to be made at the November 15 Board meeting where rates will be set.



**BOARD AGENDA ITEM 10 – Contract Amendment with The Energy Coalition**

CPA entered into an agreement in March 2018 with The Energy Coalition to provide consultant services for communications, outreach, and marketing. The Energy Coalition has completed a number of deliverables critical to CPA's phase 1 and 2 enrollment, and also established a foundation for CPA's brand and overall communications strategy moving forward. To continue these efforts and to ensure continuity in preparation of the legally required materials for phase 3 and 4 enrollment, as well as launch CPA's new website and provide support to CPA's new Director of Marketing and Account Services, CPA staff will recommend on August 16 that the Board consider approving a contract amendment to extend the contract period to June 30, 2019 and approve a new \$210,000 scope of work and budget for The Energy Coalition to provide these services. As a framework for this discussion, staff will present a draft Communications & Marketing Plan (to be provided to the Executive Committee under separate cover), prepared by The Energy Coalition, which summarizes CPA's overall communications and branding strategy and outlines a workplan for the next nine months.

Attachment: Draft Agenda for August 16, 2018 Board of Directors Meeting



**REGULAR MEETING of the Board of Directors of the  
Clean Power Alliance of Southern California**

**Thursday, August 16, 2018**

**2:00 p.m.**

**DRAFT**

Southern California Association of Governments  
Policy Committee Room A  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017

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100 Civic Center Way, Calabasas, CA 91301

Ventura County Government Center  
Point Mugu Conference Room, 4th Floor Hall of Administration  
800 South Victoria Avenue, Ventura, CA 93009

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

**I. WELCOME AND ROLL CALL**

**II. PUBLIC COMMENT**

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**III. CONSENT AGENDA**

1. Approve Minutes from July 12, 2018 Board of Directors Meeting
2. Adopt Resolution 18-009 Authorizing Section 125 Administration of Benefits for CPA Employees
3. Adopt Resolution 18-010 Authorizing Participation in State Disability Insurance Program
4. Authorize Executive Director to Execute Amendment #1 to Memorandum of Understanding between County of Los Angeles and Clean Power Alliance
5. Approve Agreement and Scope of Work with XXX for Rate Setting and Cost of Service Consulting Services
6. Approve Agreement and Scope of Work with XXX for Management of Long Term Power Procurement RFO
7. Approve Clean Power Alliance Employee Handbook

**IV. REGULAR AGENDA**

8. Approve Employment Agreement with XXX, and Appoint XXX as General Counsel of Clean Power Alliance
9. Approve 2019 Rate Options
10. Approve Contract Amendment and Scope of Work #2 with The Energy Coalition for Communications & Marketing
11. Discuss Long Term Power Procurement RFO Criteria

**V. LEGISLATIVE & REGULATORY UPDATE**

**VI. REPORT FROM THE EXECUTIVE DIRECTOR**

**VII. BOARD MEMBER COMMENTS**

**VIII. REPORT FROM THE CHAIR**

**IX. ADJOURN – TO OCTOBER 4, 2018**

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