



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

Wednesday, August 22, 2018

12:15 p.m.

555 W. 5th Street
1st Floor, WeWork Room 1A
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, 2nd Floor
701 E. Carson Street, Carson, CA 90745*

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

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

Clean Power Alliance Energy Committee Meeting
August 22, 2018

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

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

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

I. WELCOME & 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. 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. Speakers are customarily limited to two minutes, but an extension can be provided at the discretion of the Committee Chair.

III. REGULAR AGENDA

1. Approve Minutes from July 25, 2018 Energy Planning & Resources Committee Meeting
2. Risk Management Team Report
3. Long-Term RFO Process, including introduction of LevelTen consulting team, discussion of principles and criteria, and shortlist review team
4. Wind Energy PPA Opportunity

IV. COMMITTEE MEMBER COMMENTS

V. ADJOURN

Clean Power Alliance Energy Committee Meeting
August 22, 2018

Public records that relate to any item on the open session agenda for a regular 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 Committee. The Board of Directors has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, for making those public records available for inspection. The documents are also available online at

www.cleanpoweralliance.org.

REGULAR MEETING of the
 Energy Planning & Resources Committee of the
 Clean Power Alliance of Southern California
 Wednesday, July 25, 2018, 12:00 p.m.

555 W. 5th Street, 35th Floor
 Los Angeles, CA 9001

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

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 Thousand Oaks, CA 91362*

MINUTES

I. WELCOME & ROLL CALL

Committee Chair Carmen Ramirez called the meeting to order. Board Secretary Jacquelyn C Betha conducted roll call.

| Roll Call | | | | |
|------------------|----------------------|-----------------|------------------|---------|
| 1 | Arcadia | Tom Tait | Committee Member | Present |
| 2 | Carson | Reata Kulscar | Committee Member | Present |
| 3 | Malibu | | | Absent |
| 4 | Oxnard | Carmen Ramirez | Committee Chair | Present |
| 5 | Santa Monica | Kevin McKeown | Committee Member | Present |
| 6 | Sierra Madre | John Harabedian | Committee Member | Present |
| 7 | Thousand Oaks | Helen Cox | Committee Member | Present |

II. PUBLIC COMMENT

There were no public comments.

III. REGULAR AGENDA

1. Approved Minutes from June 27, 2018 Energy Planning & Resources Committee Meeting

Motion: Santa Monica, Committee Member Kevin McKeown. Second: Carson, Committee Member Reata Kulcsar. Vote: Item 1 was approved by a roll call vote, with one abstention (Oxnard, Committee Chair Carmen Ramirez).

2. Approved the 2018 Integrated Resource Plan

Motion: Arcadia, Committee Member Tom Tait. Second: Thousand Oaks, Committee Member Helen Cox. Vote: Item 2 was approved by a unanimous roll call vote.

3. Received Update on Long-Term RFO Process

Natasha Keefer, CPA Director of Power Planning & Procurement, presented an overview of the RFO Plan. Ms. Keefer explained the solicitation process for long-term contracts takes about four to five months to complete due to anticipated large volume of proposals and, the lengthy development of careful negotiation of terms between CPA and potential bidders. The RFO launch will include the issuance of qualification materials to all potential bidders. There will be a follow-up notice to include an open public webinar that will include instructions on how to complete and submit the necessary documents and ensure all bidding vendors have equal access to the same information. The deadline to submit proposals will be approx. one month after the release of the RFO. Once all submittals are received, CPA will take approx. one to two months to evaluate all offers and

compile a short list of potential projects that CPA would like to further negotiate with. Once discussions are complete and the power purchase agreements have been finalized and submitted, they will be submitted to the CPA Board for final approval. Details will be provided on CPA's website.

IV. COMMITTEE MEMBER COMMENTS

Chair Ramirez requested that staff present information pertaining to market trends for clean and renewable energy development. In addition, information on the current legislation was requested.

Committee Member Kulcsar requested information on CPA to communicate to the the City of Carson Commissioners.

Director Cox of Thousand Oaks asked if Executive Director Ted Bardacke thought about the Implications for the CPA Alliance if California chose to regionalize the grid.

V. ADJOURN

Chair Ramirez adjourned the meeting.



Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Energy Planning & Resources Committee

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: Risk Management Team Monthly Report

Date: August 22, 2018

ADMINISTRATIVE ACTIVITIES

- Held first Risk Management Team (RMT) meeting on August 8, 2018.
- The Executive Director appointed Natasha Keefer, Director of Power Planning & Procurement and Matthew Langer, Chief Operating Officer, as members of the RMT. The Executive Director may add the CFO/Finance Manager and an outside industry expert to the RMT at a later date.

KEY ACTIONS

- Discussed counterparty credit limit approval process
- Developed plan to establish monthly reports to the Energy Committee and quarterly reports to the Board
- Reviewed open energy position and approved a plan to procure block energy quantities for 2018, 2019 and 2020 in accordance with the Risk Hedging Strategy

POLICY COMPLIANCE

- Identified potential exceedance of hedging limits (over-procurement) for 2019 Flex RA requirement. Exceedance is due to no-cost Flex attributes included in otherwise needed RA purchases. No remedial action is recommended.



Long-Term Clean Energy RFO Evaluation Criteria

August 22, 2018 – Energy Committee

Agenda

- Level Ten Introduction
- Market Conditions
- Balanced Offer Selection Approach
- Evaluation Criteria
 - Environmental Stewardship
 - Workforce Development
- RFO Process
- Board Member Participation

LevelTen Introduction



Market Conditions

- CPA's mix of new renewable resources will be diverse, but solar will likely comprise the largest percentage of the portfolio, based on resource availability and cost¹

| Resource Type | Renewable Potential (Statewide) |
|---------------|---------------------------------|
| Solar | 74,278 MW |
| Wind | 2,244 MW |
| Geothermal | 1,808 MW |
| Biomass | 1,293 MW |

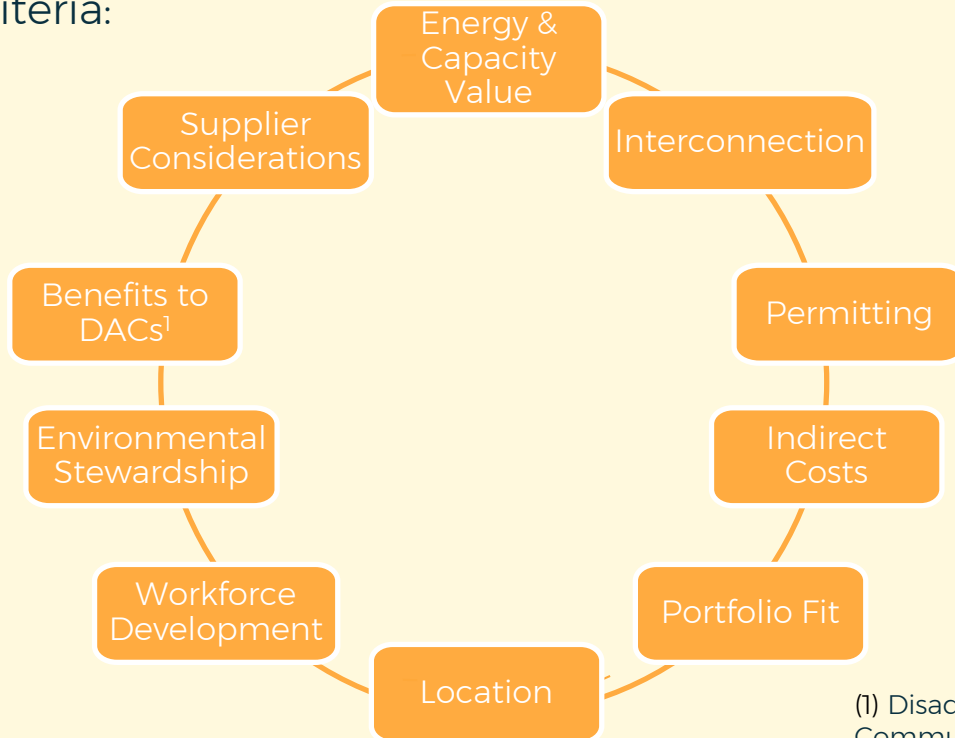
- Based on current interconnection queue requests,² the number of projects located in Los Angeles and Ventura counties will likely be limited, small-scale, and include a number of storage projects
- CPA has the opportunity to drive development of desired projects through communication of evaluation criteria preferences to the market and by making it clear that CPA will be procuring more each year

(1) CPUC 2017 Integrated Resource Plan statewide modeling assumptions

(2) CAISO and SCE WDAT Interconnection Queues

Balanced Offer Selection Approach

- Project offers will be evaluated holistically on a number of criteria:



(1) Disadvantaged Communities

Evaluation Criteria

- CPA seeks to contract with a number of projects, which will result in a well-rounded portfolio, showcasing a diverse set of benefits
- While many project criteria can be evaluated using industry-standard methodology, some are more qualitative in nature
- CPA has developed proposed principles related to these criteria to be incorporated into offer evaluation methodology
- CPA is seeking Energy Committee consensus around proposed principles
- Level Ten will incorporate this feedback into specific evaluation criteria, which will be presented at the Sept. Energy Committee meeting

Environmental Stewardship & Renewable Development

- Environmental stewardship means renewable energy that avoids, minimizes, and compensates for impacts to local, regional, state-wide, or western land and water resources
- Key issues related to renewable development include:
 - Extensive land use
 - Protected areas (federal, state, regional, local)
 - Habitat and habitat linkages, especially for threatened and endangered species
 - Open space in urbanized areas (habitat, permeable surfaces)

Environmental Stewardship Approaches

- Historically, environmental stewardship has been addressed with avoidance criteria, however renewable energy can also provide additional societal, health, economic, water saving, or environmental benefits

Avoidance

- Landscape-scale planning that pre-identifies least conflict areas for development:
 - Desert Renewable Energy Conservation Plan
 - San Joaquin Valley Least Conflict Assessment
 - LA County Renewable Energy Ordinance

Multiple Benefit

- Projects with benefits beyond climate and GHG reduction:
 - Parking-lot and rooftop PV
 - Sites in re-use areas (e.g. landfill)
 - Fallowed farmland
 - Brownfield development

Proposed Procurement Principle – Environmental Stewardship

Principle

CPA is committed to being an environmental leader by providing customers with energy that delivers multiple benefits for air, water, and nature.

Evaluation criteria will demonstrate a preference for:

- Multiple benefit projects
- Projects proposed or located in an area designated for renewable energy
- Project that have received land use entitlement permits

Workforce Development Considerations

- Types of projects to be contracted for the RFO with the greatest workforce development opportunities:
 - Solar Photovoltaic (PV)
 - Solar PV paired with battery storage
 - Standalone battery storage
- Skilled and trained workforce
 - Workers are either registered apprentices or skilled journeypersons
 - Prevailing hourly wage rate
- Targeted hire
 - Work performed by targeted workers, including local community members, veterans, and residents of Economically Disadvantaged areas

Proposed Procurement Principle – Workforce Development

Principle

CPA is committed to creating community benefits, which includes engaging a skilled and trained workforce and targeted hires.

Evaluation criteria will demonstrate a preference for:

- Skilled and trained workforce criteria
- Targeted hire criteria
- Project location (service territory vs. California vs. out-of-state)

RFO Process

- RFO launch is tentatively scheduled for early October
- Staff will be seeking guidance from the Energy Committee at multiple points during the RFO process:





Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Energy Planning & Resources Committee

From: Natasha Keefer, Director of Power Planning & Procurement

Approved by: Ted Bardacke, Executive Director

Subject: Wind Energy PPA Opportunity

Date: August 22, 2018

OVERVIEW

CPA has been approached by a developer (the Seller) regarding a time-sensitive opportunity to secure a 15-year PPA with a 21.6 MW wind project, with expected output of approx. 71,500 MWh/year. The PPA offered to CPA is part of a larger wind project already under construction, with a commercial online date (COD) of December 31, 2018. The project would consist of 6 wind turbines added to the existing project of 48 turbines on a site located in Kern County.

Staff is seeking guidance from the Energy Committee on whether entering into negotiations with the Seller for this PPA is of benefit to CPA.

PROJECT BENEFITS

- The PPA price offers an immediate cost savings to CPA's currently projected renewables procurement costs, starting in 2019.
- The project is an opportunity to secure a new wind resource in California (which are limited), and wind offers CPA important renewable portfolio diversification.
- The project will help CPA meet its SB 350 long-term contracting compliance requirements.

- The Seller is not requiring CPA to post collateral, a significant benefit to CPA as a newly formed entity.
- The project is shovel ready, fully permitted, and construction has already begun on other portions of the overall development, lowering its overall risk profile.
- The overall project is expected to create 16 new permanent operations and maintenance jobs located in Los Angeles County.
- The developer will fund a \$150,000 community college STEM education scholarship program to be co-administered by CPA and the developer over four years.

NEXT STEPS

Should this project be seen as a potential benefit to CPA, next steps would include:

- Staff to begin negotiations with the Seller on the terms of the PPA
- If negotiations are successful, Staff plans to present the PPA for the Board's consideration during the October 4 Board meeting, given the time-sensitive nature of the opportunity.

FACILITY MAP



PROJECT SITE

