



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

Wednesday, September 26, 2018

12:15 p.m.

REVISED

555 W. 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, 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*

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

*Santa Monica City Hall
Room 201
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 August 22, 2018 Energy Planning & Resources Committee Meeting
2. Risk Management Team Report
3. Update on Voyager Wind Power Purchase Agreement (PPA) Opportunity
4. Presentation on Long-Term Request for Offers (RFO)

IV. COMMITTEE MEMBER COMMENTS

V. ADJOURN

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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.

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 1st Floor, WeWork Room 1A
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 Oaks, CA 91362*

MINUTES

I. WELCOME & ROLL CALL

Chair Carmen Ramirez called the meeting to order. Jennifer Ward, CPA Head of Local Government Affairs, conducted roll call.

Roll Call				
1	Oxnard	Carmen Ramirez	Committee Chair	Present
2	Arcadia	Tom Tait	Committee Member	Present
3	Carson	Reata Kulcsar	Committee Member	Present
4	Malibu			Absent
5	Santa Monica	Kevin McKeown	Committee Member	Present
6	Sierra Madre	James Carlson	Alternate	Present
7	Thousand Oaks	Helen Cox	Committee Member	Present

II. PUBLIC COMMENT

There were no public comments on items not on the agenda.

III. REGULAR AGENDA

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

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

2. Received Risk Management Team Report

Matt Langer, CPA Chief Operating Officer, provided an update on topics discussed by the Risk Management Team (RMT) at its first meeting on August 8, including the addition of specific current and future staff members to the RMT, the counterparty credit limit approval process, monthly reporting to the Energy Committee, and CPA's plan to procure block energy quantities in accordance with the Risk Hedging Strategy.

The following individual provided public comments on Item 2: Harvey Eder (Public Solar Power Coalition).

3. Discussed Long-Term RFO Process, including introduction of LevelTen consulting team, discussion of principles and criteria, and shortlist review team

Natasha Keefer, CPA Director of Power Planning & Procurement, provided a presentation and introduced the LevelTen consulting team for the Long-Term Request for Offers (RFO) process. The project team discussed CPA's proposed evaluation criteria which will seek to showcase a diverse set of benefits in the project portfolio, including energy capacity and value, supplier considerations, environmental stewardship, and community and workforce development priorities, among others. Ms. Keefer indicated that the RFO launch is tentatively scheduled for early October and staff will continue to seek input from the Energy Committee at multiple points during the RFO process. Committee Member

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McKeown indicated interest in focusing on local hiring efforts as part of this process. Committee Member Kulscar asked for additional details on the evaluation criteria and scoring process, and Ms. Keefer responded that the process will include an objective review of all characteristics for projects as compared to the evaluation criteria and also additional discretionary review for project benefits.

The following individuals provided public comments on Item 3: Harvey Eder (Public Solar Power Coalition), Joe Sullivan (IBEW / NECA), Sarah Friedman (Sierra Club), and Stephanie Dashiell (The Nature Conservancy).

4. Discussed Wind Energy PPA Opportunity

Ted Bardacke, CPA Executive Director, indicated that CPA has been approached by a developer with a Power Purchase Agreement (PPA) opportunity for a wind project in Kern County, consisting of 6 wind turbines. Ms. Keefer reported that staff has looked into this project and sees a lot of benefits, including savings to CPA's renewables procurement costs, job creation, and the developer's offer to fund a scholarship program. Staff will continue to explore this opportunity and bring it back to the Energy Committee for review prior to consideration of the PPA by the Board of Directors on October 4. Committee McKeown asked what percentage of the portfolio this power would represent, and Ms. Keefer responded a small amount, approximately 1 or 2%. He also asked about the workforce development and environmental stewardship impacts, and Ms. Keefer responded it is expected to create 16 new jobs in Los Angeles County and the site is fully permitted and not expected to create additional negative environmental impacts. Committee Member Tait asked about maintenance of the turbines, and Ms. Keefer responded that there would be performance measures put in place as part of the negotiations. The Committee members expressed positive consensus around this project.

The following individuals provided public comments on Item 4: Stephanie Dashiell (The Nature Conservancy), Sarah Friedman (Sierra Club), and Harvey Eder (Public Solar Power Coalition).

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IV. COMMITTEE MEMBER COMMENTS

Committee Chair Ramirez asked for an updated on the Community Advisory Committee, and Ms. Ward responded that staff received over 40 applications and is working on the review process with the Ad Hoc Committee.

V. ADJOURN

Committee 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 Report

Date: September 26, 2018

KEY ACTIONS

- Reviewed hedge performance for August and September
- Approved interim counterparty credit limits based on TEA's standard methodology. Updated credit limits will be adopted based on a CPA-specific methodology currently under development.
- Approved transaction validation checklist and established a related mid-office recording keeping process.
- Reviewed open position and approved the following:
 - RFOs to buy block energy quantities for 2018, 2019 and 2020 in accordance with the Risk Hedging Strategy and sell 2018 block energy length
 - RFOs to buy and sell RA for 2018 and 2019 and individual RA transactions

POLICY COMPLIANCE

- Reviewed October off-peak (LLH) block energy purchase that mistakenly exceeded CPA's needs. The new transaction validation checklist addresses the issue going forward, and the RMT directed staff to sell the excess energy.
- The RMT noted planned Resource Adequacy (RA) purchases for 2019 result in exceedances of total need for January through May, November and December. This type of exceedance is contemplated under the ERMP. Specifically, the ERMP states that the RMT may approve exceeding RA volume targets if doing so

minimizes costs or is necessary for compliance. In this case, it has been necessary to procure RA products quarterly or for the entire year to meet RA requirements in the summer months when RA requirements are highest. Wherever possible, CPA will look to sell excess volumes to minimize total portfolio costs.



Staff Report – Agenda Item 3

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

From: Natasha Keefer, Director of Power Planning & Procurement

Approved by: Ted Bardacke, Executive Director

Subject: Status Update on Wind Energy PPA Opportunity

Date: September 26, 2018

OVERVIEW

On August 22, 2018, the Energy Committee recommended that staff enter negotiations with the Seller of a 21.6 MW wind PPA opportunity. On September 20, 2018, the Executive Committee also reviewed the opportunity and recommended that a PPA¹ be presented to Board of Directors on October 4, 2018, pending successful completion of final due diligence items.

Negotiations are proceeding with the Seller, and staff expects to have the PPA fully negotiated by October 4. As part of the project evaluation process, staff will be conducting a site visit to the project on October 1, which is open to any members of the Board who would like to attend by RSVPing to jbenavides@cleanpoweralliance.org by COB on Wednesday, September 26.

The project is an opportunity to secure a new wind resource in California (which are limited). Wind offers CPA important renewable portfolio diversification, particularly important because wind generation often takes place at night when solar resources are

¹ Portions of the PPA will be redacted for market-sensitive information

not producing. The project will help CPA meet its SB 350 long-term contracting compliance requirements, and the price will lower CPA's renewable energy costs as early as 2019. Construction on the project has already begun, lowering the overall risk profile of the opportunity.

PROJECT DESCRIPTION

Project Highlights

- Name: Voyager Wind IV
- Commercial Online Date (COD): December 31, 2018
- Pricing: The contract fixed price (no escalator) offers an immediate cost savings to CPA's currently projected renewables procurement costs (~25% savings in 2019)
- PPA Term: 15 Years
- Project location: Mojave, CA in Kern County
- Interconnection: Interconnection agreement is executed, and project will have Full Capacity Deliverability Status (FCDS)
- Turbine manufacturer: Vestas-American Wind Technology, Inc.

Developer

The project developer is Terra-Gen, a U.S.-based independent power producer focused on the development, construction and operation of power generation facilities utilizing clean energy resources such as wind, solar, geothermal and battery storage, with over 1,300 MW in operations and construction and 3+ GW in development. Terra-Gen was established in August 2007 and was acquired by Energy Capital Partners in September of 2015. Energy Capital Partners is a private equity firm focused on investing in North America's energy infrastructure and has raised over \$13 billion to invest in and manage energy infrastructure assets.

Wind Resource

The Tehachapi Wind Resource Area, where the Voyager IV is located, is considered the largest wind resource area in California and is located approximately 100 miles from the

Los Angeles load center. The region has a proven wind resource where wind generation has been operating since the 1980s and consists of over 2,900 MW of installed capacity today. The generation profile of this wind resource is attractive because it has an inverse shape to solar. The wind generation is expected to ramp up during the night-time and ramp-down during the middle of the day, improving CPA's supply shape compared to load, assuming CPA will also be contracting for solar resources.

Environmental / Permitting

The project is fully permitted. Since the project is an infill opportunity in an existing high intensity wind development region, the project was California Environmental Quality Act (CEQA) exempt. According to an assessment of environmental impacts conducted by consultants to the project, no significant issues arose requiring remediation or mitigation, and no additional impacts to sensitive biological resources are anticipated from the project. The project will implement recommended avoidance and protection measures, particularly for avian issues, and a Bird and Bat Conservation Strategy has been developed to address potential impacts to bird and bat species of concern.

Workforce Development

The nearest cities to the project are located in LA County (Lancaster and Palmdale). The majority of permanent employees working at Terra-Gens' O&M Center live in LA County. The overall wind development (of which Voyager IV is a subset) is expected to create an average of 205 construction jobs, and 16 new permanent jobs at the O&M Center. In addition, the developer will fund a \$150,000 community college STEM education scholarship program to be co-administered by CPA and the developer over a four year period. CPA expects to engage its future Community Advisory Committee and the Board in the design of this scholarship program.



Long-Term Clean Energy RFO Selection Process

September 26, 2018

Agenda

- Status Update
- RFO Schedule
- Balanced Offer Selection Approach
- Project Selection Process
- Project Rankings by Criteria
- Portfolio Considerations

Status Update

- CPA is on track to launch the first week of October
 - Pre-notification was sent on September 14th and available on the [CPA Admin website](#)
- Staff is currently finalizing bid instructions and offer forms
- Energy Committee Chair Carmen Ramirez and Committee Member Kevin McKeown will participate in the Project Review Team that will screen and recommend longlist and shortlist project and portfolio options
- The December Energy Committee meeting will include selection of a preferred project portfolio
 - Selection process and project ranking to be discussed today

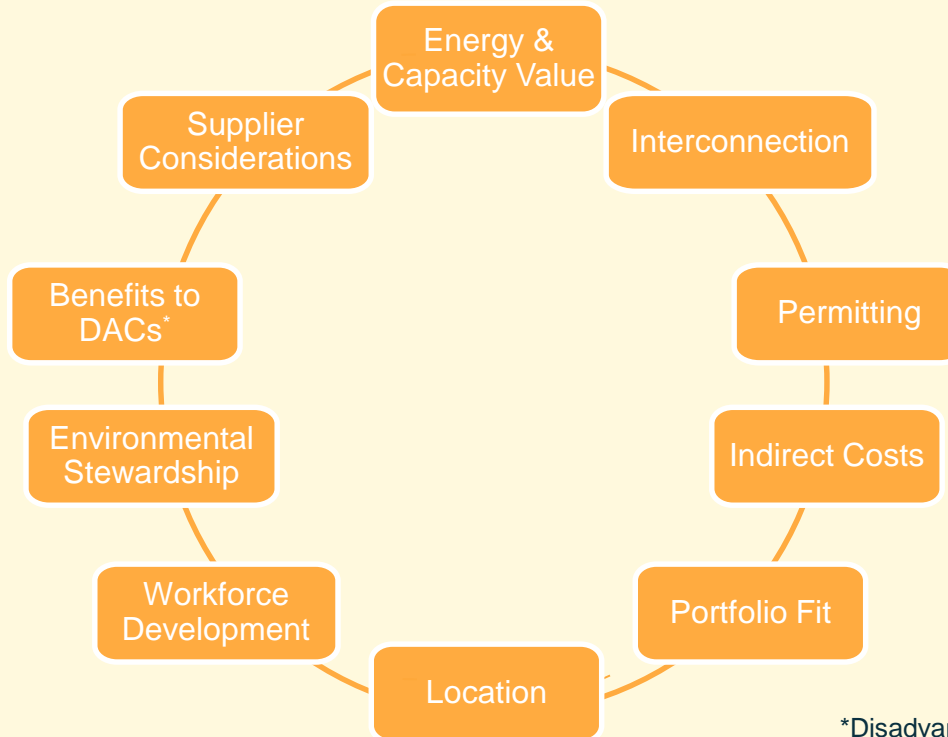
RFO Schedule

Date	Action
Week of Oct 1	RFO Issuance
Oct 22	Bidder webinar
Nov 9	RFO submissions due
Nov 12-28	Review offers and longlist*
Nov 29-Dec 7	Shortlisting*
Dec 10-20	Energy Committee to select preferred portfolio
Dec 21	Shortlist notification to bidders
Jan 9-18	Exclusivity contracts signed
Jan - Mar	PPA negotiations/contracting
April	Final PPA Board approval
April	PPA execution

* Includes Board appointee participation

Balanced Offer Selection Approach

- CPA seeks to contract with a number of projects, which will result in a well-rounded portfolio, showcasing a diverse set of benefits



*Disadvantaged Communities

Project Selection Process

Evaluate
Projects

Projects ranked high/medium/low for various criteria

Create
Portfolio
Options

A few options will be constructed using a mix of selected projects

Select
Preferred
Portfolio

Energy Committee will select a preferred portfolio based on blended cost and other factors

Shortlist for
Negotiation

Projects in preferred portfolio will be invited to proceed with PPA negotiations

Project Ranking

- Individual projects will receive a rank (high, medium, low) for each of the following criteria:



- CPA will also be collecting data on projects that may not be used directly for project ranking but will assist in screening projects for short-list eligibility
 - CPA reserves the right to remove short-list eligibility for any project with an identified material risk

REC Value

Projects will be ranked from lowest to highest \$/MWh

- The implied REC value (\$/MWh) is determined based on the value of a project's energy and capacity attributes
 - Based on each project's unique generation profile, delivery location, and resource characteristics
- Project economics are subject to economics of scale; therefore, large-scale projects will be evaluated separately from small projects

Developer Risk

Projects will ranked from highest to lowest score (0-100)

- The developer risk metric is a composite score based on a number of factors impacting project risk:
 - Site control
 - Interconnection status
 - Environmental screens
 - Land use and permits
 - Project financing

Environmental Stewardship

Projects will be ranked high, medium, and low based on the following prioritization:

HIGH

- Demonstrates multiple benefits (provides additional societal, health, economic, water saving, or environmental benefits beyond the climate and GHG reduction benefits of renewable energy)

MEDIUM

- Located in an area designated as a preferred renewable energy zone and received required land use entitlement permits

LOW

- Not located in a preferred renewable energy zone or has not received required land use entitlement permits

Workforce Development

Projects will be ranked high, medium, and low based on the following prioritization:

HIGH

- The project will use targeted-hire, union labor, or multi-trade project labor agreements (including requirements for state-apprenticeship graduates)

MEDIUM

- The project does not have a labor agreement, but can demonstrate prevailing wage, union labor, and targeted hire commitments

LOW

- The project does not demonstrate prevailing wage, union labor, and targeted hire commitments

Project Location

Projects will be ranked high, medium, and low based on the following prioritization:

HIGH

- In Los Angeles and Ventura counties

MEDIUM

- Other counties within California

LOW

- Out of state projects

Benefits to DACs

Projects will be ranked high, medium, and low based on the following prioritization:

HIGH

- Located within a DAC and demonstrates DAC workforce and community development benefits

MEDIUM

- Project not located within a DAC but can demonstrate DAC benefits, including community outreach

LOW

- Project does not demonstrate DAC benefits

Supplier Diversity

Projects will be ranked high, medium, and low based on the following prioritization:

HIGH

- The developer is a GO 156 certified business and/or plans to use GO 156 certified businesses

MEDIUM

- The developer demonstrates initiatives to promote workplace diversity

LOW

- The developer does not demonstrate initiatives to promote workplace diversity

*CPUC General Order 156 encourages purchase of at least 21.5% of goods and services from women; minority; lesbian, gay, bisexual and transgender (LGBT); and disabled veteran owned businesses

Portfolio Considerations

- Individual project rankings will allow the review team to prepare a number of portfolio scenarios for Energy Committee selection
- Portfolio considerations include:
 - Overall blended cost of portfolio supply (\$/MWh)
 - Selection of highly-ranked projects in each of the evaluation criteria categories
 - Supply shape and fit with CPA's hourly load profile and annual compliance requirements
 - Portfolio risk minimization