

Meeting of the Board of Directors of the
Los Angeles Community Choice Energy Authority (LACCE)

Thursday, December 7, 2017, 1:00pm
Los Angeles Cleantech Incubator, Amphitheater
525 S. Hewitt, Los Angeles, CA 90013

MINUTES

I. WELCOME AND ROLL CALL

Chair Horvath called the meeting to order at 1:10pm. Interim Executive Director Bill Carnahan conducted the roll call:

Present:

Director Sheila Kuehl, LA County
Director Lindsey Horvath, West Hollywood
Director Kim Hughes (alternate), South Pasadena
Director Steve Zuckerman, Rolling Hills Estates
Director John Harabedian, Sierra Madre
Director Corey Calaycay, Claremont
Director Kevin McKeown, Santa Monica
Director Alex Saab, Downey

Absent:

Director Stephen Sham, Alhambra

A quorum was established.

It was noted that future Board members Meghan Sahli-Wells of Culver City and Julien Gold of Beverly Hills were present, as well as Harry Schwarz of Agoura Hills via phone. Director Weintraub of Calabasas also attempted to join by phone but was unable due to technical difficulties.

II. PUBLIC COMMENT

Dana Murray, Environmental Manager, City of Manhattan Beach:
Ms. Murray wanted to make it known that the City of Manhattan Beach was present but not voting. Ms. Murray indicated she will be the second alternate LACCE Board member for Manhattan Beach.

III. REGULAR AGENDA

1. Appoint Acting Chair and Vice Chair

Staff recommended the rotation of Chair and Vice Chair remain the same for this month, as Director Weintraub was unable to be present at this month's meeting to assume chairmanship. Acting Chair Horvath was willing to remain Acting Chair at staff's recommendation.

Since Director Weintraub was absent, Counsel advised a new Acting Vice Chair be appointed by the Board for this meeting.

Director McKeown moved to appoint Director Kuehl as the Acting Vice Chair, and Director Hughes seconded. Motion passed unanimously.

2. Approval of minutes from the November 2, 2017 Board Meeting

Chair Horvath moved to approve. Vice Chair Kuehl seconded. As many of the Board members were not present at the November meeting, Counsel requested a roll call vote to record abstentions.

Roll Call Vote:

Director Calaycay, Claremont: Abstain

Director Saab, Downey: Abstain

Director Zuckerman, Rolling Hills Estates: Abstain

Director Harabedian, Sierra Madre: Abstain

Director McKeown, Santa Monica: Abstain

Chair Horvath, West Hollywood: Aye

Director Hughes, South Pasadena: Aye

Vice-Chair Kuehl, LA County: Aye

Due to the number of abstentions the motion did not obtain quorum, and will be placed on a future Board agenda for approval.

No request for public comment was received on this item.

3. Approve Amendment Number 1 to the Los Angeles Community Choice Energy (LACCE) Authority Joint Powers Agreement

Thirty (30) days required public notice of this intent to amend the JPA was provided at the November 2, 2017 meeting.

Director Hughes motioned to approve the item. Vice Chair Kuehl seconded.

In discussion, Director Zuckerman proposed a language change to the amendment with the understanding that a city could be subject to more than one power procurement contract at the time of its departure. His

recommendation was for the language to read: “under any power purchase agreement,” rather than “under the power purchase agreement.”

Director Hughes accepted the amendment.

Counsel asked Director Zuckerman to make the motion adopting the amendment with the amended language, which was seconded by Director Hughes.

A roll call vote was requested by Counsel, as an item to amend the JPA requires a two-thirds (2/3) vote per the LACCE Joint Powers Agreement.

Roll Call:

Director Hughes, South Pasadena: Aye
Director Zuckerman, Rolling Hills Estates: Aye
Director Harabedian, Sierra Madre: Aye
Director Calaycay, Claremont: Aye
Director Saab, Downey: Aye
Vice Chair Kuehl, Los Angeles County: Aye
Director McKeown, Santa Monica: Aye
Chair Horvath, West Hollywood: Aye

The motion was approved.

No request for public comment was received on this item.

Prior to moving to next item, the Executive Director recognized Carson City Councilmember Jawane Hilton in the audience as a soon-to-be board member for Carson.

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

Mr. Carnahan made the staff presentation for the item.

Director McKeown moved to approve the item. Director Harabedian seconded. The motion passed unanimously.

No public comment was received on this item.

5. Adopt Resolution Approving Rate Schedules effective February 1, 2018, through December 31, 2018, for Phase 1 accounts

Mr. Carnahan explained the LACCE approach for rate-setting for Phase 1. For Phase 1, the County will continue to pay nearly their current Edison rates while maximizing renewable power. The contract with the power

supply vendor will guarantee rates for Phase 1 for three years for a product that is 85% carbon free (60% renewable plus 25% non-renewable carbon-free) and 15% unspecified power. He indicated that is the lowest unspecified resource percentage in the state among CCAs.

Mr. Carnahan confirmed that SoCal Edison will finalize their rates in January or February of 2018, which will have some impact on the final LACCE rates. He also confirmed Phase 2 rate negotiations would begin in March or April of 2018, but the approach will be different because Phase 1 was unique.

Roll Call Vote:

Director McKeown, Santa Monica: Aye
Director Harabedian, Sierra Madre: Aye
Director Hughes, South Pasadena: Aye
Director Zuckerman, Rolling Hills Estates: Aye
Director Calaycay, Claremont: Aye
Director Saab, Downey: Aye
Vice Chair Kuehl, Los Angeles County: Aye
Chair Horvath, West Hollywood: Aye

The motion passed.

No public comment was received on this item.

Chair Horvath requested to take the next item out of order and hear it at this time, as the vendor present to answer questions for that item had to leave early. No Board objections to taking the item out of order.

6. Discussion Item: LACCE name change (taken out of order)

Staff presented name change options to the Board for discussion, and branding consultant ATAK Interactive gave a brief presentation on the thought process behind the generation of the alternate names.

Public Comment

Denise Fairchild, Los Angeles County resident: Ms. Fairchild made comments on potential names.

Board members gave specific feedback on the options presented by staff.

During discussion Director McKeown recommended that the future Community Advisory Committee be involved in the naming process.

Chair Horvath noted that since this was a discussion item, no action would be taken and that staff would return the following month with a plan based on the feedback received.

7. Approve request to develop a plan for temporary staff assistance

Mr. Carnahan gave the staff presentation for this item. He stated that LACCE has been operating with three staff people, but that the workload necessitates additional staff assistance and asked for authority to return in January with a staffing plan.

Vice Chair Kuehl expressed concern about waiting until the January Board meeting to give approval for a plan for temporary staff hire, as staff indicated the need was immediate.

Director Harabedian asked if the Board could take action to authorize the interim Executive Director to hire temporary staff under a dollar amount ceiling, given the way the agenda item was written. Counsel advised that if a motion was made to approve a specific dollar amount cap or number of staff for the director to be authorized to hire on a temporary basis, that would be allowable.

Director Calaycay made a motion that the Board allow the Interim ED up to the full requested amount of \$150,000 to secure temporary help which could include the assistance of county staff or outside temporary hire to fulfill the needed workload. Director Kuehl seconded.

Counsel noted that the County Memorandum of Understanding (MOU) with LACCE is up to \$2 Million for administrative costs, so this amount could be accommodated under the MOU.

Santa Monica requested that the motion be updated to include a preference for staff who have technical expertise or experience in distributed energy and other related fields.

Director Calaycay and Vice Chair Kuehl accepted the amendment.

Roll Call:

Director McKeown, Santa Monica: Aye
Director Harabedian, Sierra Madre: Aye
Director Hughes, South Pasadena: Aye
Director Zuckerman, Rolling Hills Estates: Aye
Director Saab, Downey: Aye
Director Calaycay, Claremont: Aye
Vice Chair Kuehl, County of LA: Aye
Chair Horvath, West Hollywood: Aye

The motion passed.

No request for public comment was received on this item.

8. Adopt policy for new entrants to LACCE after the Initial Enrollment Period

Gary Gero, LA County Chief Sustainability Officer, gave the staff presentation on this item which described the process by which cities would be added to LACCE after the initial enrollment period.

Public Comment

Kent Minault, Sierra Club, made comments regarding the importance of ensuring low income communities could be included in the program.

Chair Horvath suggested that cities be added quarterly instead of biannually and that a 90-day grace period be considered for cities affected by recent wildfires in Los Angeles and Ventura counties.

Director Zuckerman suggested that it be made clear that any costs associated with joining LACCE not be seen as punitive and that it be made known LACCE welcomed additional cities into the program.

Staff acknowledged the recommendations and indicated they would be included in the policy.

Public Comment

Garrett Wong, City of Santa Monica, asked if the Board has the discretion to accept or not accept a city, and encouraged the Board to enshrine a policy for cities with Disadvantaged Community Status.

Director Calaycay motioned to approve the staff recommended policy with the addition that the Board consider a cost waiver due to recent wildfires, and with the recommended change from Director Zuckerman to make explicit in the policy that the point of the policy is to offset additional costs, and there will not be additional charges or fees associated with late entry. Director Harabedian seconded.

Roll Call Vote:

Director McKeown, Santa Monica: Aye
Director Harabedian, Sierra Madre: Aye
Director Hughes, South Pasadena: Aye
Director Zuckerman, Rolling Hills Estates: Aye
Director Saab, Downey: Aye
Director Calaycay, Claremont: Aye
Vice Chair Kuehl, County of LA: Aye

Chair Horvath, West Hollywood: Aye

The motion passed.

9. Legislative and Regulatory Updates

Mr. Carnahan gave the staff presentation. For legislative updates, Mr. Carnahan indicated that staff was proactively planning for the January start of the legislative session, and would be identifying key committees and sharing position papers with Board members.

Chair Horvath noted that she serves as chair of the legislative committee of the California Contract Cities Association, and that they had already moved to include CCA legislation as a priority issue, and that the League of California Cities was prioritizing as well. Mr. Carnahan stated he would put Chair Horvath in touch with Cal CCA to coordinate efforts.

Director McKeown asked about LACCE's role in the PCIA proceedings. Mr. Carnahan confirmed that LACCE, at the Board's approval, was currently participating in a cost sharing agreement with Western Riverside COG and the Coachella Valley Association of Governments for legal and regulatory expertise in the proceedings.

No request for public comment was received on this item.

10. Discussion Item: 2018 Board Meeting Schedule and Strategic Planning Session

Mr. Carnahan emphasized that January would be very busy for the Board, and that the volume of items for strategic planning discussions would likely necessitate its own session outside of a regular Board meeting.

Mr. Gero suggested scheduling the January board meeting on Wednesday, January 17th at 1pm at a to-be-determined location, and that future Board meetings be held on the second Thursday of each month at 9am at a to-be-determined location.

Vice Chair Kuehl wanted to make sure staff knows who the best contact point is for each member city, and that onboarding was essential for each new Board member.

Mr. Carnahan confirmed that staff intends to onboard Board members prior to their first Board meeting, but that recent weeks had been extremely busy for staff with the large jump in membership.

Director McKeown stated that a 9am meeting might be impractical given mobility issues and traffic. He also provided a list of requests for staff response at the January Board meeting so that the Board could start to plan for Phases 2 & 3. Mr. Carnahan responded that staff would try to have this ready by the January meeting.

Public Comment

Denise Fairchild, County of LA resident, stated that LACCE had a growing constituency of interested community members, and that as LACCE was implementing a new model with more community engagement, that meetings should be scheduled in the evenings to make it easier for community members to attend.

Public Comment

Sarah Friedman, Sierra Club, asked how the Community Advisory Committee could be involved in the strategic planning, given the timing. She also asked how the strategic planning would be informing Phases 2 and 3 of the program.

Dana Murray, City of Manhattan Beach, asked about batched trainings for new Board members, and whether they would occur before strategic planning. She also asked about plans for general public outreach.

Joe Sullivan, IBEW, advised the Board to start a Community Advisory Committee as soon as possible, on an ad-hoc basis if needed.

Mr. Carnahan responded on the status of the Community Advisory Committee, and said that staff had been holding workshops to gather suggestions from the public on the formation of a Community Advisory Committee. The idea was that community feedback from those workshops would be provided to the Board to incorporate into a future Board meeting at which formation of the committee would be addressed.

Mr. Carnahan also confirmed staff would be scheduling trainings for new Board members prior to the strategic planning process. With regards to outreach, Mr. Carnahan stated that the RFP for outreach services had not gone out yet, but it would be soon and that it would be mainly for Phases 2 and 3.

Mr. Carnahan also stated that LACCE was unique in that unlike other CCA's, LACCE did not start out with a full complement of Board members and that the decision had been made to wait until there were more members to inform the formation of a Community Advisory Committee.

IV. STAFF AND BOARD ANNOUNCEMENTS

Director Calaycay noted, as a Brown Act procedural matter before proceeding with future meetings, that if Board members were joining via phone, and if they are going to vote via phone from a satellite location, their satellite location needs to be noticed on the agenda. Staff and counsel confirmed this procedure for future meetings.

Director McKeown expressed his preference for turning more to a portfolio manager such as TEA for guidance on procurement for future phases, and urged staff to bid for data and billing services that can support Distributed Energy Resources (DER). He also encouraged staff to hire people with DER and energy risk management experience. He also asked about the process for setting of the Board agenda and expressed Santa Monica's interest in being involved in that process. He also referred back to the issue of Board trainings, and reiterated that the subjects were very complex and that Board members needed comprehensive energy training in order to make knowledgeable decisions.

V. CLOSED SESSION

The Board entered closed session. No action was taken.

VI. ADJOURN

The meeting was adjourned at 3:43pm.