

REGULAR MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, September 26, 2018, 11:00 a.m.

555 W. 5th Street, 35th Floor
Los Angeles, CA 90013

Beverly Hills City Hall
4th Floor, Conference Rm 4B
455N. Rexford Drive
Beverly Hills, CA 90210

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

Camarillo City Hall
601 Carmen Drive
Camarillo, CA 93010

Rolling Hills Estates City Hall
4045 Palos Verdes Drive N.
Rolling Hills Estates, CA 90274

MINUTES

I. WELCOME & ROLL CALL

Committee Chair Julian Gold called the meeting to order. Board Secretary Jacquelyn Betha conducted roll call.

Roll Call				
1	Beverly Hills	Julian Gold	Committee Chair	Present
2	Camarillo	Tony Trembley	Committee Member	Present
3	Carson	Reata Kulcsar	Committee Member	Present
4	Rolling Hills Estates	Steve Zuckerman	Committee Member	Present

II. PUBLIC COMMENT

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

III. GENERAL ANNOUNCEMENTS

Ted Bardacke, CPA Executive Director, announced that Manhattan Beach Councilwoman Amy Howorth is no longer a member of the Finance Committee as Steve Napolitano is now the Mayor of Manhattan Beach, and is serving as the representative to Clean Power Alliance.

Mr. Bardacke also announced that a decision on the Power Charge Indifference Adjustment (PCIA) has been postponed until October 11, 2018.

Lastly, Mr. Bardacke introduced the incoming Chief Financial Officer for Clean Power Alliance, David McNeil, who will begin on October 29, 2018. Mr. McNeil is joining the organization with a wealth of knowledge and experience, most recently having served as Manager of Finance for Marin Clean Energy (MCE).

IV. REGULAR AGENDA

1. Approved Minutes from August 22, 2018 Finance Committee Meeting:
Motion: Beverly Hills, Committee Chair Gold. Second: Rolling Hills Estates, Committee Member Steve Zuckerman. Vote: Item 1 was approved by a unanimous roll call vote.
2. Received July & August 2018 Monthly Dashboards
Mr. Bardacke shared that in July, Clean Power Alliance financials exceeded the predicted forecast for that month, and August was better in terms of the SCE collections. Regarding the accumulated margin chart, the organization is currently accumulating cash flow, but staff anticipates cash flow to go down during the months between October and April, which is to be expected, and we will start to increase again beginning in May 2019. January through May 2019 will yield greater variances due to the acquiring of new power supply contracts, the start of phase three, and the outcome of the PCIA, so there will be some volatility. Staff will update the forecast line in the coming weeks to reduce the variances, but still anticipates volatility in the first quarter of 2019. Chair Gold recommended that once staff updates the forecast that another line be added to the chart to reflect that change.

Committee Member Zuckerman requested a formatting clarification regarding the revenue figures on future dashboards, and Matt Langer, CPA Chief Operating Officer, indicated that staff would make that change.

Committee Member Kulcsar asked for clarification regarding the invoice number

and the change between July and August. Monique Edwards, CPA Director of Data Analytics & Technology Integration, responded that there are not new customers coming online between that time, but that we are billing customers a month behind and invoicing is completed based on a scheduled meter read date so there will always be a lesser amount invoiced than total amount of customers.

Mr. Bardacke reported that we are still less than 400 customers who have opted out, which is just over 1% of customers and just below 3% of load, which is very low as compared to our projected opt outs. Clean Power Alliance expects a higher opt out rate among residential customers, and staff is tracking the reasons for customer opt outs. Ms. Edwards also described the process for customers to return to CPA service after they have opted out. Chair Gold suggested that CPA develop a message to customers who opt out indicating that they can return to CPA service, and Mr. Bardacke indicated this was a good idea and that CPA is also developing enrollment and call-center scripts that will also include specific language on this topic

3. Received August & September 2018 Risk Management Team Reports

Mr. Langer reported that the members of the Risk Management Team (RMT) are currently the Executive Director, Chief Operating Officer, Director of Power Planning & Procurement, and anticipates that the Chief Financial Officer will be appointed to the RMT.

A summary of the August RMT meeting was presented, including discussion on: the counterparty credit limit approval process, how to develop monthly reports to the Energy Committee and quarterly reports to the Board, approval of some transactions and solicitations to procure power pursuant to the Risk Hedging Strategy, and issues of compliance with the Energy Risk Management Policy and the importance of reporting any deviations from the policy.

A summary of the September RMT meeting was presented, including discussion on: review of the hedge performance for August and September, review of the interim counterparty credit limits, approval of a transaction

validation checklist, established a record keeping process to ensure we are in compliance with our compliance limits and policy, and reviewed our position that we still have to fill. Mr. Bardacke added that CPA has four individuals reviewing and signing off on transactions before they reach his desk. Mr. Langer also reported on activity to sell excess capacity, and that the RMT continues to monitor resource adequacy.

Committee Members Trembley and Zuckerman asked for definitions of certain acronyms in future reports, and staff indicated it would make those changes. Chair Gold asked how compliance audits will take place, and if a compliance officer is needed. Mr. Bardacke responded that the risk management policy requires an audit by an outside entity and Mr. Langer added that incoming CFO will also be involved in risk management and compliance.

V. COMMITTEE MEMBER COMMENTS

Committee Member Zuckerman asked what positions are currently open at the organization, and Mr. Bardacke reported that CPA is looking for a Power Supply and Compliance Senior Analyst, a Community Outreach Manager, and a Senior Manager of Marketing & Customer Engagement, and CPA will also be bringing on a Regional Affairs Manager based in Ventura County. Later this year CPA will look to hire a Large Accounts Manager and a Legislative and Regulatory Director.

VI. ADJOURN

Chair Gold adjourned the meeting.