

Board of Directors Meeting

Thursday, March 7, 2019
2:00 p.m.

I. Welcome & Roll Call

II. General Public Comment

III. Consent Agenda

Item 1

Approve Minutes from February 7, 2019 Board of Directors Meeting

Item 2

Approve Amendment No. 3 to the Clean Power Alliance Joint Powers Agreement (Agreement) revising Sections 4.10.1, and 5.1 and Authorize Chair to Execute Amendment No. 3

Item 3

Adopt Resolution No. 19-03-002 Adopting the
Clean Power Alliance Bylaws and Superseding
Prior Closed Session Policy

Item 4

Approve Revisions and Clarifications to Policy
No. 7 for Net Energy Metering (NEM)

Item 5

Approve Policy No. 8 Regarding Public Comment

Item 6

Adopt a Sponsor Role and a Position of Support on Senate Bill 355 (Portantino) and Authorize CPA Staff to Communicate that Role and Position of Support to State Legislators, the Governor and other Interested Stakeholders

Item 7

Receive and File Report from the Community
Advisory Committee February 14, 2019 Meeting

IV. Regular Agenda

Item 8

Adopt Resolution 19-03-003 to Approve Adjusted 2019 Rates for Phases 1 and 2 Non-Residential Customers and New Preliminary Rates for Phase 4 Non-Residential Customers, and Resolution 19-03-004 to Approve Adjusted 2019 Rates for Phase 3 Residential Customers

March 2019 Rate Changes

March 7, 2019

March Rate Changes

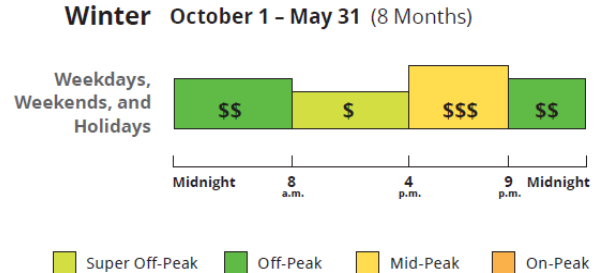
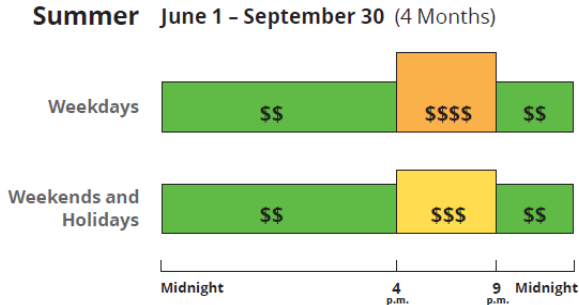
- On March 1st, SCE implemented significant rate changes in two categories
 1. **Time of Use (TOU) periods** – the times during the day/year where energy rates are higher or lower
 2. **Miscellaneous rate issues** – allocation of costs among different rate classes and a variety of rate design modifications
- In order to maintain the Board approved rate comparison ranges and to avoid customer confusion, staff is presenting rate changes that will align CPA's rates with SCE's latest rates
- Customers will be subject to the new rates beginning with their March meter read date
- CPA rates presented today will be effective March 1 so that customers will not have March bills split between two different TOU structures.

TOU Period Changes

- SCE is changing TOU periods to better align prices with the cost of energy
- The TOU periods will apply to both energy charges (CPA) and delivery charges (SCE)
- CPA is matching SCE's periods to avoid customers being subject to conflicting periods for energy and delivery

NEW TIME-OF-USE (TOU) PERIODS

1



1. Graphic and description provided by SCE to CPA customers in mailer notifying them of the TOU period change

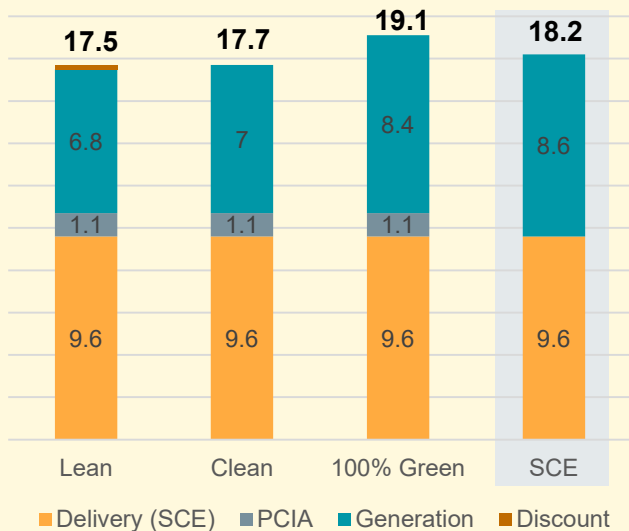
Rate Design Changes

- SCE March 1st rates incorporate numerous other changes that were approved by the CPUC in recent regulatory proceedings
 - Allocation of costs – the percentage of costs for electric service paid by each customer class
 - Rate design – incorporating time-differentiated charges for distribution, changes to residential baseline allocations, grandfathering rate options, consolidating rate options, etc.
- CPA is also mirroring these rate changes to maintain consistency and to stay within the Board-approved rate ranges

Today's Rate Adjustment

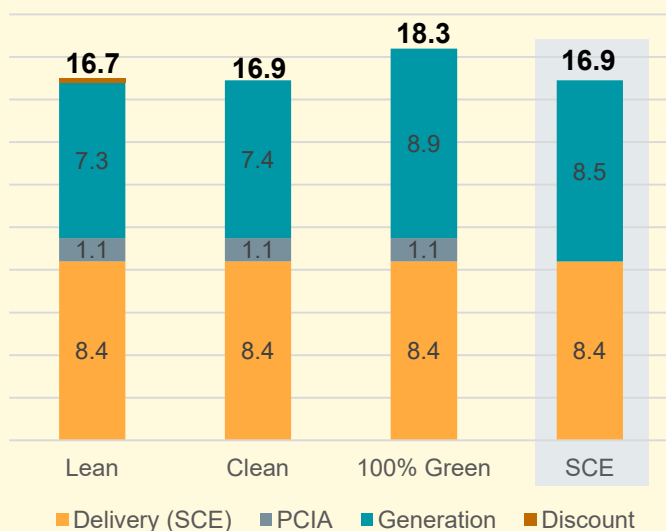
Rates Approved Dec 13

TOU-GS-1-A Rate (cents/KWh)



Today's Proposed Rates

TOU-GS-1-E Rate (cents/KWh)



Most common commercial rate, TOU-GS-1-A, is now TOU-GS-1-E.

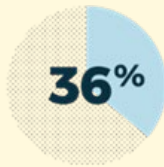
What happens next?

Two more rate changes are expected in the next few months

- **April 4 Board Meeting**
 - Rate increase on SCE and CPA customers to recover SCE's \$825 million undercollection from 2018 (approved by CPUC on 1/31)
- **May or June Board Meeting (TBD)**
 - ERRA rates, updated PCIA, including brown power true-up (approved by CPUC on 2/21)
- Staff will propose rate updates to the Board in conjunction with both of these changes in order to maintain the Board approved rate comparison ranges
- This rate setting process is unprecedented and unlikely to be repeated in 2020 – largely a result of SCE's power market losses and TOU structural changes overlapping with CPA's mass enrollment period

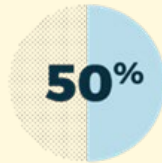
2019 Rate Setting Messaging

- This rate setting process is unprecedented and unlikely to be repeated in 2020
- Regardless of changes in SCE rates and PCIA, we will consistently communicate that CPA rates fall within the following ranges



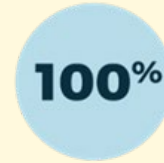
Lean Power

36% renewable energy that offers a **1%-2%** discount to overall Southern California Edison (SCE) bill as compared to SCE 2019 base rates.



Clean Power

50% renewable energy that offers a **0%-1%** overall bill discount to SCE 2019 base rates.



100% Green Power

100% renewable energy that is a **7%-9%** overall bill premium to SCE 2019 base rates for non-CARE / FERA / Medical Baseline customers.

Offers parity with SCE rates for CARE / FERA / Medical Baseline customers.

Item 9

Approve Fiscal Year 2018/2019 Budget
Amendment

CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA

FY 2018/2019 BUDGET

Proposed

	A	B	C	D	E
		FY 2018/19 Base Budget	Amendment	FY 2018/19 Budget (Amended)	% Change
1	Revenue - Electricity net	254,314,684	27,486,000	281,801,000	11%
2	Other revenue		10,000	10,000	n/a
	TOTAL REVENUE	254,314,684	27,496,000	281,811,000	11%
3	Cost of energy	222,051,121	24,002,000	246,053,000	11%
4	Scheduling Costs	1,000,000	(1,000,000)	-	
	TOTAL ENERGY COSTS	223,051,121	23,002,000	246,053,000	10%
	NET ENERGY REVENUE	31,263,563	4,494,000	35,758,000	14%

Note: Funds may not sum precisely due to rounding

**CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA
FY 2018/2019 BUDGET**

Proposed

	A	B	C	D	E
5	Staffing	2,588,055	(121,000)	2,467,000	-5%
6	Technical services		1,705,000	1,705,000	n/a
7	Legal services		713,000	713,000	n/a
8	Other services		410,000	410,000	n/a
9	Professional services	1,490,000	(1,490,000)	-	-100%
10	Communications and marketing services	284,000	149,000	433,000	52%
11	Customer notices and mailing services		2,577,000	2,577,000	n/a
12	Data management services	3,416,852	1,603,000	5,020,000	47%
13	Service fees – SCE	2,506,150	(1,280,000)	1,226,000	-51%
14	General and administration	581,940	27,000	609,000	5%
15	Occupancy	180,000	(24,000)	156,000	-13%
16	TOTAL OPERATING EXPENSES	11,046,997	4,269,000	15,316,000	39%

Note: Funds may not sum precisely due to rounding

**CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA
FY 2018/2019 BUDGET**

Proposed

	A	B	C	D	E
17	OPERATING INCOME	20,216,566	225,000	20,442,000	1%
18	Finance and interest expense	59,168	220,000	279,000	372%
19	Depreciation		6,000	6,000	n/a
20	TOTAL NON OPERATING EXPENSES	59,168	226,000	285,000	382%
21	Interest Income	-	69,000	69,000	n/a
22	TOTAL NON OPERATING REVENUE	-	69,000	69,000	n/a
23	CHANGE IN NET POSITION	20,157,398	68,000	20,226,000	0%
24	NET POSITION BEGINNING OF PERIOD	(2,676,840)		(2,676,840)	0%
25	NET POSITION END OF PERIOD	17,480,558		17,549,160	0%
	<i>Other Uses</i>				
26	LA County Loan Repayment	10,000,000	(10,000,000)	-	-100%
27	Capital Outlay	22,500	-	22,500	0%
28	Depreciation		(6,000)	(6,000)	n/a
29	CHANGE IN FUND BALANCE	10,134,898	10,074,000	20,209,500	99%

Note: Funds may not sum precisely due to rounding

Item 10

Approve Policy No. 9 for Financial Reserves

V. Executive Committee Elections

VI. Management Update

VII. General Counsel Update

VIII. Committee Chair Updates



Legislative & Regulatory Committee Chair

Finance Committee Chair

Energy Planning & Resources Committee Chair

Communications & Outreach Ad Hoc Chair

IX. Board Member Comments

X. Report from the Chair

XI. Adjourn

Next Meeting – April 4, 2019

