



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

Wednesday, March 27, 2019

12:15 p.m.

555 West 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.

PUBLIC COMMENT POLICY: *The General Public Comment 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 Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five 5 minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.

In addition, members of the Public are encouraged to submit written comments. Any written comments should be provided to Clean Power Alliance staff before an item is called so that they can be distributed to the Board and included in the official record.

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Members of the public may also participate in this meeting remotely at the following address:

Arcadia Public Works Service Center
11800 Goldring Road, Arcadia, CA 90166

Carson City Hall – Executive Conference Room, 2nd Floor
701 E. Carson Street, Carson, CA 90745

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

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. GENERAL PUBLIC COMMENT

III. REGULAR AGENDA

1. Approve Minutes from January 16, 2019 Energy Planning & Resources Committee Meeting
2. Approve Substitute Providers for Long Term Renewable Energy Development and Storage Capacity
3. Staff Update on Bilateral PPA Opportunity – Hydro Renewable Energy
4. Staff Update on January, February, and March 2019 Risk Management Team Reports

IV. COMMITTEE MEMBER COMMENTS

V. ADJOURN

Public Records: Public records that relate to any item on the open session agenda for a Committee 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, or a majority of,

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the members of the Committee. The Board has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, as the location where those public records will be available for inspection. The documents are also available online at www.cleanpoweralliance.org.

SPECIAL MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, January 16, 2019, 11:45 a.m.

MINUTES

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

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

*Ventura County Government Center
Channel Islands Conference Room, 4th Floor Hall of Administration
800 South Victoria Avenue, Ventura, CA 93009*

I. WELCOME & ROLL CALL

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

ROLL CALL			
Arcadia	Tom Tait	Committee Member	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Malibu	Skylar Peak	Committee Member	Present
Oxnard	Carmen Ramirez	Committee Chair	Remote
Thousand Oaks	Helen Cox	Committee Member	Remote
Santa Monica	Kevin McKeown	Committee Member	Remote
Sierra Madre	John Harabedian	Committee Member	Present

II. PUBLIC COMMENT

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

III. REGULAR AGENDA

1. Approved Minutes from December 13, 2018 Energy Planning & Resources Committee Meeting

Motion: Santa Monica, Committee Member Kevin McKeown.

Second: Thousand Oaks, Committee Member Helen Cox.

Vote: Item 1 was approved by a unanimous roll call vote.

2. Selected Shortlist of Providers for Long Term Renewable Energy Development and Storage Capacity.

Ted Bardacke, Executive Director, extended his appreciation to Directors Kevin McKeown and Carmen Ramirez for their time and dedication on the review team. Natasha Keefer, Director of Power Planning and Procurement, presented the preferred portfolio options. CPA's RFO Review Team met to review three portfolio options and developed a recommended portfolio for Energy Committee consideration. The recommendation was to have a portfolio that combined the three options. CPA received 234 proposals, including 23 standalone storage projects. Individual offers were evaluated on price and qualitative criteria. Staff noted the selection process included a vigorous six-part evaluation to determine whether the proposal would move forward into the shortlist of providers. High, medium and low scores may apply differently to each project, i.e., a low score doesn't mean the same across all criteria. Due to RFO confidentiality requirements, project-specific information (e.g. project names and pricing) were not included in the presentation. Once approved, notification to those who made the shortlist would be done upon conclusion of the January Energy Committee Meeting.

The following individuals provided public comment on Item 2: Harvey Eder (Public Solar Power Coalition) and Jennifer Kropke (IBEW).

Motion: Malibu, Committee Member Skylar Peak.

Second: Sierra Madre, Committee Member John Harabedian.

Vote: Item 2 passed via a roll call vote with six ayes and one abstention from Committee Member Reata Kulcsar (Carson).

3. Received December 2018 Risk Management Team Report

Matthew Langer, Chief Operating Officer, provided an update on activities undertaken by the CPA Staff Risk Management Team (RMT) during the month of December 2018.

In December, the RMT established a voting protocol to approve or reject potential transactions that fall within RMT approval authority according to CPA's Energy Risk Management Policy (ERMP). To approve a transaction, a majority of RMT members, including the Executive Director, must provide an affirmative vote. The Executive Director still retains discretion to execute transactions under his authority pursuant to the limits defined in the ERMP. Mr. Langer reported that the RMT also reviewed 2018 year-end compliance with hedge targets by product, and also reviewed open positions and approved the purchase of energy hedges covering May through November 2019.

Committee Member Helen Cox inquired about whether the bankruptcy filed by PG&E will free up any energy contracts. Matthew Langer, Chief Operating Officer, responded that CPA doesn't have any information at this time, but is monitoring the topic closely.

Committee Member Reata Kulcsar asked regarding "short-term", does that mean two years or less? Mr. Langer replied that CPA defines short-term as five years or less. Committee Member Kulcsar also asked for the definition of hedging. Mr. Langer responded that hedging locks in a price based on a transaction that happens at the time. Hedging assists with stability over time for CPA customers. If we don't hedge, we are left vulnerable to variable pricing being higher than being lower.

The following individual provided public comment on Item 3: Harvey Eder (Public Solar Power Coalition).

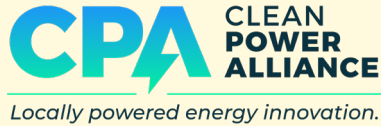
This item was for informational purposes only.

IV. COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

V. ADJOURN

Committee Chair Ramirez adjourned the meeting.



Long-Term RFO Update

March 27, 2019

Long-Term RFO Update

- During the February meeting, the Energy Committee approved the Final Shortlist for the 2018 Clean Energy RFO
- Of the 9 projects comprising the Final Shortlist, CPA entered into exclusivity agreements with 5 projects for power purchase agreement (PPA) negotiations
- Negotiations are currently underway, and final PPAs are expected to be presented for Board consideration in May and June
- Given Final Shortlist attrition, CPA is seeking approval of two additional projects for shortlisting

Final Shortlist Project List

Project Name	Type	Value Rank	Size (MW)	County	COD	Dev. Risk	Enviro. Stewardship	DAC	Project Location	Workforce Dev.
Project A	Standalone Energy Storage	ES 1	50-99	Los Angeles	Q1 2022	77.5	High	Medium	High	High
Project B	Standalone Energy Storage	ES 6	5-49	Los Angeles	Q2 2021	81.0	High	High	High	High
Project C	Solar	7	200-250	Riverside	Q4 2021	80.5	Neutral	Low	Medium	Low
Project D	Solar	8	150-199	Riverside	Q4 2021	76.5	Medium	Medium	Medium	High
Project E	Solar+Storage	10	100-149	Kern	Q4 2021	89.0	Medium	High	Medium	High
Project F	Solar+Storage	15	200-250	Riverside	Q4 2021	78.0	High	High	Medium	High
Project G	Solar+Storage	20	150-199	Kern	Q4 2020	94.5	High	Medium	Medium	High
Project H	Solar	31	50-99	Kings	Q4 2021	76.0	Neutral	High	Medium	High
Project I	Hydro	105	5-49	Butte	Q4 2021	Existing	Existing	Existing	Existing	Existing

Projects Under Exclusivity

- Of the nine shortlisted parties, CPA entered into exclusivity with five
- These five projects represent 1-2 million MWh of targeted RFO annual output

Project Name	Type	Value Rank	Size (MW)	County	COD	Dev. Risk	Enviro. Stewardship	DAC	Project Location	Workforce Dev.
Project C	Solar	7	200-250	Riverside	Q4 2021	80.5	Neutral	Low	Medium	Low
Project D	Solar	8	150-199	Riverside	Q4 2021	76.5	Medium	Medium	Medium	High
Project F	Solar+Storage	15	200-250	Riverside	Q4 2021	78.0	High	High	Medium	High
Project G	Solar	20	0-49	Kern	Q4 2020	94.5	High	Medium	Medium	High
Project H	Solar	31	50-99	Kings	Q4 2021	76.0	Neutral	High	Medium	High

Additional Projects

- The portfolio of projects entering into PPA negotiations includes significantly reduced storage capacity
- In addition, there may be project attrition during the negotiation process
- The developer of project G reduced its capacity, but offered to replace capacity from Project J at a lower price and add storage
- Therefore, CPA recommends that two additional projects be shortlisted:

Project Name	Type	Value Rank	Size (MW)	County	COD	Dev. Risk	Enviro. Stewardship	DAC	Project Location	Workforce Dev.
Project J	Solar + Storage	6	100-149	San Bernardino	Q4 2021	81.0	High	High	Medium	High
Project K	Standalone Energy Storage	ES 15	50-100	Ventura	Q4 2022	44.0	Neutral	Medium	High	High

Project J

- Project J was offered into the original 2018 Clean Energy RFO solicitation
- Repriced at significant discount by the developer of Project G as replacement for reduced output
 - If selected, Project J would represent CPA's highest value project
- Opportunity to secure additional storage capacity
- High qualitative rankings due to location of site on retired power plant, DAC benefits, and commitment to PLA
- Exempt from San Bernardino County's recent restrictions on renewable energy

Project K

- Project K was offered into the original 2018 Clean Energy RFO solicitation
- Would serve as a standalone energy storage replacement
- Opportunity to secure a local project within CPA's service territory
- Project also provides benefits for the Big Creek/Ventura local capacity region
- Located on an existing industrial site and has committed to securing a PLA
- Low development ranking due to early stage development
 - Phase 1 interconnection study now complete and conditional use permit is in process

Summary and Next Steps

- PPA negotiations are underway and CPA is expected to contract for its 1-2 million MWh renewable energy RFO target
- CPA will provide additional updates on negotiations to the Energy Committee in April



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: Bilateral PPA Opportunity – Hydro Renewable Energy

Date: March 27, 2019

OVERVIEW

CPA has been approached by the Seller regarding an opportunity to secure a 10-year Power Purchase Agreement (PPA) with a 12 MW Renewable Portfolio Standard (RPS)-eligible hydro project located in Kern County, with expected output of approximately 48,000 MWh/year. The project initially bid into CPA's November 2018 Short-Term Clean Energy RFO but expressed interest in entering into a long-term contract. The project is an existing resource nearing the end of its current contract and would be available for contracting with CPA starting in December 2020.

Staff is continuing to diligence the project and finalize commercial terms; however, staff is seeking guidance from the Energy Committee on whether entering into negotiations with the Seller for a long-term PPA is of benefit to CPA.

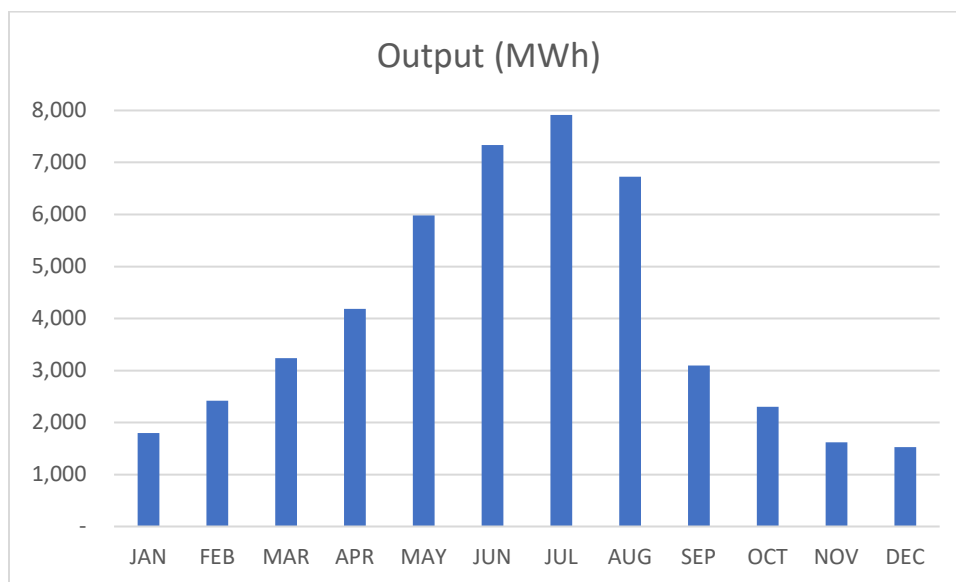
Project Benefits

The project is an opportunity to secure an RPS-eligible hydro resource in California, which are limited. Because CPA's 2018 Long-term Clean Energy RFO resulted in solar-only resources, opportunities to secure non-solar resource diversity are attractive. In addition, securing a long-term contract with the project would help CPA meet its SB 350 long-term

contracting compliance requirements. Pricing for this offer is attractive and more competitive than other hydro offers received in the Long-term Clean Energy RFO.

Hydro Resource

The project is located on a dammed reservoir. Water releases are controlled by the U.S. Army Corps of Engineers, primarily for flood control and irrigation. The output of the facility is attractive and complementary to CPA’s high summertime demand profile:



Environmental/Permitting

The California Energy Commission has certified the project as an RPS-eligible resource. The project is fully permitted and licensed with the U.S. Army Corps of Engineers through 2039. The dam is currently undergoing a restoration effort to ensure continued operation. There have been no environmental or permitting issues identified with this project.

Project Owner

The project is owned by a private entity that owns several small hydroelectric facilities across the Western United States. As with all transactions, CPA is reviewing counterparty creditworthiness and will seek appropriate credit support for the transaction.



Staff Report – Agenda Item 4

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

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: January, February, and March 2019 Risk Management Team Reports

Date: March 27, 2019

MARCH 2019

Key Actions

- Discussed updated load forecast incorporating new Phase 4 eligible customer list
- Reviewed open positions and approved purchase of energy hedges covering the period of January 2020 through December 2021
- Discussed SCE's recent credit downgrade event and approved updated credit and notional limit for transactions with SCE
- Considered the potential for summer 2019 energy price volatility and possible strategies to mitigate risk

Policy Compliance

No new policy compliance issues to report.

FEBRUARY 2019

Key Actions

- Reviewed open positions and approved purchase of energy hedges covering portions of 2019 and the period of January 2020 through December 2021

- Approved Counterparty Credit Protocols, which govern CPA's treatment of credit risk management for energy procurement-related transactions
- Discussed implications of transacting with energy suppliers outside of the lockbox within the next few years
- Discussed the possibility of measuring hedge targets on a rolling 12-month schedule

Policy Compliance

No policy compliance issues to report.

JANUARY 2019

Key Actions

- Discussed market fundamentals noting that energy prices have fallen over the last month due to mild weather throughout the US
- Reviewed monthly and annual hedging targets for energy for 2019-2022 and approved targets within the parameters specified in the Energy Risk Management Policy (ERMP)
- Reviewed annual hedge targets for PCC1, PCC2 and carbon free for 2020-2024 and approved targets within the parameters specified in the ERMP
- Reviewed and approved a tentative 2019 procurement schedule consistent with the established hedge targets

Policy Compliance

No new policy compliance issues to report.