



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

Wednesday, May 22, 2019

12:15 p.m.

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 Christian Cruz, at least two (2) working days before the meeting at ccruz@cleanpoweralliance.org or (213) 269-5870. 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 on any agenda item to PublicComments@cleanpowerallianc.org. To enable an opportunity for review, written comments should be submitted at least 72 hours but no later than 24 hours in advance of the noticed Committee meeting date. Any written materials submitted thereafter will be distributed to the Committee at the Committee

Clean Power Alliance Energy Planning & Resources Committee
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meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.

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 90166

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

Santa Monica City Hall – Room 201
1685 Main Street, Santa Monica, CA 90401

I. WELCOME & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from April 24, 2019 Energy Committee Meeting

IV. REGULAR AGENDA

2. Staff Update on Long-Term Power Purchase Agreements (PPAs)
3. May 2019 Risk Management Team Report

V. COMMITTEE MEMBER COMMENTS

VI. 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, 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.*

MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, April 24, 2019, 12:15 p.m.

MINUTES

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

*Santa Monica City Hall – Room 201
1685 Main St., Santa Monica, CA 90401*

*Arcadia Public Works Service Center
11800 Goldring Rd., Arcadia, CA 90166*

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

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

I. WELCOME & ROLL CALL

Committee Chair Carmen Ramirez called the special meeting to order. Interim Board Secretary Christian Cruz conducted roll call.

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

II. GENERAL PUBLIC COMMENT

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

III. REGULAR AGENDA

1. Approved Minutes from March 27, 2019 Energy Planning & Resources Committee Special Meeting

Motion: Committee Member Harabedian, Sierra Madre.
Second: Committee Member McKeown, Santa Monica.

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

3. Received staff Update on Resource Adequacy (RA)

(Staff requested this item to be moved up in the Agenda, which the Committee allowed)

Matt Langer, CPA Chief Operating Officer, provided a brief update. Mr. Langer highlighted that currently there has been activity surrounding issues in the RA market. Additionally, there are currently several bills in the legislature around central procurement.

Mr. Langer also updated the committee on the closing of gas fired power plants, which is a cores issue, and means thousands of megawatts going away, thus increasing scarcity in the market. This can cause those generators who remain in the market to gain a large market share. Additionally, more CCAs are participating in the market creating challenges.

Also, there are two big changes being considered at the CPUC. First, a decision was made around local capacity whereby a multi-year procurement is now required. Second, the CPUC is looking at a framework for a central buyer for local RA. CPA supports a residual framework, whereby Load Serving Entities (LSE) can still procure local RA and should there be an energy shortfall then the Central Buyer would step in to fill in the gaps. Mr. Bardacke indicated that a residual framework would allow CCAs to go out and get carbon free resources, which would provide value and then could be monetized to allow CCAs to pursue green projects in a financially viable way.

Committee Member McKeown suggested we advocate for a framework that doesn't involve a central buyer, since any framework with a central buyer would severely limit the ability of CPA to lead the transition to true renewable energy. Mr. Bardacke did mention that there is currently legislation that will speak directly to that issue.

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

This item was for informational purposes only.

2. Staff Update on Distributed Energy Resources (DER) Pilot Program

Natasha Keefer, Director of Power Planning & Procurement, provided a presentation on the DER Pilot Program, which is expected to launch in January 2020. Staff is working with Olivine, which has extensive experience piloting these kinds of programs. This program will allow CPA staff to gather data and experience on how best to run these types of programs, which in turn will feed into the local program strategic planning process. It is important to the CPA to understand how DER technologies will grow in order to understand how we can utilize them for the benefit of CPA customers. In addition, DERs have the ability to save CPA money from a reduction in the need to procure RA, helps meet environmental requirements, and would help improve customer engagement. Once the DER programs have been vetted, staff will bring back those option to the Committee for guidance.

Committee Member McKeown requested that CPA be vigilant, so as to not inadvertently pilot a program that would be using non-renewable solutions for DERs, such as Natural Gas. Ms. Keefer clarified that the selection criteria does include categories for improvement of air quality, local health, and reduction in GHG emissions, which are also key policy objectives. Committee Member Harabedian asked staff whether the pilot is prioritizing sustainable green energy careers or workforce building. Ms. Keefer stated that it is a consideration on how the projects will be scored. Committee Member Harabedian also suggested that multiple pilots be considered, so as to learn as much about potential programs as possible.

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

This item was for informational purposes only.

4. Received update on April 2019 Risk Management Team report

Ted Bardacke, CPA Executive Director, noted that CPA came out of February transition month, and CPA staff is shifting focus on the May enrollment and managing the opt-outs.

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.



Staff Report – Agenda Item 2

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

From: Natasha Keefer, Director of Power Planning & Procurement

Approved By: Ted Bardacke, Executive Director

Subject: Update on Long-term Power Purchase Agreements (PPAs)

Date: May 22, 2019

SUMMARY

As a result of its 2018 Clean Energy Request for Offers (RFO), CPA is planning to bring 1 to 3 long-term PPAs to the June 6, 2019 Board of Directors meeting for review and approval consideration. Below is a summary of the RFO process and an overview of the key contract terms.

BACKGROUND

In October 2018, CPA launched its first long-term clean energy RFO, in which CPA targets procurement of 1-2 million MWh of renewable energy annually from multiple projects.

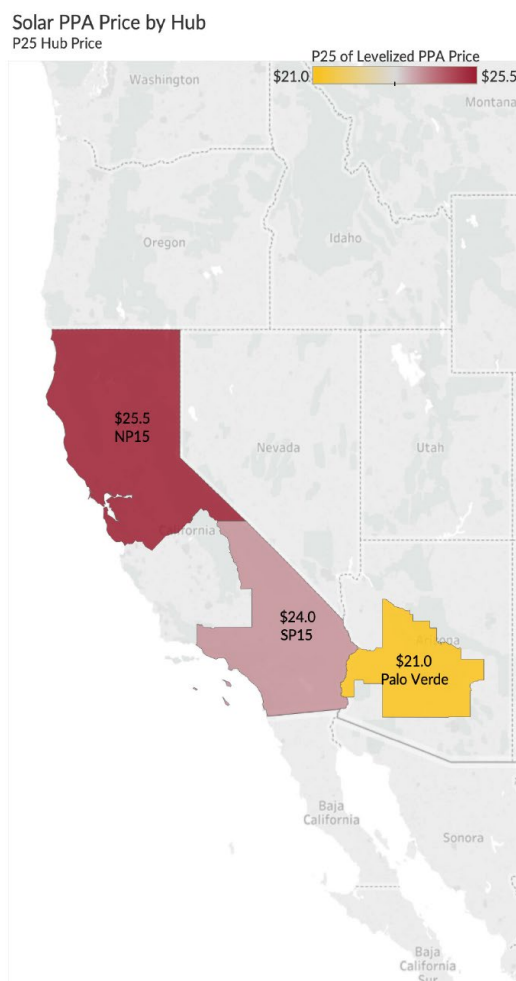
CPA received a robust response to the RFO from over 230 facilities for renewable, renewable plus storage, and standalone storage offers. The Energy Planning & Resources Committee approved a shortlist of projects that were selected to proceed with PPA negotiations. CPA entered into exclusive negotiations with five developers for seven projects, which includes four solar facilities, two solar plus storage facilities, and one standalone battery facility, for contracts 15 years in length or longer (see Attachment 1 for a summary of projects).

Per CPA’s Energy Risk Management Policy, any long-term transactions require approval by the Board. Staff anticipates bringing 1 to 3 of these seven short-listed projects to the June Board meeting for consideration.

RATIONALE

These long-term PPAs will enable CPA to meet its regulatory obligations¹ and serve customers more cost-effectively than buying renewable energy on the short-term market, while expanding the overall supply of renewable energy in California.

LevelTen’s Q1 PPA 2019 Price Index provides average “P25”² solar PPA pricing in \$/MWh terms recently offered in California:



¹ SB350 requires that 65% of Renewable Portfolio Standard (RPS)-compliance related renewable energy supply be sourced via long-term contracts.

² Represents the most competitive 25th percentile offer price.

CPA's long-term contracts currently under negotiation reflect pricing that is typical in the current market. Securing these long-term contracts have the potential to save CPA \$30 – \$40 million annually compared to short-term renewable energy contracts, depending on assumed project success rates and current short-term renewable energy credit (REC) pricing.

KEY CONTRACT TERMS

Compensation

CPA pays for the output of each project at a fixed-price rate per MWh (no escalation) for the full term of the contract. CPA is entitled to all product attributes from the facility, including energy, RECs, resource adequacy, and ancillary services (as applicable). CPA compensates both for energy delivered (up to 115% of annual expected energy) and energy that is curtailed during periods of system overgeneration.

Collateral Requirements

Sellers are required to financially secure obligations under the contracts for both the development period and performance period for the following amounts:

- \$60,000/MW of contract capacity for as-available resources (e.g. solar)
- \$90,000/MW of contract capacity for dispatchable and baseload resources (e.g. storage)

Development Considerations

Sellers have certain project development requirements to achieve full commercial operation and deliver product under the terms of the contract. Sellers must meet certain critical construction milestone schedules (e.g. construction start, financial close, interconnection completed) and report on progress to CPA. In addition, for those developers that made workforce development commitments, those commitments must be satisfied prior to the start of construction. Prior to achieving full commercial operation, a third-party independent engineer must sign off on the final construction of the project. If the Seller misses its development milestones or does not meet the specifications of plant design, it will pay damages to CPA per the terms of the

agreement. CPA also has certain rights to terminate the contract prior to the delivery term.

Performance Considerations

Once the plant is operational, the Seller must meet certain performance standards, including guaranteed energy production equal to 160% of expected energy for a 2-year performance measurement period. If the Seller is unable to perform under its obligations under the contract, CPA has specific rights to collect liquidated damages and/or terminate the contract.

Confidentiality

Consistent with the approach taken for the Terra Gen Voyager II PPA approved by the Board in October 2018, certain provisions of the contracts are confidential and will appear redacted in the Board of Directors meeting materials, including contract price and any other non-standard terms negotiated and specific to the counterparty and/or project. Due to the likely harm to CPA, its customers, or its counterparties, these provisions will be confidential for three years from the date the contract starts and are exempt from disclosure under the California Public Records Act pursuant to Government (Govt.) Code Sections 6255 and 6245(k). Any disclosure of this information would place CPA, CPA's customers, and its counterparties at a market or cost disadvantage. In addition, this confidential information is the type of market-sensitive electric procurement information that the CPUC protects under D.06-06-066 (as modified) for all load-serving entities, including Southern California Edison.

Attachment: 1) Summary of Projects

SUMMARY OF PROJECTS

Project	Type	Value Rank	Size (MW)	County	COD	Enviro. Stewardship	DAC	Location	Workforce Dev.
C	Solar	7	200-250	Riverside	Q4 2021	Neutral	Low	Medium	High
D	Solar	8	150-199	Riverside	Q4 2021	Medium	Medium	Medium	High
F	Solar+Storage	15	200-250	Riverside	Q4 2021	High	High	Medium	High
G	Solar	20	0-49	Kern	Q4 2020	High	Medium	Medium	High
H	Solar	31	50-99	Kings	Q4 2021	Neutral	High	Medium	High
J	Solar + Storage	6	100-149	San Bernardino	Q4 2021	High	High	Medium	High
K	Standalone Storage	ES 15	50-100	Ventura	Q4 2022	Neutral	Medium	High	High



Staff Report – Agenda Item 3

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

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: May 2019 Risk Management Team Report

Date: May 22, 2019

SUMMARY

Key Actions

- Reviewed load forecast scenario that reflects CPA's latest opt out projections. The load forecast will continue to be updated with actual Phase 4 customer opt out trends through the Phase 4 post-enrollment period.
- Reviewed counterparty credit and discussed Peninsula Clean Energy (PCE)'s receipt of its Baa2 Moody's rating.
- Reviewed open positions and approved energy hedge transactions covering the period of July 2019 through December 2021.

Policy Compliance

No new policy compliance issues to report.