

MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, May 15, 2019, 1:30 p.m.

MINUTES

555 West 5th Street, 35th Floor
Los Angeles, CA 90013

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

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

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order.

Roll Call				
1	Beverly Hills	Julian Gold	Director	Remote
2	Los Angeles County	Sheila Kuehl	Vice Chair	Present
3	Oxnard	Carmen Ramirez	Committee Member	Remote
4	Rolling Hills Estates	Steve Zuckerman	Committee Member	Present
5	Santa Monica	Kevin McKeown	Committee Member	Present
6	South Pasadena	Diana Mahmud	Chair	Present
7	Ventura County	Linda Parks	Vice Chair	Remote
8	West Hollywood	Lindsey Horvath	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

There were no public comments.

III. CONSENT AGENDA

1. Approved Minutes from April 17, 2019 Executive Committee Meeting

Motion: Beverly Hills, Committee Member Gold

Second: Rolling Hills Estates, Committee Member Zuckerman

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

IV. REGULAR AGENDA

2. Reviewed Draft Agenda for June 6, 2019 Board of Directors Meeting

Ted Bardacke, Executive Director, briefly reviewed consent agenda items, and noted the Professional Services Agreement between Maher Accountancy and CPA, and the intent to begin insourcing activities being conducted by consultants over the course of the year. In addition, a candidate for the vacant Community Advisory Committee (CAC) seat for unincorporated Los Angeles County is on the consent agenda. Chair Mahmud asked about Task Order No. 4 and the term of the agreement with The Energy Authority (TEA) in conjunction with the term of this task order. Mr. Bardacke stated that CPA has a three-year resource management agreement with TEA and Task Order No.4 would replace Task Order No. 3.

Mr. Bardacke discussed Item 6: Rates on the regular agenda and highlighted the 1,800 subset customers that will be impacted by higher rate premiums. Under the current rates, CPA cannot cover the costs to serve these customers. Vice-Chair Kuehl asked for clarification on how this impacts our current power contracts. David McNeil, Chief Financial Officer, clarified that CPA will need to buy less power beginning in October. However, for the summer months CPA has already procured the needed energy.

Chair Mahmud indicated there is consensus to proceed after the summer to adjust our rates in a manner consistent with cost causation. The Committee also advised staff to be transparent with CPA customers on this issue, so they are aware of the rate change and its effects far in advance. Mr. Bardacke reported that letters will be going out to the affected subset customers giving them notice of this issue. These customers will also have

60 days after their enrollment date with CPA service to opt-out risk free. Mr. Bardacke added that there are two alternatives to addressing the subset customer issue: 1) significantly raise rates on all customers effectively subsidizing the subset customers, or 2) raise rates on just those subset customers to cover their cost of service.

Vice Chair Kuehl asked staff if there are any other options. CPA staff indicated, that given the financial situation and cost of service for certain customers, currently there is no other option other than those discussed today. Committee member Gold asked, in order to get CPA closer to even on cost, is there any flexibility in having rate increases, but still under what Edison would charge, that would get CPA closer to cover cost of service for the subset customers. Staff indicated that any increase in the Clean rate would no longer provide parity cost, so flexibility does not exist at this time. Vice Chair Parks asked what the impact will be to the 100% customers. Mr. Bardacke clarified that there is no impact to residential customers or small business customers. CPA staff indicated that a new rate group could be established for municipal accounts. The Committee expressed it would be inequitable to have CPA to cover the cost of the municipal accounts affected, while still requiring the subset customers to cover their total cost of service. The Committee indicated that affected customers and member agencies should pay for what they use to maintain equitable treatment for all affected accounts.

Mr. Bardacke provided a brief overview of the draft budget and highlighted the operations expenses, very little of which is discretionary. Vice Chair Kuehl asked about the expansion of staff over the next year. Mr. Bardacke clarified that CPA is looking to insource its operations, and staff expansion will be needed to do so. Chair Mahmud asked for clarification on capital outlay. Mr. Bardacke clarified, that line item is for CPA furniture, fixtures and improvements for a future permanent office space for CPA.

Mr. Bardacke reviewed the final item of the agenda pertaining to Power Purchase Agreements (PPAs). CPA received over 230 bids in its Long-Term Clean Energy RFO and is currently in negotiation with five developers for seven projects. It is expected that in June, two or three of these contracts will be ready for Board consideration. Committee member Zuckerman asked if these projects entail new construction or buying power from existing facilities. CPA staff clarified these projects are new construction.

This item was for discussion purposes only.

3. Discuss Southern California Edison Return on Equity Request

Ted Bardacke, Executive Director, provided a brief review on this item. SCE requested a higher return on equity to increase shareholder returns. If this request is adopted, by the Federal Energy Regulatory Commission (FERC) and the California Public Utilities Commission (CPUC), the average residential customer bill increase would be approximately \$14.40. CPA could file for party status to be able to take action as proceedings move forward, and the Committee indicated its preference for CPA to submit for party status in the CPUC proceeding only.

This item was for discussion purposes only.

4. Staff Update on 2019 Board Retreat Planning

Ted Bardacke, Executive Director, reviewed the Board retreat format, which will include a two-hour strategic planning workshop on local programs. In addition, there will also be a plenary on rates, member agency expansion, and emerging energy market issues. Chair Mahmud requested that membership expansion be expanded upon to create more interest for the breakout session. Vice Chair Kuehl advised that the agenda include potential questions for discussion to better inform the Board on what will be discussed during the Retreat.

This item was for discussion purposes only.

V. COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

VI. ADJOURN

Chair Mahmud adjourned the meeting.