

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, July 18, 2019 2:00 p.m.

MINUTES

Metro Headquarters, 4th Floor, Plaza View Room
One Gateway Plaza, Los Angeles, CA 90012

*Calabasas City Hall
Council Conference Room
100 Civic Center Way, Calabasas, CA 91301*

*Ventura County District 2 Supervisor's Office
625 W Hillcrest Dr, Thousand Oaks, CA 91360*

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

*Whittier City Hall – Admin Conference Room
13230 Penn Street, Whittier, CA 90602*

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order. Interim Board Secretary Christian Cruz conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	In-Person
3	Arcadia			Absent
4	Beverly Hills	Julian Gold	Director	In-Person
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo	Tony Trembley	Director	Remote
7	Carson	Reata Kulcsar	Alternate	In-Person
8	Claremont	Corey Calaycay	Director	In-Person
9	Culver City	Meghan Sahli-Wells	Director	In-Person
10	Downey			Absent
11	Hawaiian Gardens			Absent
12	Hawthorne			Absent

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13	Los Angeles County	Gary Gero	Alternate	In-Person
14	Malibu	Skylar Peak	Director	In-Person
15	Manhattan Beach	Dana Murray	Alternate	In-Person
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Remote
19	Paramount	Adriana Figueroa	Alternate	Remote
20	Redondo Beach	John Gran	Alternate	In-Person
21	Rolling Hills Estates	Steve Zuckerman	Director	In-Person
22	Santa Monica	Pam O'Connor	Alternate	In-Person
23	Sierra Madre			Absent
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	In-Person
26	Temple City			Absent
27	Thousand Oaks	Jay Spurgin	Alternate	Remote
28	Ventura	Christy Weir	Director	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Robyn Eason	Director	In-Person
31	Whittier			Absent

II. GENERAL PUBLIC COMMENT

There were no general public comments:

III. CONSENT AGENDA

1. Approved as Amended Minutes from June 6, 2019 Board of Directors Meeting
2. Approved Minutes from June 28, 2019 Board of Directors Special Meeting
3. Approved as Amended Policy No. 11 Governing Records Retention and Disposal
4. Approved Second Amended Task Order No. 1 with MRW and Associates for Rate Setting and Cost of Service Analysis

5. Received and Filed Report from the June 11, 2019 Community Advisory Committee Meeting

6. Received and Filed Quarterly Risk Management Team (RMT) Report

Motion: Director Gold, Beverly Hills

Second: Director Calaycay, Claremont

Vote: Items 1 through 6 passed by a roll call vote, with an abstention on Item 2 from Camarillo.

IV. REGULAR AGENDA

Action Items

7. Discussed and Provided Direction on CPA Expansion Strategy

Ted Bardacke, CPA Executive Director, provided a brief overview on the approach and timing for expansion of CPA's membership. At this time, if new members joined this year, they would not be served until 2021. Staff is looking for input from the Board on criteria for new agencies to join. Director Calaycay asked whether there would be nominal fee for new agencies to cover staff costs to review the feasibility of joining. Mr. Bardacke indicated that if analysis is done for a few cities, who are interested in joining they can share the cost of analysis and staff costs. Director Maloney asked what the reasons were why some cities didn't join initially. Director Gero clarified that some cities just didn't have an interest, others wanted to wait and see the agency stabilize first, and the third reason was some cities just didn't have the votes within the city council to move forward. Director Sahli-Wells stated her preference would be to expand CPA to only cities willing to come in at 100 percent, emphasizing the expansion of CPA should be values driven. Director Luevenos commented that if the goal is to have geographic diversity, then there will be communities that would be left out since they would not be able to afford coming in at 100 percent. As such, the CPA should keep in mind socioeconomic issues for communities, as well.

The Board moved staff recommendation to prepare for potential expansion of CPA in 2020 by developing criteria for new member agency recruitment based

on criteria such as increasing geographic diversity, filling in service territory gaps, acquisition of key load pockets, and enhancing CPA's financial strength and environmental impact, and take into account the Board comments in the development of expansion criteria.

Motion: Director Sahli-Wells, Culver City

Second: Director Gero, Los Angeles County

Vote: Item 7 passed by a unanimous roll call vote.

8. Approved Amendments to the Energy Risk Management Policy (ERMP)

Matt Langer, Chief Operating Officer, provided a brief presentation on the ERMP, including the hedging strategy and portfolio content categories. Mr. Langer clarified that CPA works with an independent supplier to buy power at a fixed price for a specified amount of time. Director Zuckerman asked when CPA has substitute energy that is not renewable, and there is reimbursement of extra clean energy does it mean that, that extra clean energy that is delivered to CPA has an associated cost. Mr. Langer clarified that this is part of the price that CPA pays for energy. Mr. Langer also highlighted non-Renewable Portfolio Standard (RPS) eligible carbon free energy, which essentially means nuclear resources and large hydroelectric resources, however, these resources are recognized by the California Energy Commission (CEC), but these projects are not currently being developed. Currently, these resources are in SCE's portfolio, therefore, for CPA to remain competitive, CPA also has to show these resources in our portfolio. Mr. Langer also highlighted the pricing trends for carbon free and renewable energy. For PCC-1, prices are between \$14-\$21 per MWh, PCC-2 \$5-\$10 per MWh, PCC-3 between \$1- \$2 per MWh, and carbon free prices have risen to over \$10 per MWh. However, the current amount of PCC-1 purchased by CPA alone meets the minimum compliance requirement in the RPS program. Mr. Langer noted that if the PCC-3 transaction is approved, this along with PCC-2 will only be used in the Clean and Lean product tiers, no PPC-3 resources would be used for the 100% Green Power product. Mr. Langer also noted that the PCC-3 transaction are only intended to be for this

year and CPA will then return to only purchasing PCC-1 and 2.

Director Gero asked why PCC-3 is devalued as compared to PCC-1 and 2. Mr. Langer stated that the California RPS program limits entities to at most 10% from PCC-3. Because of this, there remains a substantial amount of PCC-3 resources and they retain very little value if they cannot be delivered with substitute energy.

Director Ellison asked how long we would include nuclear and large hydro in the CPA portfolio. Mr. Langer clarified that CPA has purchased only some large hydro but no nuclear. Board Chair Mahmud said the Board, early on, directed staff not to purchase nuclear energy. In addition, staff will continue to review its products which may indicate less of a need for carbon free products, such as large hydro but carbon free will remain in the portfolio for the foreseeable future. Director Zuckerman asked why we are currently selling excess PCC-1. Mr. Langer stated that with the subset customer issue we currently have an excess of PCC-1, that we otherwise don't need. Director Kulcsar asked if the purchases of PCC-3 will only be used in 2019 or will they be used beyond. Mr. Langer stated, that they would only be used in 2019.

Director Gero did note for the Board that CPA did take a position that discouraged the use of PCC-3. The County believed they lack environmental credibility and as the JPA was being developed for the CCA the public also felt strongly they should be discouraged. Mr. Bardacke also added that this decision was a necessary financial decision and the fact that this item is before the Board now is a testament to the fact that it was not the intention of staff to purchase/use PCC-3 until it became financially necessary.

The following individual provided public comments on Item 8: Joe Sullivan (IBEW Local 11)

Motion: Director Calaycay, Claremont

Second: Director Zuckerman, Rolling Hills Estates

Vote: Item 8 passed by a unanimous roll call vote.

V. MANAGEMENT UPDATE

Mr. Bardacke provided an update on the SCE billing issues. Mr. Bardacke stated the billing issue identified in two ways 1.) From customer interaction. 2.) Staff noticed that daily deposits from SCE were off from what CPA staff projected them to be. This issue affected 10% of CPA customers. These customers either did not get a bill or only received a partial bill. This also affected all CCAs within SCE territory. Once SCE identified what caused the billing problem the issue was fixed. However, CPA is working with SCE to clear the backlog of charges. In addition, SCE is offering payments plans. CPA messaging is directing customers to the SCE call center, since SCE has the ability to help customers resolve the issue.

Director Weir asked if SCE is consistently advertising CPA on the bill under the charges. Monique Edwards, Director of Technology Integration and Data Analytics, clarified that on the second line of the first page is the CCA service account, but CPA is not referenced. This is simply because SCE does not have space to include the abbreviation of the CCA. However, on the following pages of the bill CPA is specifically referenced. Director Murray asked if there is a specific geographic area affected. Mr. Bardacke stated that there is no geographic pattern to the customers affected by the delayed billing and it seems to be random. Director Zuckerman asked about the prescriptive language in the enabling legislation or statute that requires the IOUs to cooperate on the billing and can there be judicial review. Nancy Whang, General Counsel, clarified that there could be a contention on disputes of fact, but the statute is not clear and does not lend itself well to an adjudicatory process. However, CPA could evaluate and consider legal action.

Director Gold asked whether a letter should be sent out to our customers clarifying the issue and its genesis. Mr. Bardacke stated that this is a possibility and CPA asked SCE to send out a letter, since it was an error on their end, but they declined to do so, at this time. However, staff is working with SCE on joint website language and it will be

posted on the SCE website within the next 24-48 hours.

Mr. Bardacke announced that the CPA 100% renewable product received Green-e certification, which is an independent certification of authenticity that we are delivering 100% renewable energy. Mr. Bardacke also announced that SCE will be making another rate change at the end of the month. CPA staff will bring an analysis of the rate change to the Board in September.

Director Lindsey Horvath asked when the last time SCE had these many rate changes. Mr. Langer stated they can't recall any other time this has happened and is unprecedented. Director Horvath stated that this is a disservice to our customers and that the PUC was doing a deep dive into the previous rate change and it would be appropriate that CPA compile any necessary information and submit it to the PUC, for further investigation on the necessity of the rate changes.

VI. LEGISLATIVE & REGULATORY UPDATE

Gina Goodhill, Policy Director, provided a brief overview of bills CPA is monitoring. Ms. Goodhill highlighted SB 155 and stated that CPA and CCAs worked diligently to amend this bill. This bill was amended with added language to clarify that it will not grant the PUC any new authority.

Ms. Whang provided a brief regulatory update. Ms. Whang highlighted the Cost of Capital proceeding. SCE filed an application to get 10.6% return of equity with an adder of 6% for the wildfire risk. However, with the passage of wildfire legislation, the adder will not be included and would fall under their general return on equity.

VII. COMMITTEE CHAIR UPDATES

There were no Committee Chair updates.

VIII. BOARD MEMBER COMMENTS

There were no Board member comments.

IX. REPORT FROM THE CHAIR

Chair Mahmud requested that we have a senior representative from SCE to speak about their Public Safety Power Shutoff Program. Chair Mahmud also stated that the Board will be dark in August and will reconvene in September.

X. ADJOURN

Chair Mahmud adjourned the meeting.