



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

**Wednesday, September 25, 2019**

**12:15 p.m.**

**555 W. 5th Street, 35<sup>th</sup> 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 Rigo Garcia, at least two (2) working days before the meeting at [rgarcia@cleanpoweralliance.org](mailto:rgarcia@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](mailto: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 meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.*

Clean Power Alliance Energy Planning & Resources Committee  
September 25, 2019

*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

Malibu City Hall  
23825 Stuart Ranch Road  
Malibu, CA 90265

Thousand Oaks Public Works Conference Room  
2100 Thousand Oaks Boulevard,  
Thousand Oaks, CA 91362

**I. WELCOME & ROLL CALL**

**II. GENERAL PUBLIC COMMENT**

**III. CONSENT AGENDA**

1. Approve minutes from September 4, 2019 Energy Committee Meeting
2. Receive and file September 2019 Risk Management Team Report

**IV. REGULAR AGENDA**

3. Staff update on Power Purchase Agreements
4. Provide feedback on 2019 Long-Term Clean Energy RFP Process – Local Distributed Track Criteria
5. Staff update on Integrated Resource Planning Procurement Proposed Decision

**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](http://www.cleanpoweralliance.org).*

MEETING of the Energy Planning & Resources Committee  
of the Clean Power Alliance of Southern California  
Wednesday, September 4, 2019, 12:15 p.m.

**MINUTES**

*Clean Power Alliance  
555 W. 5<sup>th</sup> Street, 35<sup>th</sup> Floor  
Los Angeles, CA 90013*

*Malibu City Hall  
23825 Stuart Ranch Rd  
Malibu, CA 90265*

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

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

*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*

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**I. WELCOME & ROLL CALL**

Committee Chair Ramirez called the meeting to order at 12:19 p.m. Interim Board Secretary Cruz called the roll.

<b>ROLL CALL</b>			
<b>Arcadia</b>	Tom Tait	Committee Member	Remote
<b>Carson</b>	Reata Kulcsar	Committee Member	Remote
<b>Malibu</b>	Christine Shen	Committee Alternate	Remote
<b>Oxnard</b>	Carmen Ramirez	Committee Chair	Remote
<b>Santa Monica</b>	Kevin McKeown	Committee Member	Remote
<b>Sierra Madre</b>	John Harabedian	Committee Member	Absent
<b>Thousand Oaks</b>	Helen Cox	Committee Member	Absent

**II. GENERAL PUBLIC COMMENT**

Board Chair Diana Mahmud introduced herself.

**III. CONSENT AGENDA**

1. Approve Minutes from June 26, 2019 Energy Committee Meeting
2. Receive and File July and August 2019 Risk Management Team Reports

**Motion:** Committee Member McKeown, Santa Monica.

**Second:** Committee Member Tait, Arcadia.

**Vote:** Items 1 and 2 were approved by a unanimous roll call vote.

**IV. REGULAR AGENDA**

**3. Received Staff Update on 2019 Long-Term Clean Energy Request for Offers (RFO) Process**

Natasha Keefer, Director of Power Planning & Procurement, presented the staff report.

Ms. Keefer provided a summary of the 2018 Clean Energy Request for Offers (RFO) including the initial launch in 2018 with a goal of contracting 1 to 2 million MWh in renewable energy. Initial offers received included over 230 facilities yielding 11 short-listed projects, seven exclusive negotiations, and two executed Power Purchase Agreements (PPA). Ms. Keefer discussed lessons learned from the 2018 RFO including incorporating six criteria areas of focus: value; development risk; environmental stewardship; workforce development; project location; and benefits to disadvantaged communities. The proposed 2019 RFO processes include adding additional projects to the shortlist project, targeting additional local projects, and maintaining the RFO review team with Board Member participation.

Committee Chair Ramirez asked which identifying parameters would increase short-listed projects. Ms. Keefer answered that short-listed projected need to evaluate the quality of proposals versus having a specified number of total proposals to consider. Board Chair Mahmud recommended establishing a maximum shortlist number prior to scoring proposals to allow for prioritization.

Ms. Keefer discussed procurement drivers for the 2019 RFO that satisfy Senate Bill (SB) 350 requirements including projects that are in excess of 10-year terms; produce cost savings through long term pricing; produce a load resource balance for portfolio diversity; and increase new steal in ground projects. Ms. Keefer further discussed existing long-term

renewable contracts, the current overall renewable need of approximately 7,500 GWh's, and current contracts that cover 15% to 20% of that need. Ms. Keefer detailed the benefits of selecting projects with earlier online dates to help the CPA meet compliance requirements early and avoid having to catch up with more procurement in later years.

Committee Member McKeown asked for clarification on load energy needs. Ms. Keefer clarified the differences between projected total load need (13,000 GWh) versus renewable energy need (7,500 GWh), RPS targets (33% to 44%), and its relation to SB 350 requirements. Ms. Keefer explained the impacts on additional supply required by illustrating two alternatives for compliance via a chart.

Ms. Keefer discussed portfolio diversity explaining that most of the renewable energy the CPA is contracted with is solar and there is a need for alternative sources in consideration for hours of the day when there is no solar production. She explained other considerations to meet average hourly-load resource balances which include wind, geo-thermal, and storage resources.

Ms. Keefer indicated that the 2019 RFO schedule has an expected launch in October 2019 with two procurement tracks, utility-scale procurement of 10 MW or larger with online dates of 2023 and earlier, and distributed procurement track of less than 10 MW for projects that are located in Los Angeles and Ventura Counties. Criteria for the distributed procurement track will be discussed during the September 25, 2019 Energy Committee meeting. Committee Member Kulcsar asked about the scope of work and how staff evaluates consultants. Ms. Keefer answered that the scope of work would be the same as in the 2018 RFO and staff will recommend that the Board execute a task order with Ascend Analytics for the 2019 RFO process due to competitive pricing, and their expertise in battery storage modeling.

Committee Member McKeown shared his perspective on the 2018 RFO challenges including the lack of local proposals and non-daytime procurement projects. Ms. Keefer indicated the local procurement track is intended to encourage local projects by leveling the playing field by capping projects at 10 MW including battery storage projects. Ted Bardacke, Executive Director, further added that the 2019 RFO will incorporate consideration of later online dates due to land use requirements and set less emphasis on development risk scoring based on where a local projects fall in the Interconnection Queue.

Committee Chair Ramirez thanked Staff for its work during the 2018 RFO.

Board Chair Mahmud mentioned Measure W funding for land acquisition and MS4 stormwater permit requirements and the potential for collaboration with those efforts.

#### **4. Review Bilateral PPA Opportunity – Wind Resource with 2020 Online Date**

Ms. Keefer presented a bilateral PPA opportunity located in Arizona for a 300 MW wind project. Ms. Keefer explained three benefits to consider: an early online date of December 31, 2020 helps long term compliance reducing additional procurement needs in 2023 and 2024; resource diversity in consideration of limited California wind projects; and cost savings in procuring long-term projects is considerably less expensive than short-term renewables with a projected saving of \$8 million versus short-term procurement.

Ms. Keefer discussed how this project ranked in the evaluation criteria including;

- Value: Project is competitive;
- Development Risk: project is late-stage development and highly de-risked;
- Workforce Development: Developer anticipates project will result in 300 new jobs in construction with 10 permanent jobs during operation with a commitment to use IBEW labor for electrical work and \$1 million in workforce development in Los Angeles and Ventura Counties;
- Environmental Stewardship: Project has secured all environmental permits and staff is conducting additional due diligence in that area;
- Benefits to Disadvantaged Communities: the project is not located within a disadvantaged community in California.

Committee Member McKeown commented that the \$1 million in workforce development may offset some of the evaluation criteria shortfalls by helping local workers and producing programs for disadvantaged communities. Committee Chair Ramirez asked about why the project had not committed to utilizing all union labor. Mr. Bardacke answered that it was related to the developer's commitment to get a 2020 Online Date and using internal employees and Engineering Procuring and Construction Providers (EPC) versus subcontracting the work.

Committee Chair Ramirez opened the public comment period.

*From Los Angeles:*

Jennifer Kropke, attorney for International Brotherhood of Electrical Workers (IBEW) Local 11, expressed concern over local projects; compared the \$1 million towards workforce development to working hours the project produces; and advocated for local projects.

Committee Chair Ramirez closed the public comment period.

Committee Member Kulcsar indicated her preference for projects that come through the annual RFO process. Mr. Bardacke indicated the project is an opportunity that will not exist in time for the 2019 RFO deadlines and provided an example of an earlier wind project that was selected but was sold to another energy provider. Board Chair Mahmud indicated the Committee should consider exceptional opportunities where environmental review of the development has already been completed.

Committee Members concurred that the opportunity was an important one, indicating that local communities funding would mitigate concerns over providing an exception, and that wind resources provides flexibility in the portfolio.

The Committee directed staff to initiate negotiations with the Developer, and if negotiations merit, bring the item to the Board for consideration.

##### **5. Staff Update on 2020 Integrated Resource Plan (IRP) Process**

Ms. Keefer provided background on the IRP as a planning exercise to model future portfolios focusing on a transition from centralized Investor Owned Utilities (IOU) to Community Choice Aggregation model and moving from dependence on natural gas resources to 100% clean energy.

Ms. Keefer discussed the 2017-18 IRP conforming submittal plan, the California Public Utilities Commission (CPUC) opening a Procurement Track that focused on backstop procurement mechanisms and addressing procurement that may require collective action. Ms. Keefer summarized the CPUC's controversial decision to identify potential shortfalls of up to 2,000 MW for each Load Serving Entity (LSE) and a related proposed mandate on its' procurement; and CPUC's order to SoCal Edison to enter into new contracts for 500 MW of existing resources on behalf of all LSE's and charging LSE's proportionally.

Ms. Keefer discussed a joint 2019-20 IRP process with six CCA's to ensure acceptance and plan integration that produce a conforming plan incorporating CPUC assumptions and preferred plan incorporating agreed-upon assumptions that differ from those required by the CPUC. Director Keefer discussed upcoming schedule targets and next steps that

include the CPA working with CalCCA to advocate within the 2017-18 IRP, the procurement track, and the 2019-20 IRP, selecting a consultant to conduct the joint IRP and individual LSE modeling that will feed into the submittal.

Committee Member McKeown asked if CPA staff planned to meet with CPUC Commissioners during an upcoming visit to Southern California. Mr. Bardacke answered that staff has scheduled meetings with two Commissioners outside of the meeting to address issues with the IRP process and taking proactive steps to avoid future processes whereby the CPA may be required to enter into long-term non-renewable contracts.

Board Chair Mahmud complemented staff on the joint develop strategy indicating there was strength in numbers.

Committee Chair Ramirez open the public comment period; there being no speakers, Committee Chair Ramirez closed the public comment period.

#### **V. COMMITTEE MEMBER COMMENTS**

Committee Member McKeown indicated City Hall was experiencing the first peak air-conditioning season and reported no problems.

Committee Chair Kulcsar inquired how many wind projects are under development. Director Keefer indicated she could produce a list from the CAISO Interconnection Queue but cautioned that listed projects are at times placeholders. Board Chair Mahmud indicated that list would not provide reliable comparison data.

Committee Alternate Shen discussed homelessness and heat patterns.

#### **VI. ADJOURN**

Committee Chair Ramirez adjourned the meeting at 1:41 p.m.



## Staff Report – Agenda Item 2

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

**From:** Matthew Langer, Chief Operating Officer

**Approved by:** Ted Bardacke, Executive Director

**Subject:** September 2019 Risk Management Team Report

**Date:** September 25, 2019

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### **KEY ACTIONS**

- Reviewed summer energy market conditions to date, noting mild weather has led to low load and energy prices across the western United States.
- Reviewed Resource Adequacy (RA) position and decided to take no new action until final RA requirements are issued by the California Public Utilities Commission (CPUC) at the end of September.
- Reviewed Renewables Portfolio Standard (RPS) position and approved transactions for the balance of 2019.

### **POLICY COMPLIANCE**

No new policy compliance issues to report for September.





### Staff Report – Agenda Item 3

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

**From:** Natasha Keefer, Director of Power Planning & Procurement

**Approved by:** Ted Bardacke, Executive Director

**Subject:** Staff update on Power Purchase Agreements

**Date:** September 25, 2019

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The Director of Power Planning & Procurement will provide an oral report updating the Energy Committee on Power Purchase Agreements.





# 2019 Clean Energy RFO Distributed Track

September 25, 2019

## 2019 Clean Energy RFO

- CPA plans to launch its 2019 Clean Energy RFO in October
- To enhance competitiveness of smaller local projects, a two-track RFO is contemplated:
  - Utility-Scale Procurement Track (10 MW or larger)
  - Distributed Procurement Track (less than 10 MW and located in Los Angeles and Ventura counties)



The Distributed Track is the focus of today's discussion

## Distributed Procurement Track Overview

- Intended to encourage new clean generation resources and economic development within CPA's service territory
- Track eligibility:
  - RPS-eligible and storage projects less than 10 MW
  - Located in Los Angeles and Ventura counties
  - In front of the meter projects interconnected to the distribution or transmission grid
  - Commercial online dates of 2024 and earlier

## Distributed Track Evaluation Criteria

- Distributed Track projects will be evaluated on the following evaluation criteria:



- Rankings will be adjusted to account for the unique nature of local, distributed projects

## Other Community Benefits (*Proposed*)

- CPA will prioritize projects that can demonstrate unique benefits for CPA's member agencies, including but not limited to:
  - Resiliency
  - Member agency co-investment
  - Eligible for grant or other funding opportunities
  - Unique technology

## Value, Development, Project Location

- **Value (\$/MWh)** – Projects will likely be above utility-scale costs, but will be compared against each other on a competitive basis
- **Development Risk** – projects will be ranked based on a number of risk factors (site control, interconnection status, land use and permits, project financing) and CPA will allow for shortlisting of earlier stage projects
- **Project Location** – limited to Los Angeles and Ventura counties, with a preference for projects located within constrained Resource Adequacy local capacity sub-areas

## Workforce Development

- CPA will **require prevailing wage for all projects** with a preference for Project Labor Agreements (PLAs)
- For projects not committing to PLAs, CPA will request targeted hire commitments
- CPA is currently working with labor stakeholders to receive input on workforce development criteria reflecting the needs of the LA and Ventura county workforce

## Environmental Stewardship

- Prioritize projects that are considered multi-benefit renewable energy and projects located in areas zoned for renewable energy development
- De-prioritize projects located in high-conflict areas
- CPA is currently working with environmental stakeholders to adjust environmental stewardship screens for projects located in the urban, built environment

## Benefits to Disadvantaged Communities (DAC)

- Prioritize projects located within DACs, demonstrate DAC workforce and community development benefits, and have conducted outreach to DAC communities
- CPA is currently working with environmental justice and DAC stakeholder groups to receive feedback on evaluation criteria relevant to LA and Ventura counties

## Next Steps

- CPA is working with stakeholders to finalize evaluation criteria
- CPA is finalizing the RFO work plan and schedule, with tentative launch targeted for mid-October:

<b>Date</b>	<b>Action</b>
Mid-October	Launch 2019 Clean Energy RFO
Late-October	Conduct RFO Bidder Webinar
Mid-November	Bids Due
Mid-December	Longlist Selection
Mid-January	Energy Committee Shortlist Approval
Early February	Exclusivity Agreements Due
February – April	PPA Negotiations
May-June	Board Consideration of PPAs







## Staff Report – Agenda Item 5

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

**From:** Matthew Langer, Chief Operating Officer

**Approved by:** Ted Bardacke, Executive Director

**Subject:** Integrated Resource Planning Procurement Proposed Decision

**Date:** September 18, 2019

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### **INTEGRATED RESOURCE PLANNING PROCUREMENT PROPOSED DECISION**

On September 12, 2019, the California Public Utilities Commission (CPUC) issued a proposed decision (PD) in the Integrated Resource Planning proceeding requiring electric system reliability procurement in 2021-2023. The PD states that due to the impending retirement of four once-through cooling (OTC) power plants in Southern California at the end of 2020, the California electric grid will be short 2,500 megawatts needed for system reliability starting in 2021.

To address the shortfall, the PD directs two main actions. First, it directs the CPUC to recommend that the State Water Resources Control Board extend OTC compliance deadlines for up to three years for 2,500 to 3,700 megawatts of capacity to allow time for new resources to come online. Although not explicitly stated, by recommending at least 2,500 megawatts of OTC extensions, Ormond Beach and Redondo Beach generating facilities would likely be included in any OTC extensions recommended by the PD.

Second, the PD orders all load serving entities (LSE) in the Southern California Edison (SCE) service area to procure incremental capacity totaling 2,500 megawatts to serve as a replacement for the OTC units. The ordered procurement by LSE is as follows:

<b>Load Serving Entity</b>	<b>Minimum By August 1, 2021 (MW)</b>	<b>Minimum By August 1, 2022 (MW)</b>	<b>Minimum By August 1, 2023 (MW)</b>
SCE (Bundled)	1,047	1,396	1,745
SCE Direct Access (Aggregated)	213	284	355
Apple Valley Choice Energy	4	6	7
Clean Power Alliance of Southern California	214	286	357
Lancaster Clean Energy	10	14	17
Pico Rivera Innovative Municipal Energy	3	4	5
Rancho Mirage Energy Authority	5	7	9
San Jacinto Power	3	4	5
<b>Total</b>	<b>1,499</b>	<b>2,001</b>	<b>2,500</b>

Notably, only LSEs in SCE territory are directed to procure, although the PD identifies the reliability need as a statewide issue. The decision also lays out requirements for progress reporting toward the procurement targets, as well as requirements for determining eligibility of incremental procurement.

CPA staff is in the process of evaluating the PD and CPA will be submitting comments either jointly with other parties or on its own to ensure the interests of CPA and its stakeholders are considered by the CPUC.