

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, September 5, 2019 2:00 p.m.

MINUTES

Conference Center at Cathedral Plaza
Conference Room C – 2nd Floor
555 W. Temple Street
Los Angeles, CA 90012

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

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 at 2:05 p.m.

Interim Board Secretary Christian Cruz conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Alternate	Present
3	Arcadia	Sho Tay	Director	Present
4	Beverly Hills	Julian Gold	Director	Present
5	Calabasas	John Bingham	Alternate	Remote

6	Camarillo	Tony Trembley	Director	Remote
7	Carson	Reata Kulcsar	Alternate	Present
8	Claremont	Jennifer Stark	Alternate	Present
9	Culver City	Meghan Sahli-Wells	Director	Present
10	Downey	Sean Ashton	Director	Present
11	Hawaiian Gardens	Ramie Torres	Alternate	Remote
12	Hawthorne	Doug Krauss	Alternate	Present
13	Los Angeles County	Sheila Kuehl	Vice-Chair	Present
14	Malibu	Skylar Peak	Director	Present
15	Manhattan Beach	Nancy Hersman	Director	Present
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	Present
21	Rolling Hills Estates	Judy Mitchell	Alternate	Present
22	Santa Monica	Kevin McKeown	Director	Present
23	Sierra Madre	John Harabedian	Director	Present
24	Simi Valley	Samantha Argabrite	Alternate	Remote
25	South Pasadena	Diana Mahmud	Chair	Present
26	Temple City	Nanette Fish	Director	Present
27	Thousand Oaks	Jay Spurgin	Alternate	Remote
28	Ventura	Christy Weir	Director	Remote
29	Ventura County	Linda Parks	Vice-Chair	Present
30	West Hollywood	Lindsey Horvath	Director	Present
31	Whittier	Vicki Smith	Alternate	Remote

II. GENERAL PUBLIC COMMENT

Tim Swanson, Sterling Analytics, discussed incentives for customers to change from less energy efficient lighting to LED lighting. Mr. Swanson indicated rebates are available to select jurisdictions and are good until December 31, 2019.

Clay Sandidge, Muni-Fed Energy, endorsed Sterling Analytics and discussed the merits of the program.

There were no public comments at remote locations.

III. CONSENT AGENDA

1. Approve Minutes from July 18, 2019 Board of Directors Meeting
2. Authorize the Executive Director to Execute Task Order No. 6 between CPA and Ascend Analytics for Administration of CPA's 2019 Long-Term Clean Energy Request for Offers (RFO)
3. Authorize the Executive Director to Execute Amendment No. 1 to the Legal Services Agreement between CPA and Clean Energy Counsel Expanding the Scope of Services to Include Legal Support for CPA's 2019 Energy Procurement, Including CPA's Long-Term Clean Energy Request for Offers (RFO), and to Add Two Potential Additional Project Negotiations
4. Adopt Resolution 19-09-013 to Delegate Authority to the Executive Director to Attest to the Accuracy of CPA's 65% Renewable Product Power Source Disclosure
5. Appoint Members to the Community Advisory Committee
6. Ratify CPA's Amended Position on SB 155 (Bradford) from "Oppose, unless amended" to "Neutral"

Chair Mahmud indicated that on Item 3 there was an inadvertent discrepancy between the written and numeric value on Amendment No. 1 to Clean Energy Counsel Professional Legal Services Agreement Exhibit A), under 'Procurement Services' the "Initial Authorized Budget for Procurement Services" is \$15,000, and the "Procurement Services Collar" is \$18,000. Chair Mahmud asked that makers of the motion include the change as an amendment.

Motion: Director Horvath, West Hollywood

Second: Director Ashton, Downey

Vote: Items 1 through 6 were approved unanimously by roll call vote, noting the amendment to Item 3.

By order of the Chair, the Agenda was rearranged to receive the presentation from Southern California Edison next.

VI. PRESENTATION FROM SOUTHERN CALIFORNIA EDISON ON THE PUBLIC SAFETY POWER SHUTOFF PROGRAM

Luis Lara, SCE Outage Communication, made a presentation on Wildfire mitigation strategies; microclimates that foster year-round conditions for fire seasons; vegetation management; bolstering situational awareness capabilities; enhancing operational practices; hardening the electric grid; and implementation of Public Safety Power Shutoff program.

Vice-Chair Kuehl asked what measured conditions need to be met to de-energize an area. Mr. Lara indicated that it was a recipe that considers dry vegetation, fire fuel level, humidity, and circuitry resistance to wind factors. Vice-Chair Kuehl discussed the Woolsey Fire and the community's interest in SCE resources and communication options.

Vice-Chair Park discussed the reliability of receiving notices from SCE regarding upcoming de-energization that did not occur; and asked for recommendations on what to do with the information that is provided. Mr. Lara indicated that Edison need to bolster its communication to inform agencies on condition changes that may advance or remove de-energization to an area.

Director Ramirez asked what resources are available for individual that need medical/emergency operations. Mr. Lara indicated that Medical Baseline Critical Care Customers are tracked and field representative perform wellness check if no response is received from the individual. Mr. Lara further indicated that they offer bilingual support for customer communication.

Director Peak requested a meeting for Malibu to get specific threshold requirements for the City to enable their residents prepare accordingly. Director Peak also discussed increasing the communication strategy to prevent chaos.

Chair Mahmud asked when Edison believes they will finalize the Public Safety Power Shutoff program schedule. Mr. Lara indicated that Edison had completed identifying 1,300 high priority circuits for the program and the list is available for distribution, enabling jurisdictions to find out what circuits may be in their area. Chair Mahmud indicated receiving conflicting information on revisions to the list and further asked about community engagement on Public Safety Power Shutoff programs and SCE's upcoming rates in relation to hardening facilities. Mr. Lara indicated engagement is ongoing but specific meetings can be arranged upon request. In relation to costs for hardening facilities, Mr. Lara said he would transmit the number to CPA staff when it became available.

Remote location Calabasas asked how jurisdictions would know which zone they fall into and whether camera/meteorology data is available to the public. Mr. Lara indicated cities can have one on one meetings to get the details on their zone and that meteorology data is not available to the public but some cameras are available online for viewing.

Remote location Thousand Oaks asked what happens to cooling centers during heat waves and whether there is a program to provide power using generators. Mr. Lara indicated they can segregate circuits to lower impacts on mission critical areas.

IV. REGULAR AGENDA

Action Items

7. Adopt Resolution No. 19-09-014 to Approve Adjusted 2019 Rates for Phase 1 & 2 Non-Residential Customers, Resolution No. 19-09-015 to Approve Adjusted 2019 Rates for Phase 4 Non-Residential Customers, and Resolution No. 19-09-016 to Approve Adjusted 2019 Rates for Phase 3 Residential Customers

Ted Bardacke, Executive Director, and Matthew Langer, Chief Operating Officer, presented the staff report. Mr. Langer discussed the underlining reason for proposed rate changes occurred because on July 26, 2019, Edison implemented a rate change for its general rate case for the last period resulting in a net change of approximately 3% decrease to all CPA and Edison's bundled customers. He further explained that CPA customers thereafter realized an additional decrease to the Power Charge Indifference Adjustment (PCIA) known as the exit fee. Mr. Langer indicated the current average customer bills are now less than comparison targets that were adopted in June 2019.

Mr. Langer provided a staff recommendation of a small generation rate adjustment consisting of between one and two tenths of a cent per kwh to maintain the same rate comparisons that were adopted by the Board in June 2019. Mr. Langer indicated the adjustment would provide approximately \$4-5 million over the next four months and provide a needed cushion to absorb load uncertainty and lower CPA risk in the eyes of energy suppliers and creditors. Mr. Langer further discussed the impacts to customers with specific charges to invoices in comparison to CPA reserve benefits and reiterated that the proposed changes are within the 1% rate adopted in June. Mr. Langer indicated CPA is aware of two upcoming rate changes by SCE, which are projected to occur in January 2020 and in April 2020. Staff is considering a similar approach to not immediately changing CPA rates on short notice but spending more time to analyze the impacts of SCE rate changes.

Remote location Whittier asked if there was any upcoming remedy at the State level to minimize the amount of times a utility can change its rates annually. Mr. Langer responded that this is an example where Edison may have been used to executing rates in a specific manner and it's becoming more transparent now that CPA is paying closer attention to their practices, but there currently is nothing in the pipeline to change way they conduct rate changes.

Vice-Chair Kuehl discussed the current practice of continually adjusting rates to keep them aligned with SCE and asked if there is consideration to change to a different model for long term planning. Mr. Langer indicated staff is working on residential time of use programs which would initiate a further discussion of whether CPA would set rates differently. Mr. Langer also indicated that with the rate change in January 2020, CPA could evaluate whether it make sense to follow to the current model. Mr. Bardacke provided conceptual ideas indicating that CPA could implement yearly rates that are stable but the Board would have to accept that at times CPA could be more or less expensive than SCE and be aware of unintended consequences. Secondly, Mr. Bardacke indicated that other CCA's are decoupling rate changes and shifting to cost-of-service based rates. Mr. Bardacke discussed the risk associated with this model is that it becomes harder to compare rate classes/tiers and could further create confusion which may lead to opt-outs.

Director Ashton asked how much revenue CPA would realize with the proposed rate change and how it would be allocated. Mr. Langer answered that projections are between \$4-5 million and indicated that during the discussion in the Finance Committee, the Committee considered the

potential revenue as a cushion for unknown conditions that include rate fluctuation and market trends that could shift unexpectedly.

Director Gold stated that the Finance Committee sought to balance the benefit to customers while preserving the integrity of the organization by being fiscally responsible in light of past and current debt obligations and establishing a reserve that would strengthen CPA.

Alternate Director Mitchell asked about the Los Angeles County \$10 million loan and when it becomes due. Mr. Bardacke indicated that the loan becomes due at the end of September 2020 and the loan provides context on how the proposed rate adjustment becomes a strong consideration while still providing a rate decrease to customers.

There were no public comments made.

Chair Mahmud reminded the Board that CPA completed service roll out three months ago and is still in 'startup mode'. She indicated the importance of establishing a reserve in order to pursue programs that are beneficial to customers.

Motion: Director Gold, Beverly Hills

Second: Director McKeown, Santa Monica

Vote: Adopted Resolution No. 19-09-014; Resolution No. 19-09-015; and Resolution No. 19-09-016 unanimously by roll call vote.

8. Adopt Resolution 19-09-017 to Approve Amendments to the CPA Employee Handbook

Vice-Chair Kuehl moved staff recommendation to adopt Resolution No. 19-09-017 and approve staff's recommended proposals for employee benefits.

Mr. Bardacke presented the staff report regarding changes to the employee handbook including employee benefits. Mr. Bardacke indicated that as CPA crosses the 25-employee threshold, additional Federal and State regulatory requirements would begin to apply. Mr. Bardacke discussed the importance of employee benefits to attract and retain staff and specifically addressed retirement, health care and transportation allowance.

Mr. Bardacke provided a survey analysis of benefits by comparing CCA's and outlined three options for each of the retirement, health care, and transportation allowance categories. Mr. Bardacke outlined the Executive Committee's recommendation for each category indicating the benefits of each proposal. First, for retirement benefits the Executive Committee recommended Option #3 which provides up to a 10% contribution

comprised of a 6% direct contribution and 4% match; any CPA contribution is owned by the employee over three years in equal amounts. Mr. Bardacke indicated that this three-year ownership cycle would incentivize employee retention and prevent turnover. Mr. Bardacke specified employees that left before the three-year mark would have the CPA contribution pro-rated annually at a rate of one-third for every full year fulfilled up until the third-year.

Second, Mr. Bardacke discussed the health care category indicating that one of the biggest fiscal challenges is addressing employees with dependents. Mr. Bardacke outlined the Executive Committee's recommendation of Option #2 for health care that includes: Full HDV coverage for employee at Kaiser Platinum level; \$0 co-pay for dependent coverage; Kaiser Platinum level allowance for employee and dependents (less any co-pay) for PPO plans; Co-pay level to be determined annually; and providing a \$500 cash out program. Mr. Bardacke indicated that CPA reserves the right to impose cost sharing if appropriate. Third, Mr. Bardacke discussed transportation allowance indicating most employees take public transportation and that CPA does not provide free parking for employees. Mr. Bardacke outlined the Executive Committee's recommendation for Option #1 to provide \$200/month for use of any non-auto mode for commuting subject to proper documentation submittal. Lastly, Mr. Bardacke presented the Life and Disability insurance benefit that would allow CPA to offer employee-paid voluntary supplemental life insurance options. Mr. Bardacke discussed other changes in the employee handbook that included parental leave, and potential for having non-exempt employees in the future. He further discussed that if the changes to the Employee Handbook were approved, staff would return with the next step that includes official job classifications and salary ranges.

Remote location Calabasas asked what the cost is associated with the retirement proposal. Mr. Bardacke answered that staff projected having 32 staff members by the end of the fiscal year and annualized figures at current level and based on projections retirement would go from \$130,000 to \$430,000; for healthcare cost would go from \$180,000 to \$280,000 for Option #2.

Alternate Director Mitchell recommended that transportation allowances be processed as an invoice to cover the actual expense of transportation instead of the flat fee of \$200. Vice-Chair Kuehl inquired what the recommendation would be for those who walk to work. Director Mitchell indicated a flat fee may be warranted in those scenarios.

Remote location Simi Valley indicated Option#3 in health care benefits would produce a stable cost projection and inquired about the differences

in cost between options. Mr. Bardacke answered that the difference between Options #1, 2, and 3 was fiscally minimal but largely beneficial for employees to know they had dependent coverage. Mr. Bardacke clarified that payouts for Option #3 would be up to \$1,200.

Chair Mahmud stated that selecting an option that provides full coverage allows the Board not to have to revisit the topic as often since health care premiums are expected to grow annually.

Vice-Chair Kuehl indicated support for rewarding people who commit to not driving nor polluting. Vice-Chair Kuehl provided an example of unintended consequences of job classifications descriptions that inadvertently promote a specific gender to apply for a position and recommended staff look at future classifications through that lens.

Chair Mahmud clarified that under Option #1 for the transportation allowance, the compensation would be up to \$200 and not a flat payout.

Director Horvath commented that job titles should commensurate what the position does and suggested CPA look into AQMD funding to offset the transportation allowance.

Director Ramirez discussed local budget cuts and turnover rates because of high workloads and suggested benefits be competitive and nurturing to prevent high turnover rates.

Alternate Director Maloney commended staff for committing to alternative transportation and supports a flat fee for walkers and riders who deal with dangers and weather on their commute.

Director McKeown seconded Vice-Chair Kuehl's motion.

Chair Mahmud indicated there were no public comments on the matter.

Chair Mahmud sought a friendly amendment to include a flat allowance for walkers and riders with an administrative tool for affirmation that for the pay period the employee used no automobile to commute to work. The maker and seconder of the motion accepted the amendment.

Mr. Bardacke discussed the variety of permutations that can occur administratively to carry out a transportation allowance and suggested going with the majority of the time the person commuted without an automobile as a way to move forward.

Director McKeown suggested staff administratively work out the documentation process for transportation allowance and evaluate it for a year period and return to the Board with findings. By consensus, the Board agreed.

Motion: Vice-Chair Kuehl, Los Angeles County

Second: Director McKeown, Santa Monica

Vote: Adopted Resolution No. 19-09-017 approving changes to the Employee Handbook, selecting staff's recommendation for retirement, health care and transportation allowance with an amendment for walking commuters and authorizing Life and Disability insurance by a unanimous roll call vote.

V. MANAGEMENT UPDATE

Mr. Bardacke provided an update on SCE billing delays where customers had either not been billed or received incomplete invoices indicating the problem was amongst all CCAs. SCE has resolved about 80% of the billing issues with approximately 7,000 to 15,000 accounts outstanding. CPA has been able to measure progress by the number of phone calls the call center receives. Mr. Bardacke stated one point of interest is that just over 1% of people who called into the call center opted out and other customers took the opportunity to change their rate to a lower tier.

Mr. Bardacke announced that CPA hired a Board Secretary, Rigoberto Garcia, and a Director of Regulatory Affairs, CC Song.

Mr. Bardacke outlined projects for the fourth quarter that include benefit opportunities for customers including long-term Purchase Power Agreements, local programs strategic planning process, Distributed Energy Resources pilot program, and time of use transition for residential customers. Lastly, Mr. Bardacke reminded the Board that the CalCCA Annual Meeting is in Redondo Beach on November 6th and 7th which may result in the Board meeting moving to an alternate date.

VII. COMMITTEE CHAIR UPDATES

Director Horvath, Legislative & Regulatory Committee Chair, reported on the legislature wrapping up and looking ahead for the next legislative year. Director Horvath indicated the California Contract Cities Association will have a fall seminar and there will be a panel on CCA's where CPA will have representation. Director Horvath discussed recent natural gas correspondence and inquired whether the Board would be interested in taking a position on electrification and natural gas. Director Horvath requested that staff send out information on this topic. Director McKeown indicated Santa Monica would soon be considering the item on building electrification.

Director Gold, Finance Committee Chair, reported on awarding a financial audit contract to Baker Tilly Virchow Kraus, and indicated that findings would be presented to the Executive Committee and then the Board.

Director Ramirez, Energy Planning & Resources Committee Chair, reported on the start of the Long-Term Clean Energy Requests for Offer and the Committee's review of a potential wind resources project and Integrated Resource Plan.

VIII. BOARD MEMBER COMMENTS

None.

IX. REPORT FROM THE CHAIR

Chair Mahmud welcomed new Board Member Vicki Smith from Whittier and informed the Board of information on the back of the agenda that provides resources on wildfire cameras and information. Chair Mahmud asked Board Members if they have a request to place an energy presenter on the agenda to please let staff know.

X. ADJOURN

Chair Mahmud adjourned the meeting at 4:33 p.m.