REGULAR MEETING of the Board of Directors of the

Clean Power Alliance of Southern California

Thursday, December 5, 2019

2:00 p.m.

The L.A. Grand Hotel Downtown

2nd Floor, Pacific Ballroom 3

333 South Figueroa Street

Los Angeles, CA 90071

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 Board 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 Board 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 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 Policy No. 8 – Public Comment for additional information.

In addition, members of the Public are encouraged to submit written comments on any agenda item to PublicComment@cleanpoweralliance.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 Board meeting date. Any written materials submitted thereafter will be distributed to the Board at the Board 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:

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

II. GENERAL PUBLIC COMMENT

III. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)

Property:

a. 801 S. Grand Avenue, Los Angeles, CA

b. 444 S. Flower Street, Los Angeles, CA

c. 800 W. Sixth Street, Los Angeles, CA

Agency negotiator: Theodore Bardacke for all properties

Negotiating parties, respectively:

a. CIM Group

b. Coretrust Capital Partners, LLC

c. Walter Kahn (Pacific Financial Equities, LLC)

Under negotiation: Price and Terms for all properties

2. PUBLIC EMPLOYMENT
(Government Code Section 54957)
General Counsel Performance Evaluation Process

IV. CONSENT AGENDA

1. Appoint Christian Cruz as the temporary Board Secretary for each Board meeting where a permanent Board Secretary is not available

2. Approve Minutes from October 3, 2019 Board of Directors Meeting

3. Adopt Resolution No. 19-12-018 amending CPA Bylaws regarding non-elected Alternate Directors attending closed session

4. Authorize the Executive Director to execute an Amended Task Order No. 1 with Ascend Analytics to expand the scope of service to include the 2019 Reliability RFO and to increase the not-to-exceed amount by $50,000 for a total Task Order value of $195,000

5. Authorize the Executive Director to execute a Third Amended MRW Task Order No. 1 with MRW and Associates (MRW) for Rate Setting and Cost of Service Analysis to adjust the scope of work, extend the term to February 28, 2021, and increase the not-to-exceed amount by $55,000 from $369,090 to $424,090

6. Authorize the Executive Director to execute an Amended and Restated Consulting Agreement as attached, or in a substantially similar form, with Maher Accountancy (Maher) to modify the scope of work, extend the term to September 30, 2020, and reduce the monthly fee to $15,000/month for January–June 2020 and up to $10,000/month as mutually agreed by the parties for July–September 2020

7. Approve Policy No. 12 for Non-Energy Public Contracting

8. Receive and file Community Advisory Committee summary from October and November 2019 meetings

9. Receive and file Board of Directors and Standing Committee meeting schedule for 2020

V. REGULAR AGENDA

10. Approve General Counsel Employment Contract

11. Presentation on Fiscal Year 2018-2019 Financial Statements

12. Presentation on Current CPA Financial Performance

13. Update on Local Programs/Customer Outreach and Discuss Member Agency and Regional Delivery Mechanisms for Local Programs

VI. MANAGEMENT UPDATE

VII. COMMITTEE CHAIR UPDATES

Director Lindsey Horvath, Chair, Legislative & Regulatory Committee

Director Julian Gold, Chair, Finance Committee

Director Carmen Ramirez, Chair, Energy Planning & Resources Committee

VIII. BOARD MEMBER COMMENTS

IX. REPORT FROM THE CHAIR

X. ADJOURN – TO REGULAR MEETING ON JANUARY 9, 2019

Public Records: *Public records that relate to any item on the open session agenda for a regular Board 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 Board. 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.*

Staff Report – Agenda Item 1

To:	Clean Power Alliance (CPA) Board of Directors
From:	Nancy Whang, General Counsel
Approved by:	Ted Bardacke, Executive Director
Subject:	Appoint Christian Cruz as the temporary Board Secretary for each Board meeting where a permanent Board Secretary is not available
Date:	December 5, 2019

RECOMMENDATION

Appoint Christian Cruz as the temporary Board Secretary for each Board meeting where a permanent Board Secretary is not available.

BACKGROUND

The Board Secretary resigned his position effective October 30, 2019 and returned to the City of Whittier where he was promoted to City Clerk. CPA staff is in the process of recruiting a permanent Board Secretary.

Until such time as a permanent Board Secretary is appointed or whenever the permanent Board Secretary is not available, CPA staff recommends the Board appoint Christian Cruz as the temporary Board Secretary for Board meetings.

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, October 3, 2019, 2:00 p.m.

MINUTES

Wallis Annenberg Building at Exposition Park
Muses Room, 700 Exposition Park Drive, Los Angeles, CA 90037

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 2:06 p.m.
Board Secretary Rigoberto Garcia conducted roll call.

Roll Call				
1	**Agoura Hills**	Deborah Klein Lopez	Director	Remote
2	**Alhambra**	Martin Ray	Alternate	Present
3	**Arcadia**			Absent
4	**Beverly Hills**	Julian Gold	Director	Present
5	**Calabasas**	John Bingham	Alternate	Remote
6	**Camarillo**	Tony Trembley	Director	Remote
7	**Carson**	Cedric Hicks	Alternate	Present
8	**Claremont**	Corey Calaycay	Director	Present
9	**Culver City**	Meghan Sahli-Wells	Director	Present
10	**Downey**	Sean Ashton	Director	Present
11	**Hawaiian Gardens**			Absent
12	**Hawthorne**	Alex Monteiro	Director	Present
13	**Los Angeles County**	Sheila Kuehl	**Vice-Chair**	Present
14	**Malibu**	Christine Shen	Alternate	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	Present
19	**Paramount**	Adriana Figueroa	Alternate	Remote
20	**Redondo Beach**	Ted Semaan	Alternate	Present
21	**Rolling Hills Estates**	Steve Zuckerman	Director	Present
22	**Santa Monica**	Kevin McKeown	Director	Present
23	**Sierra Madre**	John Capoccia	Director	Present
24	**Simi Valley**	Samantha Argabrite	Alternate	Remote
25	**South Pasadena**	Diana Mahmud	**Chair**	Present
26	**Temple City**			Absent
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

There were no general public comments made.

III. CONSENT AGENDA

1. Approve Minutes from September 5, 2019 Board of Directors Meeting.

2. Appoint Rigoberto Garcia as Board Secretary for Clean Power Alliance.

3. Receive and file the Risk Management Team (RMT) Quarterly Report from July through September 2019.

4. Authorize the Executive Director to execute Task Order TEA-#4 with The Energy Authority (TEA) for Power Procurement and Advisory Services for the period of October 1, 2019 to June 30, 2020 for a not-to-exceed budget of $600,000.

5. Appoint one member to the Community Advisory Committee for 2019-20 representing the South Bay Region.

6. Bylaws Amendment No. 1
   a) Approve the Bylaws amendment regarding participation of non-elected Alternate Directors in Closed Session;

b) Provide 30-day notice of CPA's intent to amend the Bylaws; and
c) Direct the General Counsel to return with an implementing resolution for adoption of the amended Bylaws effective January 1, 2020 at the next duly-noticed Board meeting following the 30-day notice period.

7. Approve proposed amendment to Policy No. 7 Net Energy Metering (NEM), regarding procedures for processing unclaimed returned checks.

8. Receive and file an update from the September 12, 2019 Community Advisory Committee meeting.

9. Receive and file Letter Agreement with River City Bank updating loan covenants.

Chair Mahmud clarified, that for Item 4, the not-to-exceed budget for Task Order TEA-#4 is not cumulative. Chair Mahmud welcomed Director Hicks from the City of Carson and Director Capoccia from the City of Sierra Madre.

There were no public comments on Consent Agenda items.

Motion: Director Sahli-Wells, Culver City
Second: Director Hersman, Manhattan Beach
Vote: Items 1 through 9 were approved unanimously by roll call vote.

IV. REGULAR AGENDA

10. Presentation on Local Programs Goals and Priorities Strategic Planning Project.

Ted Bardacke, Executive Director, discussed the initiation for future strategic planning around local projects when funding exists. Mr. Bardacke indicated that CPA is halfway through its Local Programs Strategic Plan process and invited ARUP to present initial findings.

Heather Rosenberg and Tara Davis, ARUP, discussed the key components of the stakeholder engagement process, categories of programs identified and the development of a program comparison tool. ARUP met with the Community Advisory Committee, conducted two public workshops in Los Angeles and Ventura Counties, held focus groups with subject matter experts and conducted an online survey as a goal setting exercise to evaluate what stakeholders identified as priority local programs.

Ms. Rosenberg outlined program categorization which included EV Charging, local procurement, front of the meter storage, resiliency, grid management that includes behind the meter storage, electrification of buildings and vehicles, and education and technical assistance that includes marketing rate options and building reach codes.

Ms. Rosenberg reviewed the cost-benefit comparison tool which provides program inputs, takes into consideration impacts to energy, market, economics, and health to determine scores for other categories that include energy costs, greenhouse gas (GHG) emissions, job creation and equity. She further indicated that when the tool is delivered to CPA, staff can adjust parameters to reflect changing priorities. Ms. Rosenberg indicated that ARUP will evaluate and compare local programs with the Community Advisory Committee and a final report would be coming to the Board of Directors thereafter.

Vice Chair Kuehl asked whether the comparison tool can be configured to produce local versus regional data analysis. Ms. Davis answered that CPA can adjust the tool to local settings with the flexibility to target data such as economic scales.

Director Gold asked if staff would provide demographics data of stakeholders to ensure the population was represented. Ms. Rosenberg indicated the data was available and can be shared.

Director Hicks asked about program types and funding related to EV Chargers, Ms. Rosenberg responded that there was a lot of feedback on EV charging.

Director Zuckerman asked about grid management and resiliency; was there a discussion regarding school districts and storage. Ms. Rosenberg and Ms. Davis indicated that it was discussed, and schools can be a resource for solar and micro-grids because schools often serve as emergency centers.

Director Spurgin asked about regulations that don't allow excess power from solar and co-generation facilities to return the energy to grid and inquired whether a local program exists to store that excess generation. Mr. Bardacke indicated that could be developed into the vertical category of either local procurement or resiliency/grid management programs.

Vice Chair Parks commented that emergency communication response is a big consideration and CPA should explore what we can do locally to aid in communication during fires.

There were no public comments on this item. This item was informational, and no vote was taken.

11. Approve and authorize the Executive Director to execute Amendment No. 1 to the agreement between Calpine and CPA and approve and authorize the Executive Director to execute an agreement with Calpine and Olivine, Inc. for Distributed Energy Resources (DER) Pilot Program services.

Mr. Bardacke indicated that the DER pilot would test programs CPA would like to offer to reduce demand away from the hours 4:00 p.m. and 9:00 p.m. when energy is more expensive.

Tyler Aguirre, Account Services Manager, provided a presentation on the DER pilot program, and indicated the DER pilot program is aiming to launch in January 2020. The pilot consists of local programs resources and technologies such as smart thermostats and chargers that allow customers to reduce and shift their loads. Ms. Aguirre classified smart technologies as programable technologies that can be dispatched remotely to shift loads. Ms. Aguirre described Olivine, CPA's DER consultant, as a demand response provider and a leader in design deployment and operations. The proposed DER program would further CPA goals that include improved air quality, public health, GHG reduction, customer savings, and will allow CPA to test wholesale market participation.

Ms. Aguirre outlined three technology pillars intended to leverage equipment that includes EV charging, solar+storage, and smart thermostats. Ms. Aguirre discussed the proposed overall $800,000 budget and participation goals for each pillar.

The implementation is phased as follows: Phase 1 – Launch Preparation from October to December 2019 with the approval of the DER services agreement; Phase 2 – Program Launch with a period from January 2020 to May 2020 consisting of marketing and enrollment; and Phase 3 – Program Operation from June 2020 to December 2020 consisting of activities related to DER to bid into the CAISO wholesale market and providing a report to assess the pilot program.

Director Zuckerman asked in reference to load reduction, when can CPA sell into the wholesale market and what are the mechanics versus a net metering program. Staff responded the difference is that CPA would capture value from CAISO but that the customer gets the incentive.

Director Sahli-Wells asked how the DER program would work for multi-family units. Ms. Aguirre responded that the program rules have not been finalized but it will be based on who pays for the utility load. Director Sahli-Wells commented that it could create a problem for renters who reduce their load but the landlord would obtain the benefit; and secondly, she indicated that Culver City received a lot of complaints from customers on hot days and eventually moved away from thermostat program with SCE.

Vice Chair Kuehl asked for clarification on how the $800,000 budget was established and how participation was estimated. Ms. Aguirre responded that there was a capacity cap for each pillar and estimates could be gleaned by existing data from thermostats and EV chargers. Mr. Bardacke added that for specific customers CPA knows they have EV chargers because they receive a different rate, and for smart thermostats CPA knows of customers who had previously opted into a similar program.

Director Monteiro asked with such a large customer base how will the distribution of incentives be marketed. Mr. Bardacke responded that there is a retail acquisition cost that is sometimes a barrier, and CPA would have to spend some money to convert them from a customer to participant and that is where the marketing money would go. Chair Mahmud indicated that services for each segment would be on a first-come first-serve basis.

Director Zuckerman inquired, in consideration of the reduction in subset customers, are there still enough commercial customers to have a successful program. Mr. Bardacke responded in the affirmative, specifically on the EV charger segment.

Chair Mahmud inquired if there is flexibility in funding if some segments do not receive the anticipated enrollment figures to use up the allocated budget. Ms. Aguirre affirmed that would be the intent, to be able to change parameters as the pilot program develops. Chair Mahmud asked staff to keep the Board apprised of changes to the DER program.

There were no public comments submitted for this item.

Motion:	Vice Chair Kuehl, Los Angeles County
Second:	Director Ashton, Downey
Vote:	Approved and authorized the Executive Director to execute Amendment No. 1; and approved and authorized the Executive Director to execute an agreement with Calpine and Olivine, Inc. for Distributed Energy Resources (DER) Pilot Program services by a unanimous roll call vote.

12. Presentation on Long-Term Power Contracting status.

Natasha Keefer, Director of Power Planning & Procurement, 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. Ms. Keefer indicated that initial offers received included over 230 facilities yielding 11 shortlisted projects, seven exclusive negotiations, and two executed Power Purchase Agreements (PPA). Ms. Keefer highlighted that the proposed 2019 RFO process includes adding additional projects to the shortlist, targeting local projects, and maintaining the RFO review team with Board Member participation.

Ms. Keefer further discussed existing long-term renewable contracts, the current overall renewable need of approximately 7,500 GWh, and current contacts 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 sooner and avoid having to catch up with more procurement in later years.

Ms. Keefer indicated that the 2019 RFO schedule has an expected launch in October 2019 with two procurement tracks, a utility-scale procurement of 10 MW or larger with online dates of 2023 and earlier, and a distributed procurement track of less than 10 MW for projects located in Los Angeles and Ventura Counties. Ms. Keefer also indicated that based on a recent proposed decision by the CPUC requiring new capacity procurement, CPA would also be issuing a Reliability RFO in the coming days for battery storage.

Director Zuckerman asked about the scale of the Mohave Wind project. Ms. Keefer responded that the facility has a 350 MW capacity, but CPA would be looking to contract only 300 MW. Chair Mahmud indicated that staff would discuss the Mohave Wind Project on the next item.

Director Montero inquired what percentage of the RFO will be solar, wind, and geothermal. Ms. Keefer responded that the proportions are unknown until offers are submitted but that the Energy Committee will consider portfolio diversification in shortlist selections. Director Montero inquired whether CPA has a forecast on pricing indexes. Ms. Keefer confirmed that staff looks at energy benefits over a 15- year horizon and resource adequacy benefits and compares them on contract pricing data points to make projections. Director Montero asked if workforce development includes union contracts. Ms. Keefer affirmed that on the utility scale contract CPA scales them high, medium, or low criteria composing of different levels of workforce development and wages.

Director Hicks inquired about the length of contracts for the existing portfolio. Ms. Keefer responded that Voyager is 20-year, Arlington and Golden Fields is 15-year, Isabella is 10-year, Solar + Storage is15-year, Moorpark Storage is 20-year, and Mohave Wind is a 20-year contract.

Director Horvath asked how high, medium, and low projects guidelines are defined. Ms. Keefer responded that the RFO would use selections of six different criteria to develop standards, and the Energy Committee would help make recommendations on which projects are defined as high, medium, and low to present to the Board.

Director Gold asked, based on technologies that exist today, what is the role CPA will have in battery storage, and at what cost. Ms. Keefer responded that CPA does not have a target in mind, but that storage will be critical to meet environmental objections and from a reliability point its critical piece. She further explained that storage costs have been coming down and staff expects them to continue on that trajectory. Mr. Bardacke indicated that storage is as important as any resources because other resources are intermittent, and that pricing is expecting to come down. Director Gold asked if there are entities that only provide storage. Ms. Keefer confirmed yes.

Director Sahli-Wells asked how small of a project would the RFO consider. Ms. Keefer responded that the RFO is looking for minimum of 500 KW.

Vice Chair Kuehl inquired who is funding research on the future of battery storage. Ms. Keefer responded research is done at the federal level, and the CPUC is also investing in storage pilots.

Chair Mahmud asked about the RFO timeline. Ms. Keefer responded that the RFO has not launched but the plan is to start by October 31. The process will include a pre-notification so that bidders have enough time to get registered, and there is a month to prepare submissions. Chair Mahmud encouraged those that are interested, to consider joining the Energy Committee.

Vice Chair Parks inquired how the multiple criteria can benefit the public. Ms. Keefer responded that it can range, citing an example for environmental stewardship, where during the bid process developers can explain what other benefit exists for the public.

There was one public comment from Ventura: Steve Nash, CPA Community Advisory Committee Member, asked if agencies can identify parcels that would be appropriate for battery storage.

This item was informational only, and no action was taken.

13. Approve a 20-year power purchase agreement (PPA) with the Mohave County Wind Farm, LLC (Mohave Wind) project, and authorize the Executive Director to execute the Mohave Wind PPA.

Natasha Keefer, Director of Power Planning & Procurement, summarized the proposed 20-year PPA with the Mohave County Wind Farm, LLC, and developer NextEra. Ms. Keefer indicated that the project has an online date of December 31, 2020 and was brought to Energy Committee for initial input. The overall development is 350 MW and CPA would seek to contract 300 MW output. Ms. Keefer highlighted securing long-term resources would lessen compliance risk and that wind energy is attractive because of its nighttime generating resources. Ms. Keefer reported that wind projects are challenging because most resources have been developed and when new projects come on there is a lot competition for them. The project would comparatively offer a cost savings of $8 million by shifting from short-term to long-term energy purchasing.

Ms. Keefer highlighted that the project is competitive on pricing, the development is highly de-risked, the workforce development would create 300 construction jobs, 10 permanent jobs, and electrical work would be completed by IBEW labor, with an additional $1 million committed to Los Angeles and Ventura Counties for workforce development. On environmental stewardship, the project had secured all environmental permits and staff is conducting additional due diligence in that area on benefits to disadvantaged communities. The project is not located within a disadvantaged community in California.

Director Zuckerman asked where the other 50 MW of the project is going. Ms. Keefer responded that the balance of the project was already contracted out.

Director Lindsey Horvath disclosed meeting with IBEW and Sierra Club representatives about this project and asked how did this project rate on workforce development. Ms. Keefer responded that for workforce development, the project would be not high but given the $1 million investment plus using IBEW union labor it would be placed in a medium to low ranking. Director Horvath asked whether CPA would consider a technology specific RFO. Ms. Keefer responded that the RFO does not specifically address technology to allow for an even playing field, but we could focus on an RFO for resources that generate at night. Mr. Langer additionally specified that CPA focuses on resource diversity and allows everyone to bid, a separate RFO would be more burdensome and result in more items coming to the Board versus one holistic conversation where every technology is allowed to participate. Chair Mahmud commented that given staff resources and the RA solicitation there would be an additional burden on staff and an unlikely benefit from a separate RFO.

Director Hicks asked whether the wind project opportunity came from the RFO process or was it presented to staff. Ms. Keefer responded that this project was not part of the 2018 RFO because it became available after the RFO deadline and then specified that developers periodically come to CPA with opportunities and staff only considers those projects that are unique, and in this instance the early online date and portfolio diversity was attractive. Director Hicks asked whether any other California project can provide this volume. Ms. Keefer responded that wind permitting is challenging in Los Angeles and Ventura Counties and that she was not aware of a wind resources of this size and with a similar online date. Director Hicks inquired if local IBEW labor is eligible to work on this project. Ms. Keefer responded that it's likely that Arizona IBEW workers would get the work but that Los Angeles and Ventura Counties workers will benefit from the $1 million investment that is made over a four-year period.

Director Argabrite asked what the overall cost of the project is over a 20-year term. Ms. Keefer responded that the notional value was in excess of $600 million. Staff was asked whether the per MW contract price could be disclosed. Ms. Keefer responded that the contracted price is fixed with no escalation and reminded the Board that because this is a public forum, certain aspects of the contract must be redacted to protect market sensitive information, a normal practice for CCAs, that protect the interest of our customers when CPA negotiates. Mr. Bardacke further responded that if CPA reveals pricing, its likely to reduce the number of offers CPA receives and it could create a ceiling price. Staff was asked why this discussion is not in closed session. Nancy Whang, General Counsel, indicated that this contract does not fall into one of the allowable exceptions under the Brown Act. Chair Mahmud commented that the contract information was privileged and that after a period of time, it will lose its confidentiality.

Director Calaycay asked whether the regulatory difficulties to get a wind farm permit was local or state based. Ms. Keefer responded that permits are governed by the local jurisdiction.

Director Capoccia asked how the $1 million investment would be spent; whether the investment was negotiated or offered by the developer; and if the investment is increasing the contract price. Mr. Bardacke responded that CPA can make the determination on the best way to deploy the money, additionally that the developer put the investment on the table; and there was no discussion on linking the contract price to the workforce development investment.

Director Zuckerman asked whether CPA is using the same outside counsel for the contract review. Ms. Whang confirmed that the same counsel reviewed the contract.

Director Monteiro asked how staff determined the $8 million savings. Ms. Keefer responded that it is based on short-term contracts where that pricing is significantly higher cost than pricing CPA can secure via long-term projects.

Motion: Director Ramirez, Oxnard
Second: Director Monteiro, Hawthorne
Vote: Approved a 20-year PPA with the Mohave County Wind Farm, LLC (Mohave Wind) project, and authorized the Executive Director to execute the Mohave Wind PPA by a vote of 25 ayes and 1 no (Director Hicks, Carson).

V. MANAGEMENT UPDATE

Mr. Bardacke provided on update on the CPUC proposed decision that there could be a potential reliability shortfall for capacity statewide. Mr. Bardacke indicated the potential decision is driven by the retirement of Once-through Cooling (OTC) plants along the coast; and intermittent solar without storage coming online. Mr. Bardacke further stated that there is an ongoing debate including CPUC and CAISO on whether a reliability shortfall exists. The Proposed Decision takes the position that there is a reliability shortfall and provided the following recommendations: First, extend four retirement deadlines of OTC plants in Southern California. Mr. Bardacke discussed two OTC plants in the CPA service territory; Redondo Beach Generating Station and Ormond Beach Generating Station. Mr. Bardacke indicated CPA would take a position to recommend the State Water Resources Control Board not extend the retirement date for the two plants because they are not needed and would harm Disadvantaged Communities. Second, the CPUC projects a shortfall of 2,500 MW statewide but is recommending only the Southern California Edison territory provide the load need. Mr. Bardacke indicated that on October 2, 2019 commented were filled along with Oxnard and Redondo Beach filing their own comments.

On SCE billing system issues, Mr. Bardacke reported that of the outstanding customers who were sent bills without CPA charges went from 130,000 to approximately 4 customers outstanding. For customers who did not receive any bills, the number of customers affected went from 48,000 to approximately 1,300 outstanding. Mr. Bardacke thanked Calpine for their efforts correcting the problem. Chair Mahmud also thanked CPA Director of Data and Technology Monique Edwards for her work on SCE’s billing system issues.

Mr. Bardacke reported that CPA is marketing to commercial customers its Green Leader Program, and there has been a significant enrollment, notably UCLA Health and Lyft recently joining as Green Leaders.

VI. COMMITTEE CHAIR UPDATES

Director Lindsey Horvath, Chair, Legislative & Regulatory Committee, indicated that staff had reported upcoming priorities and that they will continue their work.

Mr. Bardacke indicated that the Finance Committee will be looking at the audit and financial statements at the next meeting.

VII. BOARD MEMBER COMMENTS

There were no additional Board Member comments.

VIII. REPORT FROM THE CHAIR

Chair Mahmud reported that there would be no November Board of Directors meeting; encouraged Directors and staff to attend the CalCCA meeting in November; and discussed a meeting with Edison regarding local measures and circuit distribution in the event of a wildfire.

IX. ADJOURN

Chair Mahmud adjourned the meeting at 4:47 p.m.

Staff Report – Agenda Item 3

To:	Clean Power Alliance (CPA) Board of Directors
From:	Nancy Whang, General Counsel
Approved By:	Ted Bardacke, Executive Director
Subject:	Resolution No. 19-12-018 Adopting the Amended and Restated Bylaws
Date:	December 5, 2019

RECOMMENDATION

Adopt Resolution No. 19-12-018 adopting the amended and restated Bylaws.

BACKGROUND

On March 7, 2019, the Board adopted the CPA Bylaws, which contained a provision (Art. IV, Section 3.d.) that precludes an Alternate Director from participating in CPA closed session discussions unless the Alternate Director is a member of the member agency's legislative body. This provision of the Bylaws conformed with Government Code Section 54956.96. At the same meeting, the Board voted to sponsor and support Senate Bill (SB) 355, which would provide an exception for CPA non-elected Alternate Directors to participate in closed sessions.

On September 5, 2019, Governor Newsom signed SB 355 into law, which authorizes CPA to adopt a Bylaw amendment to allow a non-elected Alternate Director to attend a properly noticed closed session when attending in place of a Regular Director. The law takes effect on January 1, 2020.

On October 3, 2019, the Board approved amendments to the Bylaws authorizing non-elected Alternate Directors to participate in closed session and directed the General

Counsel to return with an implementing resolution, which is provided as Attachment 1 to this staff report. The amended and restated Bylaws are provided as Attachment 2.

RESOLUTION

This resolution is the implementing resolution to adopt the Bylaws, as amended and restated herein, effective January 1, 2020.

Attachments: 1) Resolution 19-12-018
2) Amended and Restated CPA Bylaws

RESOLUTION NO. 19-12-018

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA TO ADOPT THE BYLAWS

THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA DOES HEREBY FIND AND ADOPT AS FOLLOWS:

WHEREAS, the Clean Power Alliance of Southern California (formerly known as Los Angeles Community Choice Energy Authority) ("Clean Power Alliance" or "CPA") was formed on June 27, 2017;

WHEREAS, Sections 3.2.12 and 4.5.13 of the Joint Powers Agreement ("JPA") authorizes the Board of Directors ("Board") to adopt bylaws that are necessary or desirable to fulfill CPA's purposes and for the governance of CPA's operations;

WHEREAS, Section 4.11.1 requires CPA to provide the Board with 30 days advanced notice of its intent to adopt or amend the Bylaws;

WHEREAS, on March 7, 2019, the Board adopted the CPA Bylaws, which contained Article IV, Section 3.d., a provision that precludes an Alternate Director from participating in CPA closed session discussions unless the Alternate Director is a member of the member agency's legislative body;

WHEREAS, on March 7, 2019, the Board voted to sponsor and support Senate Bill ("SB") 355 which would provide an exception for CPA's non-elected Alternate Directors to participate in closed session discussions;

WHEREAS, on September 5, 2019, Governor Newsom signed SB 355 into law, which authorizes CPA to adopt a bylaw to allow a non-elected Alternate Director to attend a properly noticed closed session when attending in place of a Regular Director. The law takes effect on January 1, 2020;

WHEREAS, on October 3, 2019, the Board received the required 30-day advanced notice of an amendment of the Bylaws; and,

WHEREAS, on October 3, 2019, the Board approved the amendments to the Bylaws as follows.

(1) Article IV, Section b shall be revised as follows:

b. Discussions with Local Agency Governing Bodies and Local Agency Legal Counsel. A Director may disclose information obtained in a closed session that has direct financial or liability implications for the Director's Local Agency, to the following individuals: i) Legal counsel of the Director's governing body for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Local Agency; and ii) ~~Other~~ M~~m~~embers of the governing body of the Local Agency present in a closed session of that Local Agency.

…

(2) Article IV, Section d shall be revised as follows:

d. Alternate Directors Participation. Any designated Alternate Director of the legislative body of a Local Agency ~~who is also a member of the legislative body of a Local Agency and~~ who is attending a properly noticed meeting of the Alliance in lieu of a Local Agency Regular Director may participate in a closed session meeting of the Alliance.

WHEREAS, on October 3, 2019, the CPA Board directed the General Counsel to return with an implementing resolution for adoption of the amended Bylaws effective January 1, 2020 at the next duly-noticed Board meeting following the 30-day notice period.

WHEREAS, an amended and restated Bylaws has been presented to the Board and attached to the December 5, 2019 Board agenda;

WHEREAS, the amended and restated Bylaws conforms to the amendments approved by the Board on October 3, 2019.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA that the amended and restated Bylaws as presented to the Board is hereby adopted effective January 1, 2020.

ADOPTED this ____ day of ___________ 2019.

____
Chair

ATTEST:

____
Secretary

Adopted: March 7, 2019
Amended: January 1, 2020

BYLAWS FOR CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

PREAMBLE

The Clean Power Alliance of Southern California[1] (the "Alliance") was established on June 27, 2017 pursuant to the execution of the Joint Powers Agreement ("JPA"). The members of the Alliance are referred to individually as "Party" or "Local Agency" or collectively, as "Parties" or "Local Agencies" in these Bylaws. The JPA and any Amendments to the JPA shall collectively be referred to as the "Agreement."

ARTICLE I

PURPOSE AND DEFINITIONS

Section 1. Purpose of Bylaws. The Agreement authorizes the Board of Directors to develop Operating Policies and Procedures, including but not limited to Bylaws, to implement the affairs of the Alliance. By approving these Bylaws, the Board intends to provide additional definition concerning governance, internal organization, Board committees, and other matters addressed in these Bylaws.

Section 2. Definitions. Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement.

Section 3. Precedence. If any provision of these Bylaws conflicts with any provision of the Agreement, the Agreement shall prevail, and these Bylaws shall be amended to eliminate such conflict.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Board of Directors. The Alliance shall be governed by a Board of Directors composed of one representative of each of the Parties ("Board").

Section 2. Appointment of Directors by Party. Consistent with Section 4.2 of the Agreement, the governing body of each Party shall appoint and designate in writing to the Alliance one regular Director ("Regular Director") and up to two alternate Directors ("Alternate Director") who may vote on matters when the Regular Director is absent for a Board meeting.

Section 3. Resignation. In addition to meeting a Party's requirements concerning resignation, a

[1] The Alliance was originally established and known as The Los Angeles Community Choice Energy Authority ("LACCE"). LACCE's name was changed in Amendment No. 2 to the original JPA on April 5, 2018.

Adopted: March 7, 2019
Amended: January 1, 2020

Director may resign at any time by giving written notice to the Chair and the Board Secretary.

Any resignation is effective upon receipt of the written notice or at a time designated in the written notice. A vacancy shall be filled as specified in Article IX.

Section 4. Removal for Cause.

a. Grounds for Removal. A Director may be removed for cause. Cause shall be defined for the purposes of this section as follows:

  i. Unexcused absences by a Regular Director from three (3) consecutive Board meetings except an "unexcused absence" shall not be applied against a Regular Director if any one of the Alternate Directors from a Party attends a Board meeting in place of that Regular Director. An unexcused absence shall not include an absence due to vacation, illness or medical appointment, family emergency, jury duty, religious observance, or some other unavoidable conflict, if the Regular Director notifies the Alliance of the conflict in writing;

  ii. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of the Alliance;

  iii. Willful violation of any of the Alliance's Operating Policies and Procedures;

  iv. Has been found by a final order or judgment of any court to be of unsound mind;

  v. Has been convicted of a felony while serving as a Director; or,

  vi. Fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

b. Process for Removal.

  i. If a Director is considered to have met any of the Grounds for Removal specified in Article II, Section 4.a., above, the matter shall be referred to the Executive Committee for investigation and consideration of removal of such Director.

  ii. Prior to considering the removal, the Executive Committee shall provide written notice to the Director proposed for removal and the governing body that appointed such Director at least thirty (30) days prior to the meeting at which the proposed removal will be considered by the Executive Committee. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal ("Removal Notice"). The Director proposed for removal shall be given an opportunity to be heard and to submit any supporting oral or written evidence at the meeting. Upon consideration of the evidence presented, the Executive Committee shall issue a written recommendation to the Board concerning the removal of such Director within ten (10) business days after the removal matter is heard by the Executive Committee, unless the Chair determines that additional time is needed. A copy of the recommendation shall be sent to the Director proposed for removal and the governing body that appointed such Director within three (3) business days of the issuance of the written recommendation.

iii. If the Executive Committee recommends a Director's removal, this recommendation shall be considered by the full Board at the next Regular Meeting following the issuance of the Executive Committee's written recommendation. A copy of the Removal Notice and any evidence presented to the Executive Committee shall be provided to the Board. A Director shall not be removed for cause from the Board unless two-thirds of all present Directors (excluding the Director subject to removal) vote in favor of the removal.

ARTICLE III

INTERNAL ORGANIZATION

Section 1. Election of Board Officers. The Board shall elect from among themselves one Chair and two Vice-Chairs ("Board Officers"). One of the Vice-Chairs shall be a Director representing a Party located in the County of Los Angeles, and the other Vice-Chair shall be a Director representing a Party located in the County of Ventura. Vice-Chairs shall be elected by a vote of the Regular Directors of Parties located in their respective Counties. The candidate who receives the greatest number of votes from voting Regular Directors shall be elected. In the event of a tie, a roll call vote shall be held until a winner is selected.

Commencing in 2020, the current Chair shall announce the nomination period for Board Officer elections at a Regular Meeting. The election shall occur at the next Regular Meeting following the Chair's announcement.

Section 2: Eligibility Requirements for Board Officers. The following minimum eligibility requirements must be met in order for a Regular Director to be elected Chair or Vice-Chair of the Board.

a. The potential candidate must be a Regular Director;

b. The potential candidate must have attended at least 50% of the Alliance's Regular Meetings in the prior 12 months; and,

c. The potential candidate must affirm that he/she intends to serve a full term as a Board Officer.

Section 3. Extension of Term of Office. If, for any reason, the election of a new Board Officer is not made, the then current officer shall continue to serve in his/her position until an election is held at a meeting of the Board.

Section 4. Term of Board Officers. Board Officers shall serve a two-year term commencing on the first day of the Fiscal Year (as defined in Section 7.1 of the Agreement) and ending on the last day of the following Fiscal Year two years later except that the term of office for current Board Officers shall end on March 31, 2020. Commencing in 2020, a Regular Director shall not serve in the same Board Officer position for more than two consecutive full two-year terms.

Section 5. Removal of Board Officers. The Board may remove any of the Board Officers, with or without cause, by a two-thirds vote of the present Directors of the Board at a Regular Meeting of the Board. If removal is being considered, three or more Directors must provide written notice of the proposed removal to the affected Director and to the Executive Director. Thirty (30) days after the receipt of the notice, the Executive Director shall place the removal vote on the agenda at the next Regular Meeting of the Board.

Section 6. Appointment of Treasurer. The Chief Financial Officer ("CFO") of the Alliance shall act as the Treasurer of the Alliance. In the event of a vacancy, the Board Chair shall appoint a qualified person to act as the interim Treasurer within ninety (90) days of the date the position becomes vacant and the interim Treasurer shall remain in that role until a new CFO is named. The Treasurer shall:

a. Possess the powers of, and shall perform any functions required by applicable law, including those duties described in the Government Code Section 6505.5 and the Agreement, and which may be prescribed by the Board or these Bylaws.

b. Prepare, maintain, and update as needed reserve and investment policies governing the Alliance's building of reserves and management of investments respectively.

c. Prepare any other reports or policies that the Board or the Finance Committee requires.

Section 7. General Counsel. The General Counsel shall be the attorney for the Board and the Alliance and shall represent the Board and the Alliance in all actions, hearings, and proceedings for or against the Alliance, or when the Alliance may be legally interested. The General Counsel shall also be the legal advisor to the Board and by extension, to the Alliance's officers and employees in their official capacity. When requested, the General Counsel shall give written legal advice or opinions to the Board or to any Alliance officer or employee.

The General Counsel may delegate her/his authority by designating other attorney(s) on a limited or temporary basis to assist in the performance of her/his duties.

ARTICLE IV

BOARD MEETINGS

Section 1. Regular Meetings. The regular meetings of the Board ("Regular Meeting") shall be held on the first Thursday of each month at 2 PM, unless the Chair and the Executive Director agree that a Regular Meeting should be held on another day and time.

Section 3. Closed Session.

a. Confidentiality. All information presented to the Board in closed session shall be confidential. No person attending a closed session may disclose any matter discussed in the session except as provided below.

b. Discussions with Local Agency Governing Bodies and Local Agency Legal Counsel.

A Director may disclose information obtained in a closed session that has direct financial or liability implications for the Director's Local Agency, to the following individuals: i) Legal counsel of the Director's governing body for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Local Agency; and ii) ~~Other~~ M~~m~~embers of the governing body of the Local Agency present in a closed session of that Local Agency.

Prior to disclosing any information obtained in a closed session to legal counsel of the Director's Local Agency or other members of the legislative body of the Director's Local Agency, the Director shall notify the General Counsel of the intention to discuss the matter with their Local Agency's legal counsel or other members of the legislative body. This notification shall provide the General Counsel with an opportunity to discuss with the Local Agency's legal counsel whether the matter has direct financial or liability implications for the Director's Local Agency.

c. Procedure.

i. The General Counsel and Executive Director shall designate staff members and others who shall remain in the closed session to assist the Board in its deliberations.

ii. Any Director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any Director who attended the closed session. The person contacted may advise the inquiring Director of the content of the session. The advised Director shall not disclose the matter for which the session was held.

iii. The General Counsel shall be consulted before an item is placed on the Closed Session agenda.

d. Alternate Directors Participation. Any designated Alternate Director of the legislative body of a Local Agency ~~who is also a member of the legislative body of a Local Agency and~~ who is attending a properly noticed meeting of the Alliance in lieu of a Local Agency Regular Director may participate in a closed session meeting of the Alliance.

ARTICLE V

RULES GOVERNING COMMITTEES

Section 1. Establishment of Committees. Section 5.9 of the Agreement establishes the Executive Committee, the Finance Committee, and the Community Advisory Committee, and authorizes the Board to establish additional policy committees. The Finance Committee and the policy committees identified in Article VII shall collectively be referred to as "Standing Committees." The duties and authority of all Committees shall be subject to the approval and direction of the Board.

Section 2. Committee Voting. Action by a Committee on matters shall require an affirmative vote of a majority of the Director members who are present at the meeting unless otherwise specified in these Bylaws.

Adopted: March 7, 2019
Amended: January 1, 2020

Section 3. Ad Hoc Committees. The Board may create Ad Hoc Committees from time to time, to undertake special assignments on behalf of the Board. An Ad Hoc committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. The Board Chair shall appoint the Chair of any Ad Hoc Committee. Any Ad Hoc Committee membership shall be governed by Article VII, Section 2.

Section 4. Eligibility Requirements. The following minimum eligibility requirements must be met in order for a Director to be elected to as an At-Large member of the Executive Committee or appointed as a Standing Committee Chair.

a. The potential candidate must be a Regular Director;

b. The potential candidate must have attended at least 50% of the Alliance's Regular Meetings in the prior 12 months; and,

c. The potential candidate must affirm that he/she intends to serve a full term as an Executive Committee member or a Standing Committee Chair.

Section 5. Removal of a Committee Member. Except as otherwise provided in Article III, Section 5, the Board may remove any Committee member from office, including any At-Large member of the Executive Committee or a Standing Committee Chair, with or without cause, by a two-thirds vote of the present Directors of the Board at a Regular Meeting of the Board.

Section 6. Open Meeting Requirements. The meetings of the committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

ARTICLE VI

EXECUTIVE COMMITTEE

Section 1. Executive Committee. The duties of the Executive Committee shall be to review and provide advice to the Executive Director and the entire Board on policy, operation, and organizational matters, and perform such other responsibilities, tasks, or activities as delegated to it by the Board.

The Executive Committee shall consist of the following ten (10) Regular Directors:

a. The Chair of the Board, who shall serve as Chair of the Executive Committee;

b. The two Vice-Chairs of the Board, who shall serve as the Vice-Chairs of the Executive Committee;

c. The Chair from each of the Standing Committees;

d. The immediate past Chair of the Board;

Adopted: March 7, 2019
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e. Two (2) At-Large Directors, each of which represent a Party located in the County of Los Angeles; and,

f. One (1) At-Large Director, who represents a Party located in the County of Ventura.

Section 2. Election of At-Large Executive Committee Members. The Regular Directors of Parties located in the County of Los Angeles shall elect from among themselves two At-Large members subsequent to the election of the Board Officers. The Regular Directors of Parties located in the County of Ventura shall elect from among themselves one At-Large member subsequent to the election of the Board Officers. The candidate who receives the greatest number of votes among voting Regular Directors, or in the event that two positions are being filled, the top two candidates with the greatest number of votes among voting Regular Directors shall be elected. In the event of a tie, a roll call vote shall be held until a winner is selected.

The Chair shall announce the nomination period for the At-Large members at a Regular Meeting. The election shall occur at the next Regular Meeting following the Chair's announcement.

Section 3. Term of At-Large Executive Committee Members and Immediate Past Chair. The At-Large Executive Committee members and when applicable, the immediate past Chair shall serve a two-year term, concurrent with the term of the Board Officers.

Section 4. Extension of Term of Executive Committee Members. If, for any reason, the election of new At-Large Directors is not made, the then current Directors shall continue to serve in his/her position until an election is held at a Regular Meeting of the Board.

Section 5. Alternate Directors in Executive Committee. Except as otherwise provided in Section 5.1 of the Agreement or Article IV, Section 3 of the Bylaws, in the event a Regular Director member of the Executive Committee is unavailable to attend a duly-noticed meeting of the Executive Committee, an Alternate Director representing the same Party may attend the Executive Committee meeting in place of that Regular Director provided that an Alternate Director shall not vote on any matter requiring Executive Committee action.

Section 6. Tie-Break in Executive Committee Vote. In the event of a tie vote of the Executive Committee, the matter shall be referred to the Board for a percentage vote in accordance with Section 4.10.1 of the Agreement.

ARTICLE VII

STANDING COMMITTEES

Section 1. Appointment and Term of Standing Committee Chairs. Commencing in 2020, the Board Chair shall appoint the Chairs of each Standing Committee after the Board Chair is elected. The Chairs of each Standing Committee shall be appointed to a two-year term concurrent with the term of the Board Officers. If, for any reason, the appointment of new Committee Chairs is not made, the then-current Committee Chair shall continue to serve in his/her position until an appointment is made by the Chair at a meeting of the Board.

Adopted: March 7, 2019
Amended: January 1, 2020

Section 2. Standing Committee Membership. Any Director or Alternate Director who wishes to join a Standing Committee may become a member of that Committee. A Director or Alternate Director who wishes to join a Committee shall notify the Board Chair and the Board Secretary in writing of their intention to join. In no event shall the number of Directors in any one Standing Committee constitute a quorum of the Board and in no event shall a Party be represented on any one Standing Committee by more than one Director member.

Section 3. Alternate Directors in Standing Committees. Except as otherwise provided in Article IV, Section 3 of the Bylaws, in the event a Director member of a Standing Committee is unavailable to attend a duly-noticed meeting of that Committee, an alternate Director representing the same Party as the absent Director may attend and if applicable, vote in the Committee meeting in place of the absent Director.

Section 4. Finance Committee. The Standing Finance Committee's duties shall include but not be limited to reviewing and recommending to the Executive Director and the Board:

a. Fiscal year budgets;

b. Financial policies and procedures including a reserve and investment policy; and,

c. Other measures ensuring the sound financial management of the Alliance or as similarly directed by the Board.

The Finance Committee shall select an Independent Auditor who shall perform a financial audit of accounts of the Alliance on an annual basis. The Independent Auditor shall be accredited in the State of California and provide independent, accurate, and timely assessments of the Alliance's financial activities in compliance with generally accepted government auditing standards.

The Finance Committee shall recommend to the Board an Internal Auditor. The Internal Auditor may assess compliance with the Alliance's financial policies and procedures; review the Alliance's internal processes or the adequacy of financial controls; make recommendations for improvement; and any similar duties as the Board may direct.

Section 5. Energy Planning & Resources Committee ("Energy Committee"). There shall be a Standing Energy Committee whose duties shall be to review and provide advice to the Executive Director, the Executive Committee, and the Board on policy, operation and organizational matters related to the Alliance's procurement and development of electric power supplies; the identification and quantification of risk within the energy market; promotion of renewable energy projects and programs; and any similar duties as the Board may direct.

Section 6. Legislative and Regulatory Committee. There shall be a Standing Legislative and Regulatory Committee whose duties shall be to review and provide advice to the Executive Director and the Board on policy, operation and organizational matters related to the Alliance's legislative and regulatory principles, priorities, and strategies; to promote the Alliance's interests by protecting local control and autonomy; to ensure fair treatment of the Alliance's customers by regulatory bodies; and any similar duties as the Board may direct.

Adopted: March 7, 2019
Amended: January 1, 2020

ARTICLE VIII

COMMUNITY ADVISORY COMMITTEE (“CAC”)

Section 1. Purpose. Pursuant to Section 5.9.1(c) of the Agreement, the CAC shall be an advisory committee formed to advise the Board on community outreach and engagement issues; to outreach to key stakeholder communities; and to undertake any assignments as directed by the Board. The CAC is not a Standing Committee.

Section 2. CAC Member Selection Process. On an ongoing basis, the Alliance’s staff shall accept and solicit applications from customers that reside or work within the Alliance’s territory to become a member of the CAC. Commencing in 2020, a list of all CAC member applicants by geography, skills and association, along with copies of all completed applications, shall be provided to the Board and the Board shall select CAC members from this list of CAC applicants.

Section 3. CAC Membership. The CAC shall be comprised of a total of 15 members representing customers or key stakeholders residing or working in the seven (7) geographical regions, as follows:

a. Three (3) members from the East Ventura/West Los Angeles County Region.

b. Two (2) members from the West/Unincorporated Ventura County.

c. Two (2) members from the Westside region in Los Angeles County.

d. Two (2) member from the South Bay region in Los Angeles County.

e. Two (2) member from the Gateway Cities region in Los Angeles County.

f. Two (2) member from the San Gabriel Valley region in Los Angeles County.

g. Two (2) member from the Unincorporated Los Angeles County.

Section 4. CAC Officers. The CAC shall appoint from among themselves by majority vote one Chair and two Vice-Chairs. At least one of the Vice Chairs shall be a member residing in the jurisdiction of a Party located in the County of Ventura. The CAC may establish Bylaws of the CAC (“CAC Bylaws”) governing the operation of the CAC. Any CAC Bylaws shall be drafted by the seated CAC members. Prior to becoming effective, any CAC Bylaws, including any amendments thereto, must be approved by a majority of the seated CAC members who are present at a meeting. The CAC Chair, or designee, shall be the liaison between the Board and the CAC and to the extent requested by each Board subject to the limits of the Agreement and applicable law.

Section 5. CAC Term. The initial term of service for current CAC members shall expire at the Board Meeting in April 2020. Thereafter, the term of service of each CAC member will be two years commencing at the Board Meeting in May and expiring in April two years later. There shall be no limit to the number of terms a CAC member may serve.

Adopted: March 7, 2019
Amended: January 1, 2020

Section 6. CAC Quorum and Voting. Fifty percent (50%) of the seated CAC members shall constitute a quorum for the transaction of business. Action of the CAC on all matters shall require an affirmative vote of a majority of all members who are present at the subject meeting.

Section 7. CAC Member Removal. A CAC member may be removed by a majority vote of the Board, with or without cause.

Section 8. CAC Vacancies.

a. Whenever a vacancy occurs among the CAC Officers during that officer's term of office, the CAC shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs.

b. Whenever a vacancy occurs for a CAC member during that member's term of office, the Board shall fill such vacancy.

Section 9. Reimbursements. CAC members may seek reimbursement of expenses incurred to attend a duly-noticed CAC meeting or a Board authorized meeting in compliance with "CPA Reimbursements for Board of Directors" policy, Policy No. CPA2018-05.

ARTICLE IX

DIRECTOR VACANCIES

Section 1. Vacancy Definition. A vacancy shall exist in the case of death; resignation; expiration of term; termination or withdrawal of membership from the Alliance; removal of a Director by the governing body of a Party that designated and appointed the member Director; removal of a Director by the Board; or when a Director, who is an elected member of a Party, ceases to be an elected member, including term limits.

Section 2. Vacancy of a Director. Whenever a vacancy occurs for a Regular Director or Alternate Director representing a Party, the affected Party shall comply with Section 4.3 of the Agreement and the appointment and designation shall occur in a manner consistent with each Party's rules, regulations, bylaws, policies, or procedures. In addition, the affected Party shall notify the Executive Director in writing no later than five (5) business days after a replacement Director is appointed or elected by the governing body.

Section 3. Vacancy of a Regular Director serving as a Board Officer. Whenever a vacancy occurs of a Regular Director serving as a Board Officer during that officer's term of office, the Board shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs. The election of a Board Officer shall be consistent with Article III, Section 1.

Section 4. Vacancy of At-Large Executive Committee Member. Whenever a vacancy occurs for an At-Large Executive Committee member, during that member's term of office, the Board shall hold an election to fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs. The election of an At-Large Executive

Committee Member shall be consistent with Article VI, Sections 1.e and f., and Article VI, Section 2.

Section 5. Vacancy of Standing Committee Chairs. Whenever a vacancy occurs for a Standing Committee Chair, during that Standing Committee Chair's term of office, the Board Chair shall fill such vacancy within 90 days of the date of the vacancy if there are 90 days or more in the term at the time the vacancy occurs.

Section 6. Remaining Term. Any Director appointed or elected to fill a vacancy before the expiration of the term for which her or his predecessor was appointed shall serve for the remainder of such term.

ARTICLE X

VOTING

Voting on Alliance matters shall be held in accordance with the requirements of Sections 4.10 and 4.11 of the Agreement and these Bylaws.

Staff Report – Agenda Item 4

To:	Clean Power Alliance (CPA) Board of Directors
From:	Natasha Keefer, Director of Power Planning and Procurement
Approved by:	Ted Bardacke, Executive Director
Subject:	Approve Amended Task Order No. 1 with Ascend Analytics for Services Supporting CPA's 2019 Reliability RFO
Date:	December 5, 2019

RECOMMENDATION

Authorize the Executive Director to execute an Amended Task Order No. 1 with Ascend Analytics (Ascend) to expand the scope of services to include the 2019 Reliability Request for Offer (RFO) and to increase the not-to-exceed (NTE) amount by $50,000 for a total Task Order value of $195,000.

BACKGROUND

On September 5, 2019, the Board authorized Task Order No. 6, now renumbered as Ascend Analytics Task Order No. 1,[1] with Ascend for Long-Term RFO support services for an NTE amount of $145,000 to support the 2019 Clean Energy RFO (RFO), including both the utility scale and local distributed tracks. The scope of this original Task Order includes supporting the RFO solicitation design and offer selection criteria, administering the RFO (including a dedicated website, offer intake and validation), and assisting with valuing long-term proposals submitted in response to the RFO.

On September 12, 2019, the CPUC issued a proposed decision in the Integrated Resources Plan (IRP) proceeding that required load serving entities, including CPA, to demonstrate procurement of long-term capacity contracts by May 1, 2020 for new

[1] CPA now numbers Task Orders sequentially by vendor (e.g., Ascend Analytics Task Order 1, Ascend Analytics Task Order 2, etc.). Accordingly, this Task Order has been renumbered to be consistent with this naming convention.

resources with online dates as early as August 2021. In order to respond to the short timeframe under which the IRP procurement must be conducted, CPA released a 2019 Reliability RFO in October to address the incremental capacity procurement required by the proposed decision.[2]

AMENDED ASCEND ANALYTICS TASK ORDER NO. 1

Because CPA had already executed the Task Order with Ascend in September to provide support services on the 2019 Clean Energy RFO, CPA is proposing to amend its Task Order to include incremental support services for the 2019 Reliability RFO as well. The amendment would increase the contract price by $50,000 so that the total NTE amount for this Ascend Analytics Task Order is $195,000. The scope of work to provide support services is identical for each of the two RFOs and having one RFO administrator run both processes allows CPA to leverage significant efficiencies, mitigates costs, and allows CPA to timely meet obligations arising out of the IRP proceeding.

FISCAL IMPACT

The additional cost of the Amended Ascend Analytics Task Order No. 1 services is incorporated into the FY 2019-20 budget, which includes procurement support services.

Attachment: 1) Amended Ascend Analytics Task Order No. 1

[2] The final D.1911016 Requiring Electric System Reliability Procurement for 2021-2023 was issued on November 7, 2019.

EXHIBIT A
CLEAN POWER ALLIANCE ADMINISTRATION

CPA's PROJECT DIRECTOR:

Name:	Ted Bardacke
Title:	Executive Director
Address:	555 West 5th Street, 35th Floor Los Angeles, CA 90013
Telephone:	(213) 269-5870
E-Mail Address:	tbardacke@cleanpoweralliance.org

EXHIBIT B *(Amended)*
CONTRACTOR ADMINISTRATION

Ascend -Task Order No. 1 (amended and renumbered)~~6~~ CPA Master Agreement No. 2019-09-05

CONTRACTOR'S PROJECT MANAGER:

Name: David Millar

Title: Director of Resource ~~Marketing~~Planning

Address: 1877 Broadway St, Suite 706

Boulder, CO 90302

Telephone: 970-986-6662

Facsimile: ______

E-Mail Address: dmillar@ascendanalytics,com

CONTRACTOR'S AUTHORIZED OFFICIAL

Name: Gary Dorris

Title: CEO

Address: 1877 Broadway St, Suite 706

Boulder, CO 90302

Telephone: 303-415-0301

Facsimile: ______

E-Mail Address: gdorris@ascendanalytics.com

Name: ______

Title: ______

Address: ______

Telephone: ______

Facsimile: ______

E-Mail Address: ______

EXHIBIT E-1 (Amended)

MASTER AGREEMENT TASK ORDER

(FIXED PRICE PER DELIVERABLE BASIS)

ASCEND ANALYTICS, LLC
("CONTRACTOR" or "Ascend")

~~Work~~ Amended Ascend Task Order No. 1 (renumbered ~~and amended~~)~~6~~

CPA Master Agreement No. 2019-09-05

Project Title: Long-Term RFO Support Services for 2019 Clean Energy RFO and 2019 Reliability RFO~~s~~

Period of Performance: August 30, 2019 through August 30, 2020

CPA PROJECT DIRECTOR: Ted Bardacke

CPA TASK ORDER MANAGER Natasha Keefer

I. GENERAL

Contractor shall satisfactorily perform all the tasks and provide all the deliverables detailed in the Statement of Work attached hereto, on a fixed price per deliverable basis, in compliance with the terms and conditions of Contractor's Master Agreement.

II. PERSONNEL

Contractor shall provide the below-listed personnel:

Skill Category: Analyst & Senior Analyst

Name: Valeri~~ezia~~ Katz

Name: Daniel Weingarten

Name: Danielle Labruzzo

Name: Zach Brode~~Michelle Ballow~~

Name: Brent Nelson

III. PAYMENT

A. The Total Maximum Amount that CPA shall pay Contractor for each of deliverable to be provided under this Task Order, when the entire Deliverable for both the 2019 Clean Energy RFO and the 2019 Reliability RFO is complete, is shown below:

Deliverable	Maximum Amount
Pre-RFO Activities (Task Order Deliverable 1)	$ ~~25~~50,000
RFO Administration (Task Order Deliverable 2)	$ 45,000
RFO Valuation (Task Order Deliverable 3)	$ ~~70~~95,000

Includes two trips to CPA HQ from Boulder for 2 staff	$ 5,000
Total Maximum Amount:	$ 1945,000

CPA shall make payment only after Contractor's successful completion of each Deliverable.

B. Contractor shall satisfactorily provide and complete all required deliverables in accordance with Statement of Work notwithstanding the fact that total payment from CPA for all deliverables shall not exceed the Total Maximum Amount in III.A, above.

C. Contractor shall submit all invoices under this Task Order to:

Clean Power Alliance
Attn: Chief Financial Officer
555 West 5th Street, 35th Floor
Los Angeles, CA 90013.

IV. SERVICES

In accordance with Master Agreement Section 2, Contractor may not be paid for any task, deliverable, service, or other work that is not specified in this Task Order, and/or that utilizes personnel not specified in this Task Order, and/or that exceeds the Total Maximum Amount of this Task Order, and/or that goes beyond the expiration date of this Task Order.

ALL TERMS OF THE MASTER AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. THE TERMS OF THE MASTER AGREEMENT SHALL GOVERN AND TAKE PRECEDENCE OVER ANY CONFLICTING TERMS AND/OR CONDITIONS IN THIS TASK ORDER. NEITHER THE RATES NOR ANY OTHER SPECIFICATIONS IN THIS TASK ORDER ARE VALID OR BINDING IF THEY DO NOT COMPLY WITH THE TERMS AND CONDITIONS OF THE MASTER AGREEMENT.

Contractor's signature on this Task Order document confirms Contractor's acknowledgement, awareness, and agreement to the terms and conditions of the Master Agreement and specifically with the provisions of Section 2 of the Master Agreement, which establish that Contractor shall not be entitled to any compensation whatsoever for any task, deliverable, service, or other work:

A. That is not specified in this Task Order, and/or

B. That utilizes personnel not specified in this Task Order, and/or

C. That exceeds the Total Maximum Amount for each deliverable specified in this Task Order, and/or

D. That goes beyond the expiration date of this Task Order.

REGARDLESS OF ANY ORAL PROMISE MADE TO CONTRACTOR BY ANY CLEAN POWER ALLIANCE PERSONNEL WHATSOEVER.

CONTRACTOR	CLEAN POWER ALLIANCE
Date: ~~08~~12/~~30~~06/2019	Date: ~~09/05~~12/06/2019
Name: Gary Dorris	Name: Theodore Bardacke

Title: CEO Title: Executive Director

Exhibit E-1A (Amended)

Amended Ascend Task Order No. 1 Description

Long-Term RFO Support Services for 2019 Clean Energy RFO and 2019 Reliability RFO

Summary

Support Clean Power Alliance's 2019 solicitations for long-term clean energy and standalone storage contracts, including solicitation design, requests for offer (RFO) administration, and offer evaluation and selection.

CPATASK ORDER – Scope of Work for each RFO

1. **In advance of the launch of the RFOs, support solicitation design and offer selection criteria**
    a. Support CPA's development of the solicitation scope, process design, and detailed schedule
    b. The RFO selection criteria will incorporate, at a minimum the following quantitative and qualitative factors:
        - Energy and capacity value
        - Development risk
        - Environmental stewardship
        - Workforce Development
        - Benefits to Disadvantaged Communities
        - Project Location
    c. Develop a contact list of a competitive pool of providers and release an RFO pre-launch notification to these providers

Task 1 deliverables: Final solicitation process and schedule; framework for offer qualification and selection criteria, pre-launch notification

2. **Administration of requests for offer of renewable energy projects and standalone storage projects from both the 2019 Clean Energy RFO and 2019 Reliability RFO**
    a. Provide input on CPA's requested products [Note: form power purchase agreements (PPAs) will be provided by CPA]
    b. Prepare solicitation materials and a comprehensive solicitation protocol to be issued to potential providers [Note: solicitation materials are anticipated to be similar to those used in CPA's 2018 Clean Energy RFO]
    c. Provide a submission platform that accommodates a high volume of bidders, with multiple, differentiated offers from each bidder
    d. Provide a webinar platform that accommodates at least 100 participants
    e. Manage Q&A process to ensure conforming proposals are provided, including all communication with bidders
    f. Project manage the solicitation process to ensure key dates are met.

Task 2 deliverables: Written solicitation protocol; host website for receipt of offers from each RFO; miscellaneous RFO administration services

3. **Proposal evaluation and portfolio assessment**

a. Conduct initial QA/QC of offers and notify bidders of errors needing correction.
b. Build a valuation model to perform financial analysis of individual projects and portfolios of projects to assess value and assist CPA with constructing the optimal portfolio of projects for CPA, including valuation of RPS-only, RPS plus storage, and storage only offers.
c. Longlist Selection: analyze project developers, project dynamics, and financial analysis to filter offers to an initial list of qualified and conforming project offers. The longlist deliverable will include a comprehensive Excel spreadsheet summarizing all offers with key descriptive information and selection criteria ranking for each offer. The deliverable will also include a summary of RFO metrics and trends to be presented to CPA's Board of Directors Energy Committee.
d. Shortlist Selection: perform advanced analytics on potential shortlisted projects to identify the most attractive projects to procure. To facilitate CPA's selection process by the RFO review team, the potential shortlist analysis should be provided to CPA in comprehensive and easy to understand summary report and an Excel spreadsheet that includes descriptive information on all offers, including selection criteria ranking.

Task 3 deliverables: Evaluation of all submitted offers and analysis of selected CPA portfolio; longlist for each RFO and shortlist selection deliverables as described above

PROJECT SCHEDULE AND COORDINATION

Each task listed above shall be undertaken in close coordination with CPA staff. The Contractor shall discuss initial findings or approaches for each task with CPA staff before developing final work products in order to avoid rework. CPA Staff will provide timely feedback and input in developing the work product.

The key events for CPA's 2019 Long-term Clean Energy RFO and 2019 Reliability RFO, respectively, are listed below and may be subject to change at CPA's exclusive discretion.

2019 Clean Energy RFO Schedule:

Date	Action
September 9	Task Order kick-off with Contractor
September 20	Contractor completes Task 1a: Solicitation design
September 25	CPA Energy Committee Meeting - receive initial feedback on solicitation design
September 27	Contractor completes Task 1b and 1c: Complete selection criteria framework and release solicitation pre-launch notice
October 18	Contractor completes Task 2a and 2b: Finalize form PPA and complete solicitation protocol

October 21	Contractor completes Task 2c: Launch RFO
October 28	Contractor completes Task 2d: Conduct RFO Webinar
November 1	Contractor closes Q&A bidder submission window
November 15	Contractor completes Task 2e: Post Q&A responses
November 22	Offers Due
December 6	Task 3a: Complete QA/QC of RFO responses
December 13	Complete Task 3b and 3c: Perform individual contract and portfolio analysis and Longlist selection
Mid-December	CPA Energy Committee – Review RFO trends
January/February	Task 3d: Shortlist selection recommendations by CPA's RFO review team
January/February	CPA Energy Committee – Approve shortlists
February/March	Exclusivity Agreements due
May/June/July	CPA Board meeting - Approve negotiated PPAs

2019 Reliability RFO Schedule:

Date	**Action**
October 4	Contractor completes Task 1b and 1c: Complete selection criteria framework and release solicitation pre-launch notice
October 11	Contractor completes Task 2a and 2b: Finalize form PPA and complete solicitation protocol
October 14	Contractor completes Task 2c: Launch RFO
October 23	Contractor completes Task 2d: Conduct RFO Webinar

November 1	Contractor closes Q&A bidder submission window
November 8	Contractor completes Task 2e: Post Q&A responses
November 11	Offers Due
November 18	Task 3a: Complete QA/QC of RFO responses
November 25	Complete Task 3b and 3c: Perform individual contract and portfolio analysis and Longlist selection
December 9	Task 3d: Shortlist selection recommendation by CPA's RFO review team
December 18	CPA Energy Committee – Approve shortlist
January 9	CPA Board meeting – update Board on shortlist selection
January 9	Exclusivity Agreements due
February – June 2020	CPA Board meeting - Approve negotiated PPAs

Staff Report – Agenda Item 5

To:	Clean Power Alliance (CPA) Board of Directors
From:	Matt Langer, Chief Operating Officer
Approved by:	Ted Bardacke, Executive Director
Subject:	Approve Third Amended MRW Task Order No. 1 for Rate Setting and Cost of Service Analysis
Date:	December 5, 2019

RECOMMENDATION

Authorize the Executive Director to execute a Third Amended MRW Task Order No. 1 with MRW and Associates (MRW) for Rate Setting and Cost of Service Analysis to adjust the scope of work, extend the term to February 28, 2021, and increase the not-to-exceed (NTE) amount by $55,000 from $369,090 to $424,090.

BACKGROUND

In August 2018, the Board approved MRW Task Order No. 1[1] to perform rate setting work and cost of service analysis associated with the CPA's 2019 rate setting process. In February 2019, the Board authorized execution of Amended MRW Task Order No. 1 to perform additional rate setting work resulting from SCE's undercollection and Trigger Application. In July 2019 and in response to the unusual number of SCE rate changes during 2019, the Board approved Second Amended MRW Task Order No. 1 to increase the NTE and extend the term of the agreement to October 31, 2019. This second amendment covered additional rate setting work and began the steps necessary to transfer overall rate setting and Cost of Service modeling to in-house CPA staff.

[1] CPA now numbers Task Orders sequentially by vendor (e.g., MRW Task Order 1, MRW Task Order 2, etc.). Accordingly, this Task Order will be referred to as "MRW Task Order No. 1" to be consistent with this naming convention.

THIRD AMENDED MRW TASK ORDER NO. 1

Staff proposes to extend the term, adjust the scope of services, and increase the contract price of the task order for two main purposes.

One, MRW will assist CPA develop rates and perform cost of service analysis for the 2020 rate setting cycle. SCE is expected to update its generation rates (1) on January 1, 2020 to implement their consolidated annual rate change and (2) again in March or April 2020 to implement their new ERRA forecast and to finally sunset the collection of extra PCIA charges resulting from SCE's revenue undercollection of approximately $800 million in 2018. MRW will work with CPA to review the new rates and estimate revenues to support CPA's decision-making regarding when and how to update its rates. MRW can also generate new detailed rates for CPA to support potential 2020 CPA rate changes in response to the two expected SCE 2020 generation rate changes.

Two, starting in 2020, CPA staff intends to transition the bulk of the ratesetting function from MRW to CPA. Under the Third Amended Task Order, MRW will be tasked with implementing an internal system for CPA staff – built on the platform they have already built for CPA – to analyze revenue impacts of different rate scenarios and to implement new customer rates as applicable. The adjusted scope allows MRW to continue to work on tools and training to assist in the transition of the ratemaking function to CPA staff.

There is still $46,000 remaining in the Second Amended MRW Task Order No. 1 NTE as some of that work remains ongoing. Due to the updates to scope, staff is proposing an increase of $55,000 in the total contract price, bringing the NTE from $369,090 to $424,090. MRW periodically reassess its hourly rates. MRW indicates that there are four MRW staff whose hourly rates are scheduled to increase. The amendment accommodates the hourly rate increase but limits the application of those hourly rates to the incremental $55,000 budget. The amended task order also memorializes MRW personnel updates and adds clarification of certain scope items.

FISCAL IMPACT

Expenditures associated with the proposed Amendment for the 2020 rate cycle work and the transfer of rate setting modelling work to CPA are allocated in the FY 2019-20 Budget. Expenditures associated with work performed after June 30, 2020 will be included in the FY 2020-21 Budget, to be developed in the first half of 2020.

Attachment: 1) Third Amended MRW Task Order No. 1

Exhibit E-1

MASTER AGREEMENT THIRD AMENDED TASK ORDER

(TIME AND MATERIALS BASIS)

MRW & ASSOCIATES LLC
("Contractor" or "MRW")

~~Second~~ Third Amended MRW Task Order No.1 CPA Master Agreement No. 2018-08-03

Project Title:	Rate Setting and Cost of Service (COS) Analysis
Period of Performance:	August 17, 2018 to ~~October 31, 2019~~February 28, 2021
CPA Project Director:	Matthew Langer
CPA Task Order Manager:	Matthew Langer

I. GENERAL

Contractor shall satisfactorily perform all Services detailed in the Task Order Description attached hereto as Exhibit E-1A, on a time and materials basis, in compliance with the terms and conditions of Contractor's Master Agreement identified above.

II. PERSONNEL

Contractor shall provide the below-listed personnel whose labor rates are as shown:

Skill Category Rate Setting and Cost of Service Analysis

Name:	Mark Fulmer (current)	@ $300.00/hour.
Name:	Mark Fulmer (new hourly rate only effective after project costs exceed $369,090.00)	@ $330.00/hour.
Name:	Mary Neal (current)	@ $260.00/hour.
Name:	Mary Neal (new hourly rate only effective after project costs exceed $369,090.00)	@ $299.00/hour.
Name:	Anna Casas	@ $165.00/hour.
Name:	Anna Casas (new hourly rate only effective after project costs exceed $369,090.00)	@ $215.00/hour.
~~Name:~~	~~Naina Gupta~~	~~@ $150.00/hour.~~
~~Name:~~	~~George Randolph~~	~~@ $135.00/hour.~~
Name:	Brandon Charles (current)	@ $215.00/hour.
Name:	Brandon Charles (new hourly rate only effective after project costs exceed $369,090.00)	@ $252.00/hour.
Name:	William Monsen	@ $340.00/hour.
Name:	Carlo Bencomo-Jasso	@ $224.00/hour.

PAYMENT

A. The Total Maximum Amount that CPA shall pay Contractor for all Services to be provided under this Task Order shall not exceed ~~Three~~ Four Hundred ~~Sixty-Nine~~Twenty-Four Thousand Ninety Dollars ($~~369~~424,090).

B. Contractor shall invoice CPA only for hours actually worked, in accordance with the terms and conditions of Contractor's Master Agreement. Travel time for each Contract personnel shall be billed at half (50%) the hourly labor rate specified in Section II above, provided that all travel shall be approved in writing and in advance by CPA. Contractor shall be responsible for limiting the number of hours worked by Contractor personnel under this TASK ORDER, not to exceed the Total Maximum Amount in III.A, above.

C. Contractor shall satisfactorily perform and complete all required Services in accordance with Statement of Work notwithstanding the fact that total payment from CPA shall not exceed the Total Maximum Amount.

D. Contractor shall submit all invoices under this Task Order to:

Clean Power Alliance
Attn: Accounts Payable
555 West 5th Street, 35th Floor
Los Angeles, CA 90013.

IV. SERVICES

In accordance with Master Agreement Section 2 (Work), Contractor may not be paid for any task, deliverable, service, or other work that is not specified in this Task Order, and/or that utilizes personnel not specified in this Task Order, and/or that exceeds the Total Maximum Amount of this Task Order, and/or that goes beyond the expiration date of this Task Order.

ALL TERMS OF THE MASTER AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. THE TERMS OF THE MASTER AGREEMENT SHALL GOVERN AND TAKE PRECEDENCE OVER ANY CONFLICTING TERMS AND/OR CONDITIONS IN THIS TASK ORDER. NEITHER THE RATES NOR ANY OTHER SPECIFICATIONS IN THIS TASK ORDER ARE VALID OR BINDING IF THEY DO NOT COMPLY WITH THE TERMS AND CONDITIONS OF THE MASTER AGREEMENT.

Contractor's signature on this Task Order document confirms Contractor's awareness of the terms and conditions of the Master Agreement and specifically with the provisions of Section 2 (Work) of the Master Agreement, which establishes that Contractor shall not be entitled to any compensation whatsoever for any task, deliverable, service, or other work:

A. That is not specified in this Task Order, and/or
B. That utilizes personnel not specified in this Task Order, and/or
C. That exceeds the Total Maximum Amount of this Task Order, and/or
D. That goes beyond the expiration date of this Task Order.

REGARDLESS OF ANY ORAL PROMISE MADE TO CONTRACTOR BY ANY CLEAN POWER ALLIANCE PERSONNEL WHATSOEVER.

MRW & ASSOCIATES LLC	CLEAN POWER ALLIANCE
By: ______________________	By: ______________________
Name: Mark Fulmer	Name: Ted Bardacke
Title: Principal	Title: Executive Director
Date: ______	Date: ______

Exhibit E-1A

THIRD AMENDED MRW TASK ORDER DESCRIPTION

Rate Setting and Cost-of Service Analysis

SUMMARY

Support CPA's 2019 ratemaking by developing and implementing a rate setting process. Support CPA's efforts to provide customer-friendly rates that also meet CPA's financial objectives by analyzing the cost of service for CPA's various rates. Use the rate setting process and cost of service analysis to design rate classes and tiered rate offerings.

TASK LIST

1. **Rate Setting Process analysis**
   a. Evaluate CPAs existing rate setting methodology (discount relative to SCE rates for 36% and 50% tiers; premium rate for 100% tier)
      i. Analyze existing rates and tiered offerings
      ii. Identify gaps and opportunities for improvement in CPA's existing Rate Setting Process. Questions to consider include, but are not limited to:
         1. Are all necessary rate elements considered in Rate Setting approach?
         2. Should rates be set as a discount to SCE generation rates or overall rates?
         3. Should each rate tier (36%, 50%, 100%) be set as at a rate relative to SCE rates or should higher tier rates be set based on a variable adder on base rates?
         4. What other rate setting approaches should CPA consider?
   b. Recommend improvements for 2019 Rate Setting Process based on above analysis and incorporating best practices from other CCAs

   Task 1 deliverables: Written assessment of CPA Rate Setting Process approach; recommendations; timeline for implementation.

2. **Ratemaking tools**
   a. Cost-of-Service Model
      i. COS Model will compare the revenues from CPA's actual or projected rates with CPA's actual or projected costs of power and overheads to determine the profitability of each rate class and rate tier.
         1. COS Model shall accept cost assumptions from CPA's financial model and analyze the profitability of each rate class

   ii. Consultant shall identify rate classes that are insufficiently profitable and recommend alternative approaches, if needed
- b. Rate Setting Model (RSM)
   - i. Develop a model to set rates based on various assumptions and scenarios
      1. RSM shall incorporate relevant insights from Task 1 to ensure completeness and adherence to best practices
      2. RSM shall have flexibility to apply a single rate discount across all rate classes or unique rate discount to each rate class or tier
      3. RSM shall produce outputs that are compatible with CPA's financial model and easily transferable into customer rate sheets
      4. COS Model shall be integrated with RSM in order to quickly assess the impact of various scenarios to cost of service results
- c. Necessary updates to Task 2 deliverables identified below to reflect June 2019 rates and September 2019 rates
- ~~c.~~d. Necessary updates to Task 2 deliverables identified below to reflect 2020 rate setting cycle

Task 2 deliverables: Rate Setting Model and COS Model. Analysis of insufficiently profitable rate classes and recommended remedial action. Review sessions with CPA staff to discuss key findings.

3. Final Rate Setting Implementation
- a. Residential Rate Classes
   - i. Using the approach and tools adopted in Tasks 1 and 2, develop 2019 rates based on updated rates from SCE and other inputs
   - ii. Create rate sheets and rate/cost comparisons for use by CPA's data manager and for distribution to customers
      1. This shall include Joint Rate Comparisons (JRC) for joint mailers with SCE and JRCs for all rates to be posted on CPA's website
      2. Rate sheets for use by CPA's data manager will be produced in a format acceptable to the data manager
- b. Non-Residential Rate Classes
   - i. Using the approach and tools adopted in Tasks 1 and 2, develop 2019 rates based on updated rates from SCE and other inputs
   - ii. Based on input from CPA staff, design custom rates to address the needs of key customer classes and uses such as Electric Vehicle charging, demand response, and water agencies.
   - iii. Create rate sheets and rate/cost comparisons for use by CPA's data manager and for distribution to customers
      1. This shall include Joint Rate Comparisons (JRC) for joint mailers with SCE and JRCs for all rates to be posted on CPA's website
      2. Rate sheets for use by CPA's data manager will be produced in a format acceptable to the data manager
- c. Transit and Water Agency Rate Design
   - i. Participate in focus groups with key water and transit agency customers in order to identify unique customer rate design needs

ii. Based on feedback from focus groups, work with CPA staff to design rates that fulfil water and transit agency customer needs.

d. Necessary updates to Task 3 deliverables identified below to reflect June 2019 rates

e. Necessary updates to Task 3 deliverables identified below to reflect September 2019 rates

~~d.~~f. Using the approach and tools adopted in Tasks 1 and 2, develop 2020 rates based on updated rates from SCE and other inputs

Task 3 deliverables: Final 2019 rates and customer rate sheets and comparisons, final 2020 rates and customer rate sheets and comparisons.

4. Model Transfer and As-Needed Consulting

a. Provide consulting services for matters related to rates or cost of service analysis, but outside of the specific scope of work identified in Task 1, 2 and 3.

b. The parties will agree in advance when a request falls under Task 4.

c. Complete revenue projections as requested

d. Model Transfer

i. Work with CPA Staff to define COS and Rate Model requirements

ii. Complete COS and Rate Model modifications as instructed to meet the requirements defined in 4(c)

iii. Provide CPA Staff with training on COS and Rate Models

~~iii.~~iv. Document ratemaking methods, models, and tools in a handbook to serve as reference guide for CPA employees

~~iv.~~v. Support development of SQL server database to support COS and Rate Models

Task 4 deliverables: Revenue projections as requested, train CPA staff on use of Rate and COS Models, complete COS and Rate Models consistent with CPA requirements, transition COS and rate modelling to CPA Staff, ratemaking handbook.

SCHEDULE AND COORDINATION

Each task listed above will be undertaken in close coordination with CPA staff. The consultant will discuss initial findings or approaches for each task with CPA staff before developing final work products or deliverables in order to avoid rework. CPA Staff will provide timely direction, feedback and input in developing the work product.

Existing timelines for CPA and SCE rate setting drive the schedule for the Task Order. The key events for CPA's 2019 Rate Setting Process are listed below. Note: rows shaded in grey are milestones that inform the schedule, but do not indicate Task Order due dates.

Date	Action
August 16, 2018 Board Meeting	CPA finalizes rate options (e.g. 36% RPS, 50% RPS, 100% RPS) and Task Order
August 20, 2018	Task Order kick-off with consultant
August – October 2018	CPA members select default rate option with conservative guidance on savings vs. SCE
August 31, 2018	Complete Task 1: Rate Setting Process Analysis
October 1, 2018	Complete Task 2a: COS Model for all customer classes
November 1, 2018	Complete Task 2b: Rate Setting Model
Early November 2018	SCE files updated rate forecast
November 10, 2018	Complete Task 3a: Residential Rate Setting
Mid November 2018 Board Meeting	CPA sets Residential rates (in time for Dec pre-enrollment notice)
March 2019	SCE Advice Letter setting final rates (effective TBD)
June 1, 2019	Update Task 3a, if necessary: Residential Rate Setting
February-May 2019 Board Meetings	CPA calibrate Residential rates as needed
June 1, 2019	Complete Task 3b: Non-Residential Rate Setting
February-April-June 2019 Board Meetings	Set and calibrate Residential and Non-Residential rates
July 31, 2019	Complete Updates to Task 3: Joint Rate Comparison for June Rates
September 9, 2019	Complete Task 2c, including any updates, and complete Task 3e: Set and calibrate Residential and Non-Residential Rates for September Rate Change and Joint Rate Comparison
~~October~~ December 31, 2019	Complete ~~Updates to~~ Task 2d, including any updates and Complete Task 4c ~~and 4d~~: Rate Setting Model, Cost of Service Model, Revenue Projections~~, and Model Transfer~~
January – April 2020	Complete Task 3f: Set and calibrate Residential and Non-Residential rates as needed and complete Joint Rate Comparisons

February 2021	Complete Task 4d: Model transfer and associated support

Staff Report – Agenda Item 6

To:	Clean Power Alliance (CPA) Board of Directors
From:	Hui Lisano, Controller
Approved by:	Ted Bardacke, Executive Director
Subject:	Approve an Amended and Restated Consulting Agreement with Maher Accountancy
Date:	December 5, 2019

RECOMMENDATION

Authorize the Executive Director to execute an Amended and Restated Consulting Agreement as attached, or in a substantially similar form, with Maher Accountancy (Maher) to modify the scope of work, extend the term to September 30, 2020, and reduce the monthly fee to $15,000/month for January–June 2020 and up to $10,000/month as mutually agreed by the parties for July–September 2020.

BACKGROUND

In June 2018, CPA entered into a one-year contract with Maher Accountancy (Maher) to provide accounting and financial audit support services. The 2018 contract ended by its terms on June 30, 2019.

In June 2019, CPA entered into a new contract with Maher for a six-month term ending December 31, 2019, as CPA began the process of moving accounting functions in-house. Through this proposed amendment, staff proposes to extend the Maher contract for an additional nine months (a total contract term of 15 months) ending September 30, 2020, with a revised scope of work and a reduced monthly fee. The extension will 1) facilitate the continuing transition of CPA's accounting and financial reporting function in-house over the six month period of January to June 2020, and 2) allow Maher to provide support, as needed, during the annual audit of FY 2019-20 Financial Statements and post-transition period of July 1 to September 30, 2020.

PROPOSED SCOPE OF WORK

Transition of Accounting Services In-House - $15,000 per month

As part of CPA's plan to transition core operations in-house over the course of 2019 and 2020, CPA hired an internal Controller in October 2019. Together with the CFO and Maher, the new Controller drafted CPA's accounting operation transition plan, the bulk of which will occur between January and June 2020. While this transition takes place, CPA will still require assistance from Maher for day-to-day accounting services and institutional knowledge while new staff assesses CPA's current system and reporting requirements, designs the chart of accounts and implements an in-house accounting system. Extending the Maher's services as proposed in the attached amended and restated contract will ensure that during the next six months, CPA's critical accounting functions continue to be properly performed and are transitioned correctly. The proposed amended and restated contract also provides sufficient time for staff to evaluate, select, install, and test CPA's in-house accounting system prior to implementation, and to provide proper training and internal control documentation.

The reduced fee, to $15,000 per month from the current $20,000 per month, reflects staff's ability to immediately assume certain budgeting, treasury and control functions previously performed by Maher.

Support for FY 2019-20 Audit – Up to $10,000 per month

In addition to the extension of six months of accounting services, staff also proposes additional scope on an as-needed basis from July to September 2020 for Maher to provide assistance for CPA's FY 2019-20 annual financial audit. Extending the contract for these additional three months will ensure that CPA has sufficient audit support from Maher in the audit period, during which Maher will have performed an entire year of basic accounting services. The fee for these as-needed services will be up to $10,000/month as mutually agreed by the parties depending on how much assistance is required.

FISCAL IMPACT

Expenditures associated with the proposed Maher Accountancy Amended and Restated Consulting Agreement are included in the FY 2019-20 Budget. Expenditures associated with work performed after June 30, 2020 will be included in the FY 2020-21 Budget, to be developed in the first half of 2020.

Attachment: 1) Proposed Amended and Restated Consulting Agreement with Maher Accountancy

Clean Power Alliance of Southern California

AMENDED AND RESTATED

CONSULTING AGREEMENT

This Amended and Restated Consulting Agreement (this "Agreement") dated and effective as of July 1, 2019 (the "Effective Date"), is made by and between:

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA AUTHORITY ("CPA"); 555 W 5th Street, 35th Floor, Los Angeles, CA, 90013
Email: hlisano@cleanpoweralliance.org

and

MAHER ACCOUNTANCY (a California Corporation);
1101 Fifth Ave Ste 200, San Rafael, CA 94901 ("Consultant")
Email: mmaher@mahercpa.com.

CPA and Consultant are sometimes collectively referred to herein as the "Parties" and each individually as a "Party." In consideration of the terms of this Agreement, and for other good and valuable consideration, the Parties make the following acknowledgments and agreements:

RECITALS

WHEREAS, CPA desires to engage Consultant's services and Consultant, an independent contractor, desires to provide CPA consulting services.

WHEREAS, Consultant previously entered into the Consulting Agreement with CPA for a ~~the~~ twelve month~~s~~ term ending June 30, 2019 ("2018-19 Consulting Agreement") and successfully assisted with CPA's transition from a fiscally-sponsored organization of a local government to a fully independent Joint Powers Authority, along with helping CPA coordinate its FY 2018/19 financial audit.

WHEREAS, Consultant has specialized skills and expertise having served Community Choice Aggregation ("CCA") clients throughout California since 2010, established relationships with CPA's banking services partner, River City Bank and with the major vendors of providing data management services to the CCA industry, and experience submitting monthly compliance reports to CPA's energy suppliers.

WHEREAS, CPA desired to further retain Consultant for a six-month term and executed the Consulting Agreement for a term ending on December 31, 2019 ("Original Agreement") and the Parties agree and acknowledge that Consultant will complete the scope of work in December 31, 2019 and is owed only one payment of $20,000 under the Original Agreement.

WHEREAS, while CPA is transitioning to bring certain accounting functions in-house, CPA finds that Consultant's services are needed to assist CPA in developing and implementing CPA's internal accounting systems, and that the scope of work and the compensation should be adjusted to reflect Consultant's transition assistance.

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions upon which Consultant shall provide consulting accounting and support services for a total of ~~an additional six~~ fifteen months with the scope of work and compensation as adjusted in this Agreement.

~~, as an independent contractor, to CPA.~~

NOW, THEREFORE, for and in consideration of the Agreement made, and the payments to be made ~~by~~ to Consultant, the Parties agree to the following:

AGREEMENT

1. **Scope of Work**. Work to be performed~~.~~ during the term of this Agreement, CPA desires that ~~c~~Consultant perform, and ~~c~~Consultant agrees to perform accounting consulting services as described in Exhibit A ("Services"~~.~~).

~~Accounting services as described in Exhibit A~~

2. **Consultant's Compensation**. ~~Consultant's compensation.~~ CPA agrees to compensate ~~c~~Consultant as follows:

2.1

Services	**Timeframe**	**Fee**
a. Services specified in Sections A & B of Exhibit A to the Original Agreement	July 1, 2019 – December 31, 2019 (complete on December 31, 2019)	Flat fee: $20,000 per month (complete on December 31, 2019)
b. Services described in Sections A & C of Exhibit A of this Agreement	January 1, 2020-June 30, 2020	Flat fee: $15,000 per month
c. Services described in Section B of Exhibit A of this Agreement	July 1, 2020-September 30, 2020	Up to $10,000 per month as mutually by the Parties

~~Monthly Financial Operational Assistance Fee (monthly) $20,000~~

~~The total not to exceed amount of this contract is $120,000~~

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by CPA and shall only be reimbursed to the extent consistent with CPA's travel policy. Per user fees for CPA staff and transaction fees charged by CPA's cloud-based accounts payable system (bill.com) will be borne by CPA.

2.2 Payment of Compensation. Consultant shall submit its invoice on the 15th day ~~of~~following each month of service. Checks to be sent to address listed above.

3. Term and Termination

3.1 The Agreement shall commence upon execution ~~of~~ by the CPA's Executive Director and shall terminate on September 30, 2020~~December 31, 2019~~. Certificate(s) of Insurance must be current on day this Agreement commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Consultant. The final invoice must be submitted within 30 days of completion of the stated scope of services.

~~During the term of this Agreement, the Parties will endeavor to negotiate the terms and conditions of an extension of this Agreement for an additional six months. An increase to the not to exceed of amount of this Agreement, if any, would require approval by CPA's Board of Directors. The Parties are under no obligation to extend or amend this Agreement.~~

3.2 CPA may terminate this Agreement, or any part thereof, with or without cause, by providing 30 days prior written notice to Consultant. Any such notice of termination should be in writing and delivered to Consultant by email and by registered mail. The termination will specify the effective date of the termination. Any notice of termination emailed to the Consultant shall be sent to the Consultant's email address specified above.

~~3.2~~3.3 In the event of a termination, CPA shall make any outstanding payments owed to Consultant set forth in Consultant Compensation, Section 2.1, above. Monthly payments shall be pro-rated to the date of termination. Any other payments shall be negotiated by the Parties.

4. Confidential Information

4.1 Consultant agrees that Consultant will hold all Confidential Information in confidence, and will not divulge, disclose, or directly or indirectly use, copy, digest, or summarize, any Confidential Information, except to the extent necessary to carry out Consultant's responsibilities as directed or authorized by CPA.

4.2 Confidential Information shall not include: (l) information that is generally available to the public or in the public domain at the time of disclosure; (2) information that becomes publicly known other than through any breach of this Agreement by Consultant or its Representatives; (3) information which is subsequently lawfully and in good faith obtained by Consultant or its Representatives from a third party, as shown by documentation sufficient to establish the third party as the source of the Confidential Information; provided that the disclosure of such information by such third party is not known by Consultant or its Representatives to be in breach of a confidentiality agreement or other similar obligation of confidentiality; (4) information that Consultant or its Representatives develop independently without use of or reference to Confidential Information provided by CPA; or (5) information that is approved for release in writing by CPA.

5. <u>Insurance</u>

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to CPA. The general liability policy shall be endorsed naming Clean Power Alliance of Southern California ~~Authority~~ and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to CPA prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to CPA of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph (d) below which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Consultant's obligation under paragraph 6 of this Agreement to indemnify, defend, and hold CPA harmless from any and all liabilities arising from the Consultant's negligence, recklessness or willful misconduct in the performance of this Agreement. CPA agrees to timely notify the Consultant of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the Agreement. In addition to any other available remedies, CPA may suspend payment to the Consultant for any services provided during any time that insurance was not in effect and until such time as the Consultant provides adequate evidence that Consultant has obtained the required coverage.

5.1 <u>General Liability</u>

The Consultant shall maintain a commercial general liability insurance policy in an amount of no less than one million ($1,000,000) with a two million dollar ($2,000,000) aggregate limit. CPA shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page.

5.2 <u>Auto Liability</u>

Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Consultant in order to perform said services, Consultant shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit ($1,000,000.00).

5.3 <u>Workers' Compensation</u>

The Consultant acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Consultant has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to CPA prior to commencement of work.

5.4 Professional Liability Insurance

Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Agreement effective date, the Consultant must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Consultant shall maintain a policy limit of not less than $1,000,000 per incident. If the deductible or self-insured retention amount exceeds $100,000, CPA may ask for evidence that Consultant has segregated amounts in a special insurance reserve fund or Consultant's general insurance reserves are adequate to provide the necessary coverage and CPA may conclusively rely thereon.

Consultant shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Agreement. Consultant shall monitor the safety of the job site(s) during the project to comply with all applicable federal, state, and local laws, and to follow safe work practices.

6. Indemnification

Consultant agrees to indemnify and hold harmless CPA, its employees, officers, and agents, from and against, and shall assume full responsibility for payment of all wages, state or federal payroll, social security, income or self-employment taxes, to the extent caused by Consultant's negligent acts, errors or omissions, or the negligent acts, errors or omissions of Consultant's employees, agents, or subcontractors while in the performance of the terms and conditions of the Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of CPA, elected and appointed officers, employees, agents and volunteers. Consultant further agrees to indemnify, and save harmless Company from and against any and all third-party claims, liabilities, penalties, forfeitures, suits, costs and expenses incident thereto (including costs of defense, settlement, and reasonable attorney's fees), which Company may hereafter incur, become responsible for, or pay out, as a result of death or bodily injuries to any person, destruction or physical damage to tangible property, or any violation of governmental laws, regulations or orders, to the extent caused by Consultant's negligent acts, errors or omissions, or the negligent acts, errors or omissions of Consultant's employees, agents, or subcontractors while in the performance of the terms and conditions of the Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of CPA, elected and appointed officers, employees, agents and volunteers.

7. Independent Contractor

7.1 The Parties acknowledge and agree that in the performance of Services to be rendered under this Agreement, Consultant shall at all times be acting and performing as an independent contractor. Consultant shall not be subject to the supervision of Company in Consultant's day-to-day performance of Services and is solely responsible for the methods and means used to perform the Services. Consultant shall supply at Consultant's sole expense, all equipment, tools, materials and/or supplies to accomplish the Services agreed to be performed unless specified in writing.

7.2 As an independent contractor, Consultant acknowledges that Consultant will not be deemed to be an employee of CPA for any purpose whatsoever, including, but not limited to: (i) eligibility for inclusion in any retirement or pension plan that may be provided to employees of CPA; (ii) sick pay; (iii) paid non-working holidays; (iv) paid vacations or personal leave days; (v) participation in any plan or program offering life, accident, or health insurance for employees of CPA; (vi) participation in any medical reimbursement plan; or (vii) any other fringe benefit plan that may be provided for employees of CPA.

7.3 Consultant declares that Consultant will comply with all federal, state, and local laws regarding registrations, authorizations, reports, business permits, and licenses that may be required to carry out the work to be performed under this Agreement. Consultant agrees to provide CPA with copies of any registrations or filings made in connection with the work to be performed under this Agreement.

8. No Recourse Against Constitute Members of CPA

CPA is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. CPA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of CPA's constituent members in connection with this Agreement.

9. Compliance With Applicable Laws

The Consultant shall comply with any and all applicable federal, state and local laws and resolutions affecting services covered by this Agreement.

10. Nondiscriminatory Employment

Consultant and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Consultant and/or any permitted subcontractor understands and agrees that Consultant and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all federal, state and local statutes, regulations and ordinances.

11. Work Product

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of CPA upon payment to Consultant for such work. CPA shall have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party. Consultant shall, at CPA's expense, provide such reports, plans, studies, documents and writings to CPA or any party CPA may designate, upon written request. Consultant may keep file reference copies of all documents prepared for CPA.

12. Assignment

Neither this Agreement nor any of the Parties' rights or obligations hereunder may be transferred or assigned without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

13. Subcontracting

Consultant may not subcontract Services to be performed under this Agreement without the prior written consent of CPA. If the CPA's written consent to a subcontract is not obtained, Consultant acknowledges and agrees that CPA will not be responsible for any fees or expenses claimed by such subcontractor.

14. Retention Of Records And Audit Provision

Consultant and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. CPA shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Agreement period and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Consultant's premises or, at CPA's option, Consultant shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from CPA. Consultant shall refund any monies erroneously charged. Consultant shall have an opportunity to review and respond to or refute any report or summary of audit findings and~~findings, and~~ shall promptly refund any overpayments made by CPA based on undisputed audit findings.

15. Conflict Of Interest

15.1 No CPA employee whose position with the CPA enables such employee to influence the award of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Consultant who may financially benefit from the performance of work hereunder shall in any way participate in the CPA's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the CPA's approval or ongoing evaluation of such work.

15.2 The Consultant shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Consultant warrants that it is not now aware of any facts that create a conflict of interest. If the Consultant hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to CPA. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Agreement.

16. <u>Governing Law, Jurisdiction, And Venue</u>

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Consultant agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

17. <u>Termination.</u>

17.1 If the Consultant fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, CPA may terminate this Agreement by giving five (5) business days' written notice to the Party involved.

17.2 The Consultant shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Consultant has no control.

17.3 In the event of termination not the fault of the Consultant, the Consultant shall be paid for services performed to the date of termination in accordance with the terms of the Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s).

17.4 CPA may terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.

18. <u>Amendments</u>

None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Parties.

19. <u>Severability</u>

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provisions, will continue in full force and effect and will in no way be impaired or invalidated.

20. <u>Complete Agreement</u>

This Agreement constitutes the entire Agreement between the Parties. No modification or amendment shall be valid unless made in writing and signed by each Party. Failure of either Party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

21. Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

[Signatures on the following page]

IN WITN ESS WH EREOF, the Parties have executed this Agreement on the date first above written.

Maher Accountancy	Clean Power Alliance of Southern California
By: Michael Maher	By: Ted Bardacke
Title: Vice President	Executive Director

EXHIBIT A
SCOPE OF SERVICES

A. Monthly Financial Operational Assistance:

1. Maintain accounting system, accounts payable system and processes.
~~2. Integrate previous accounting records with general ledger maintained by Maher.~~
~~3. Assist with financial covenants with energy providers and lenders.~~
~~4. Assist in the development and monitoring of financial internal controls.~~
~~5. Assist development of and monitor operating budget in collaboration with management and technical consultants.~~
2. Provide a Quickbooks file of accounting records to ~~the Authority~~ CPA on a monthly basis
~~6.~~3. Maintain the general ledger with proper support and documentation, including:
   a. Posting accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, aggregate customer billings, etc.
   b. Prepare or maintain the following monthly analysis regarding general ledger account balances:
      i. Reconciliation to statements from ~~Authority's~~ CPA's financial institution for cash activity and balances;
      ii. Reconciliation of~~e~~ customer data manager reports of customer activity and accounts receivable aging to general ledger;
      iii. Computation of estimated user fees earned but not billed as of the end of the reporting period;
      iv. Schedule of depreciation of capital assets;
      v. Aged schedule of accounts payable;
      vi. Schedules of details regarding all remaining balance sheet accounts.
~~7.~~4. Manage accounts payable: Maher utilizes a cloud-based accounts payable document management system to provide for documentation of management review, proper segregation of duties, and access to source data. Maher ensures that required authorization is documented and that account coding is correct. ~~The Authority's~~ CPA's staff then authorizes the release of payment, providing an additional safeguard.
~~8.~~5. Manage compliance with fiscal provisions of non-energy vendor contracts for services: Before submitting vendor invoices for management approval, Maher verifies that each~~a~~ vendor invoice is compliant with contract provisions regarding time periods, rates, and financial limits.
~~9. Monitor expenditure budget compliance. Maher monitors budget available and will make timely recommendations for any necessary budget amendments.~~
~~10.~~6. Provide periodic and year-to-date ~~accrual basis~~ financial statements in compliance with GAAP ~~with comparison to projections~~. The financial statements will be considered a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the AICPA.
~~11.~~7. Provide ~~modified accrual basis~~ financial statements with comparison to budget.
~~12.~~8. Filing annual information returns, such as form 1099/1096's.
~~13.~~9. ~~Assist the treasury function~~.
~~14.~~10. ~~File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.~~

~~15.~~11. Payroll Assistance Services

a. Maher will assist in the processing of payroll by interfacing between ~~the Authority's~~ CPA's designated HR personnel and the payroll software platform.

b. Maher will implement changes to the payroll system as directed by designated staff.

~~c. Maher will not interface directly with individual employees~~

~~d~~c. ~~Maher will provide after-the-fact payroll reports to Authority~~.

~~e~~d. Maher will manage recurring contribution payments to the retirement plan administrator.

B. Financial Statement Audit ~~Management~~ Support

~~1. Participate in procuring audit services~~

~~2.~~1. Draft financial statements~~, including notes and Management Discussion and Analysis~~

~~3.~~2. Prepare audit workpapers

~~4.~~3. ~~Serve a primary contact for auditors~~

C. Assist with ~~the Authority's~~ CPA's Accounting System Implementation:

1. Provide prior historical data and documentation previously processed by Maher Accountancy, as well as all historical data previously provided to Maher by Los Angeles County.
2. Provide supporting documents such as schedules, calculation and worksheets for all work performed for ~~the Authority~~CPA.
3. Provide assistance with accounting process documentation, accounting system implementation and transition to the new system, including answering questions and providing documents needed.

Staff Report – Agenda Item 7

To:	Clean Power Alliance (CPA) Board of Directors
From:	Nancy Whang, General Counsel
Approved:	Ted Bardacke, Executive Director
Subject:	Approve Policy No. 12 on Non-Energy Public Contracting
Date:	December 5, 2019

RECOMMENDATION

Approve Policy No. 12 on Non-Energy Public Contracting.

BACKGROUND

The limits of CPA's public contracting authority are established in Government Code section 6509 and Section 3.4 of CPA's Joint Powers Agreement ("Agreement").

- Government Code Section 6509 restricts a JPA's power to that exercised by one of the JPA's contracting parties and that contracting party must be designated in its joint powers agreement.
- Agreement, Section 3.4 designates the County of Los Angeles ("LA County") as that contracting party. CPA has been following LA County policies until it adopts its own and the same is true for CPA's public contracting approach.

Staff is now proposing this Non-Energy Public Contracting Policy which was developed within the limits of the Government Code and the Agreement.

CPA REVIEW PROCESS

The Executive Committee provided input on the policy at two Executive Committee meetings on (1) September 18, 2019 and on (2) November 13, 2019. This policy reflects and incorporates the Executive Committee's input. In addition, staff received input from senior CPA staff; reviewed various public contracting and procurement policies from LA County, public entities, and other CCAs; received input from LA County staff; and received advice from outside counsel. This policy reflects and incorporates this additional input.

PROPOSED POLICY

Based on this review, staff is proposing to maintain some of CPA's current contracting practices while changing, clarifying, or adding others. A highlight of those current or additional practices is provided below.

Maintain Current Practices

1. Maintain the Request for Qualifications (RFQ), Preferred Qualified Provider (PQP), Master Agreement, and Task Order solicitation process but include additional areas of specialization. This would be an expansion of the existing RFQ process adopted by the Board on May 7, 2018.
2. Maintain the Request for Proposal (RFP) process while providing increased information and guidance concerning the RFP's typical purpose and contents.
3. Maintain the "best value" standard for award of contracts that are competitively bid.
4. Maintain CPA's authority to contract with legal counsel and other specialized services without a competitive solicitation.

Additional Practices

1. Cooperative / Piggyback / Joint procurements. Establish the authority for CPA to take advantage of leveraged, prior or existing (Piggyback), or joint procurements when CPA would benefit from, for example, volume purchases, reduction of administrative time and expenses, delivery or supply chain advantages, or some combination of these factors.
2. Specifically designate the Executive Director or the Executive Director's designee as the purchasing agent for CPA.

3. Authorize the Executive Director to contract for services when those services and any related material costs have an aggregate cost of $50,000 in a 12-month period. Anything above $50,000 would need to be competitively procured.
4. Authorize the Executive Director to contract for goods, including furnishings, IT hardware, or office supplies, when those services and any related material costs have an aggregate not to exceed cost of $50,000 in a fiscal year. Any goods with an aggregate total amount between $50,001-$125,000 can be procured through an Informal Bid Process.

Attachment: 1) Non-Energy Public Contracting Policy

Policy No. 12 - Non-Energy Public Contracting Policy

I.

PURPOSE

It is in the interest of the Clean Power Alliance of Southern California ("CPA") to establish non-energy competitive solicitation and procurement practices that facilitate efficient business operations, offer fair compensation, transparency, accountability, and provide local workforce opportunities within a framework of high quality, competitive offerings whenever practical.

This policy shall not apply to any energy procurements or transactions governed by the Energy Risk Management Policy, Resolutions Nos. 18-006 and 18-009, or any amendments or successors thereto.

II.

DEFINITIONS

1. "**Architectural and Engineering Services**" include Services provided by architectural, landscape architectural, engineering, environmental, land surveying, and construction project management firms, or services incidental thereto that members of these professions and those in their employ may logically or justifiably perform, which are subject to Article XXII of the California Constitution and Government Code Section 4529.10 et seq.
2. "**Architectural and Engineering Agreement**" is an agreement between CPA and a Proposer for Architectural and Engineering Services.
3. A "**Best Value**" award is based on factors in addition to price that provide the best overall value to CPA, except as applied to Public Works Contracts over $1,000,000, which are subject to the "best value" definition set forth in Public Contract Code Section 20155.1(a).
4. "**Board**" means the Board of Directors of CPA.
5. "**Competitive Solicitation**" is a competitive process in which CPA procures Goods, Services, or a combination thereof from Proposers, including the procurement of Architectural and Engineering Services, in order for CPA to secure the Best Value for CPA and its customers. This definition does not apply to "Public Works Contract."
6. "**Cooperative Procurement**" refers to the combining of requirements of two or more Public Entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, the reduction of administrative time and expenses, or some combination thereof.
7. "**Fiscal Year**" or "**FY**" refers to CPA's fiscal year as specified in Section 7.1 of CPA's Joint Powers Agreement or as changed by CPA Board resolution.
8. "**Goods**" means all types of tangible personal property, including materials, supplies, furnishings, or equipment.

9. "**Informal Bid Process"** is a process wherein the Executive Director requests written quotes from at least three (3) vendors.

10. **"Legal Services"** is legal representation, advocacy, advice, counsel, or other similar legal services provided by an attorney, or a law firm, company or partnership with attorneys duly licensed by the California State Bar or authorized to practice in the state of California.

11. "**Master Agreement**" is an agreement between CPA and a Proposer for any Goods, Services, or combination thereof, except for Legal Services Agreement.

12. "**Office Equipment**" includes furnishings, computers, information technology (IT) hardware or software, or other personal property.

13. "**Piggyback Solicitation**" refers to the use of a prior solicitation, competitively bid by a Public Entity for the same Goods and/or Services currently requested or needed by CPA; or may be a form of intergovernmental cooperative purchasing in which CPA will be extended the same pricing and terms of a contract entered into by another Public Entity. Generally, the originating entity can competitively award a contract that will include language allowing for other entities to utilize the contract, or, CPA may join in a single competitive procurement with another Public Entity. The Piggyback Solicitation provides an advantage in terms of pricing, thereby gaining economies of scale that CPA or an individual Public Entity would otherwise not receive if each competed on its own.

14. "**Pre-Qualified Providers**" or "**PQP**" is a Proposer who is available and willing to perform work on an as-needed basis under the Request for Qualifications process.

15. "**Proposer**" is a person or business entity who seeks to do business with CPA by responding to a Competitive Solicitation of any kind, a Cooperative Procurement or Piggyback Solicitation, or seeking to enter into a contract with CPA through an exception or alternative to the Competitive Solicitation requirements.

16. "**Proposal**" is a response by a Proposer to a request by CPA.

17. "**Public Entity**" means the state, county, city, city and county, district, public authority, public agency, municipal corporation, or any other political subdivision or public corporation in the state, including a community choice aggregator as defined in Public Utilities Code Section 331.1.

18. "**Public Works Contract"** means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind, pursuant to California Public Contract Code Section 1101.

19. "**Services"** is the performance of labor by an outside company or individual for and/or on behalf of CPA. It can be rendered to CPA by a company or individual, with or without the furnishing of Goods.

20. "**Specialized Services**" are special services with persons specially trained, experienced, expert, and competent to perform the special services. The special services consist of services, advice, education or training for CPA. The special services include but is not limited to financial, economic, accounting (including the preparation and issuance of payroll checks or warrants), legal, administrative, or building security matters. The special services may include maintenance or custodial matters if the Board finds that CPA's resources and economic interests are served by such a contract.

21. A **"Task Order Solicitation"** or "**TO**" is issued in the Request for Qualifications procurement process to solicit bids from providers who have been pre-qualified under the Request for Qualifications process. If CPA awards the bid, the TO will be appended to a Master Agreement once the Task Order is awarded to a Pre-Qualified Provider.

III.

DELEGATION OF PROCUREMENT OR PURCHASING AUTHORITY TO EXECUTIVE DIRECTOR

1. The Board designates the Executive Director ("ED") as CPA's purchasing agent. As the purchasing agent for CPA, the Executive Director is hereby authorized on behalf of CPA to (i) purchase Goods; (ii) rent furnishings and equipment; or (iii) contract for Services, Specialized Services, or Legal Services, as provided herein.

2. Delegation of ED's authority under this Policy is in addition to and must be consistent with Resolution 19-05-009 and its successors.

IV.

RULES REGARDING COMPETITIVE SOLICITATION OF GOODS OR SERVICES EXCEPT ARCHITECTURAL AND ENGINEERING SERVICES AND PUBLIC WORKS

1. **Services or a Combination of Goods and Services**. A Competitive Solicitation for Services or a Combination of Goods and Services shall be required if the aggregate anticipated value of a contract exceeds $50,000 in any 12-month period or if, irrespective of the contract value, the ED determines in the ED's discretion that a Competitive Solicitation is in the best interest of CPA. For any contracts valued at $50,000 or less, the ED shall request quotes, whether written or oral, from at least three (3) vendors and the ED will purchase from the vendor offering the Best Value.

   When a Competitive Solicitation is required, one of the following processes may be used.

   a. Request for Proposal (RFP):

      i. Description: An RFP is typically used to procure complex or unique Services in which CPA's requirements are defined but expertise and methods may vary; when creative or innovative approaches are needed; and/or, where performance of services is anticipated to be ongoing in nature.

      ii. Content: An RFP will include, at a minimum, a requirements statement or statement of work; experience, expertise, or qualification criteria; and evaluation criteria for which a Proposal will be evaluated. An RFP also typically states CPA's goals, objectives, project summary, major tasks, or timelines. An RFP will include a sample agreement and may include a budget for the work being procured. CPA will require proposals to offer a detailed explanation of Proposer's approach, detailed work plans, solutions, or methods, and price/budget, as applicable.

      iii. Contracting: CPA will contract with a Proposer through a written Agreement. CPA may engage in negotiations on the terms and conditions of the Agreement with the selected Proposer(s), including but not limited to the scope of services or price/budget.

b. Request for Qualifications (“RFQ”):

i. Description: An RFQ is typically used to procure Services or a combination of Goods and Services when CPA needs to establish a pool of Pre-Qualified Providers. The RFQ process is typically used to procure distinct, stand-alone, or discrete projects having a specific deadline; or for services ordered or used by CPA on a routine basis.

ii. Content: The RFQ will specify the areas of expertise, experience, or knowledge that CPA seeks, and, if applicable, the process for a Proposer to become PQP in those specified areas. CPA will maintain a list of PQPs for each specified area. The RFQ should attach a copy of the proposed form of agreement.

iii. Task Order Solicitation: PQPs will be awarded work through a Task Order Solicitation that CPA may issue from time to time. The TOs will contain CPA’s objectives; a statement of work, including any deliverables, tasks, or milestones; estimated time of completion; or pricing, cost, or budget. A TO will designate the area(s) of expertise, experience, or knowledge that CPA seeks or anticipates needing and the TO will be sent to PQPs in those specified area(s). Interested PQPs shall submit a bid in response to the TO and that bid should offer, at a minimum, Proposer’s acknowledgement of CPA’s objectives; approach to the identified statement of work, including any deliverables, tasks, or milestones; pricing, cost or budget; and other relevant information, solutions or methods as specified in the TO.

iv. Contracting: A Proposer is expected to sign a Master Agreement no later than five (5) business days after CPA issues the relevant TO. **A signed Master Agreement does not guarantee a Proposer any minimum amount of work.** The Master Agreement is not effective unless and until a TO has been awarded by CPA and the Master Agreement has been executed by the successful Proposer and CPA.

2. **Goods**.

a. Purchase of Goods. ED may purchase from a single vendor an aggregate total amount of $50,000 of Goods in a single Fiscal Year without an Informal Bid Process or Request for Bid. The ED must affirm and approve such purchases as being necessary.

b. Informal Bid Process. For purchase of Goods with an aggregate total amount between $50,001 to $125,000 for a single vendor in a single FY, the ED shall procure the Goods through the Informal Bid Process. ED may purchase from the vendor offering the Best Value. ED must approve any procurement of Goods, must verify compliance with the Informal Bid Process, must verify that the procurement stays within the FY budget, and affirm the purchase is necessary.

c. Invitation for Bid (“IFB”):

i. Description: For any other purchase of Goods, ED shall issue a formal IFB.

ii. Content: The IFB shall specify, at a minimum, the item(s) specifications or dimensions; description of requirements; and quantities. A bid in response to an IFB must contain a Proposer's name, address, phone number, and the proposed cost to provide the requested items. The IFB should attach a copy of the proposed form of agreement.

iii. Contracting: CPA will contract with a Proposer using a written agreement.

3. **Specialized Services or Legal Services**. No competitive procurement is required for Specialized Services or Legal Services. However, it is recommended that the ED use the Informal Bid Process to procure Specialized Services or Legal Services whenever practical. When using the Informal Bid Process, ED may procure services from a provider offering the Best Value.

4. **Rent or Lease of Office Equipment or Office Space**: No Competitive Solicitation shall be required to rent or lease Office Equipment or office space provided that (a) ED affirms that the rent or lease of Office Equipment or office space is necessary; (b) ED solicits or reviews at least three quotes, whether verbal or written, from at least three (3) offerors; and (c) ED approves of the rent or lease of Office Equipment or office space.

5. **Awards of Competitive Solicitation**: Competitive Solicitations may be awarded on a Best Value basis, unless otherwise required by California law or otherwise specified in the Competitive Solicitation document.

6. **Additional Authorized Procurement Methods**: CPA may engage in the procurement of Goods, Services, or some combination thereof through any of the following procurement methods.

   a. Cooperative Procurement: CPA may use a Cooperative Procurement when the use of a Cooperative Procurement enhances operational efficiencies; demonstrates potential cost savings for CPA, including transaction costs. For example, CPA may purchase Goods or Services from contracts established pursuant to Leveraged Procurement Agreements (LPAs), California Multiple Award Schedules (CMAS), or through a joint procurement with another Public Entity.

   b. Piggyback Procurement: CPA may engage in Piggyback Procurement when such a procurement can be shown to enhance operational efficiencies; demonstrate potential cost savings for CPA, including transaction costs; and when the Piggyback Procurement complies with California law.

   c. Sole Source Purchasing:

      i. With the exception of Public Works Contracts and Architectural and Engineering Agreements, CPA may justify procurement of Services, or a combination of Goods and Services, from a sole source when the following factors exist:

         1) No other vendor offers a service or employs personnel meeting the minimum requirements.
         2) CPA's required timeframe for project completion is critical and cannot be exceeded without extreme hardship.
         3) The cost to continue with the same service provider is less than the cost for any other vendor due to the time necessary to get 'up to speed' (learning curve) with the project.

4) A unique and proprietary solution has been offered which is determined to be in the best interest of CPA.

ii. CPA may justify procurement of a Good from a sole source when the following factors exist. The Good is:

1) Available from only one source (e.g., proprietary to a manufacturer, distributor, and/or reseller, etc.).
2) The only brand that meets the qualifications or specifications needed by CPA.
3) A brand that must match or inter-member with an existing system, and cannot be substituted without replacing the system, resulting in significant costs to CPA
4) Going to enable CPA to avoid other costs (e.g., data conversion, training, purchase of additional hardware, etc.)

iii. The following factors shall not qualify as reasons to purchase with a sole source: personal preference for a product or Proposer; or the length of time needed to conduct a Competitive Solicitation is inconvenient.

iv. In all cases, sole source purchases must be justified in writing, with sufficient detail to explain the basis for suspending the competitive procurement process, and the ED shall review the justification and approve the use of sole source purchasing. The sole source justification shall be retained with the Proposer's contract documentation. ED may develop a justification form or checklist for sole source purchases. The ED shall report any sole source contracts on a monthly basis.

7. **Additional Procedures**

a. ED may, at his/her discretion, shortlist Proposers; phase its evaluation of a Proposal; interview Proposers; or, require site inspections, demonstrations, or a pilot of proposed Goods or Services.

b. ED shall use his/her best efforts to secure at least three Proposals from Proposers when using a Competitive Solicitation.

c. With regard to any Public Works Contract, CPA shall comply applicable law.

V.

RULES REGARDING COMPETITIVE SOLICITATIONS OF ARCHITECTURAL AND ENGINEERING SERVICES:

The selection for Architectural and Engineering Services shall be based on the Proposer's demonstrated competence and the professional qualifications necessary for the satisfactory performance of Services required at fair and reasonable prices.

If CPA is required to procure Architectural and Engineering Services, pursuant to Article XXII of the California Constitution and Government Code Section 4529.10 et seq., the following process, at a minimum, shall be employed:

1. ED shall issue a RFP or RFQ specifying the qualifications, competence, minimum standards, and other qualification-based criteria appropriate for the scope of work

being sought by CPA, and attaching a copy of the proposed Architectural and Engineering Agreement;

2. ED shall appoint a selection team consisting of at least two employees who are most knowledgeable about the desired Services and scope of work;
3. The selection team shall rank the firms based upon professional experience, qualifications in the work to be performed, including relative project experience, demonstrated design excellence, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project location, ability to perform the work within the established timeframe and any other criteria appropriate to the scope of work being considered. The selection team may conduct interviews of qualified firms, if deemed appropriate.

CPA will enter into an Architectural and Engineering Agreement with the Proposer that CPA determines, acting in its sole discretion, offers the Best Value.

VI.

COMPETITIVE SOLICITATION ADVERTISEMENT AND PROPOSER LIST

1. All Competitive Solicitations shall be posted on CPA's website. CPA is not required to formally publish its Competitive Solicitations in a newspaper or similar publication.
2. Notwithstanding the RFQ process and the PQP list, CPA may maintain a list of Proposers for any Competitive Solicitation. To be added to the list of Proposers, interested Proposers must provide the ED with Proposer's contact information, including address, phone number, and a current email address. It is the Proposer's obligation to keep its contact information current with CPA. CPA will use its best effort to send any Competitive Solicitations to all Proposers who request to be placed on the list of Proposers.
3. CPA does not guarantee any Proposer placed on the list of Proposers any work.

VII.

RESERVATION OF CPA'S RIGHTS

1. ED may, at its sole discretion, take any of the following actions:
    a. Reject any or all Proposals, for any reason without explanation to the Proposer(s);
    b. Elect in its Competitive Solicitation to select any part of a Proposal, or sub-divide, or combine a Proposal;
    c. Cancel a Competitive Solicitation, in its entirety;
    d. Elect to proceed with a contract for only some of the Services included in the Proposal.
2. ED shall have the right to amend a Competitive Solicitation by written addendum. CPA is responsible only for that which is expressly stated in the Competitive Solicitation document and any authorized written addenda. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the Proposal being found non-responsive and not being considered, as determined in the sole discretion of CPA.

3. ED is not responsible for and shall not be bound by any representations, statements, or explanations made by any individual acting or purporting to act on his/her behalf, other than the CPA Staff member identified on the Competitive Solicitation document, provided the representations, statements, or explanations by the identified CPA Staff member are in writing.
4. ED reserves the right to waive inconsequential irregularities in a submitted Proposal.
5. ED reserves the right to submit supplementary follow-up questions or inquiries to request clarification of information submitted and to request additional information from any one or more of the Proposers.
6. CPA shall not be liable for any costs incurred by any Proposer in connection with the preparation or submission of any Proposal or any action taken by Proposer in its effort to do business with CPA. Any and all such costs whatsoever shall remain the sole responsibility of the Proposer.
7. CPA shall not be liable to any Proposer in law or equity for any reason whatsoever for any acts or omissions arising out of or in conjunction with this Policy.
8. CPA shall require Proposers to provide certain performance assurances including but not limited to performance security or payment and performance bonds for Public Works Contracts.
9. With regard to Public Works Contract, CPA shall comply applicable law.
10. Proposers are expected to complete all of their due diligence activities prior to entering into any final contract negotiations with CPA, including a review of CPA's policies, requirements, forms, or other guidance documents that CPA may issue from time to time. CPA Policies, including CPA's Vendor Communications Policy, are available on CPA's website at: www.cleanpoweralliance.org/key-documents.

VII.

SEVERABILITY

If any section, subsection, sentence, or clause of this Policy is determined to be illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect the legality, validity, or enforceability of this Policy as a whole or of any section, subsection, sentence, or clause herein that is not so determined.

Staff Report – Agenda Item 8

To:	Clean Power Alliance (CPA) Board of Directors
From:	Christian Cruz, Community Outreach Manager
Approved By:	Ted Bardacke, Executive Director
Subject:	Community Advisory Committee (CAC) October and November 2019 Report
Date:	December 5, 2019

RECOMMENDATION

Receive and file the report from the Community Advisory Committee October 10, 2019 and November 14, 2019 Community Advisory Committee meetings.

OCTOBER MEETING SUMMARY

On October 10, 2019 the CAC held its monthly meeting, during which the CAC had an opportunity to brainstorm and share ideas regarding program categorizations for local funding distribution as part of CPA's Local Programs Strategic Plan process. Categories for discussion included: Funding, Local Procurement, Resiliency and Grid Management, Electrification, and Education and Technical Assistance. The CAC provided input to staff, which was utilized to further inform the development of the CPA Local Programs funding distribution framework.

Additionally, CPA staff facilitated a feedback session with CAC members on CPA's marketing and outreach goals and priorities for 2019-20. CAC members provided suggestions on how CPA can expand its presence and grow its audience, and how CPA can best engage customers with new actions, such as educational tools on renewable energy for aimed at students and younger populations.

NOVEMBER MEETING SUMMARY

At its meeting on November 14, 2019, the CAC received an update on various operational items including, the annual financial audit, SCE's Public Safety Power Shutoff (PSPS) program, the California Public Utilities Commission (CPUC) decision on system reliability procurement, and the City of Malibu's decision to change its default renewable energy tier to 100% Green Power.

The CAC also received a detailed update from CPA's consultant ARUP on the Local Programs Strategic Plan process. This presentation included an overview of the program categorization matrix, initial priority programs being considered, and development of different implementation mechanisms.

The CAC recommended that CPA more clearly communicate how all customer segments—specifically low-income and renters—could benefit from the proposed programs. Additionally, the CAC wanted to ensure that all communication materials and presentations around CPA's local programs would be messaged in simple terms and that they be designed in a way that is culturally competent for diverse customer segments. The CAC also advised that partnerships with schools, community organizations, and other trusted institutions would be valuable in order to help educate on both CPA's service, values and programs. A final draft of the Local Programs Strategic Plan will be provided to the CAC.

Additionally, the CAC welcomed new CAC representative Emmitt Hayes to represent the South Bay region on the Committee.

Attachment: 1) CAC Meeting Attendance

Community Advisory Committee Attendance 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
East Ventura/West LA County										
Angus Simmons (Vice Chair)		✓	✓	✓	✓	✓	✓		A	✓
Laura Brown		✓	A	✓	A	✓	A		✓	A
Lilian Mendoza									✓	✓
San Gabriel Valley										
Richard Tom		✓	A	✓	✓	✓	A		✓	✓
Robert Parkhurst (Vice Chair)		✓	✓	✓	✓	✓	✓		✓	✓
West/Unincorporated Ventura County										
Lucas Zucker		✓	✓	A	✓	✓	✓		✓	A
Steven Nash		✓	✓	✓	✓	✓	✓		✓	✓
South Bay										
David Lesser									✓	✓
Emmitt Hayes										✓
Gateway Cities										
Jaime Abrego		✓	A	✓	A	A	✓		✓	✓
Jordan Salcedo		✓	A	✓	✓	A	A		A	A
Westside										
Cris Gutierrez		✓	✓	A	✓	✓	✓		✓	✓
David Haake (Chair)		A	✓	✓	✓	✓	A		✓	✓
Unincorporated LA County										
Neil Fromer			A	✓	✓	A	✓		A	✓
Kristie Hernandez							A		✓	✓

Major Action Items and Presentations

February
CPA Rate Development
Communications and Outreach
Long Term Renewables Request for
Voyager Scholarship Program
Committee Procedures - Chair and Vice Chair Elections

March
Voyager Scholarship Program
Upcoming Activities and Operations

April
Voyager Scholarship Program Final
Chair and Vice Chair Elections

May
ARUP Local Programs Goals and Priorities CAC input Session

June
Local Programs Goals and Priorities Workshop

July
Update on 2019/20 Legislation
Input Session on DER Pilot Programs

August
DARK

September
Operational Activities Update
2019/20 Marketing and Outreach Plan

October
Local Programs Goals and Priorities
Strategic Planning Project
CPA Operations Update

Staff Report – Agenda Item 9

To:	Clean Power Alliance (CPA) Board of Directors
From:	Jennifer Ward, Director of External Affairs
Subject:	2020 Schedule of Meetings
Date:	December 5, 2019

RECOMMENDATION

Receive and file Board of Directors and Standing Committee meeting schedule for 2020.

SUMMARY

The 2020 meeting schedule (attached) for CPA's Board of Directors and standing committees will follow CPA's standard monthly meeting cadence currently in place:

- Board of Directors, 1st Thursday, 2:00 p.m.
- Executive Committee, 3rd Wednesday, 1:30 p.m.
- Legislative & Regulatory Committee, 4th Wednesday, 10:00 a.m.
- Finance Committee, 4th Wednesday, 11:00 a.m.
- Energy Planning & Resources Committee, 4th Wednesday, 12:15 p.m.
- Community Advisory Committee, 2nd Thursday, 1:00 p.m.

The in-person location for CPA's Board meetings will continue to vary until CPA can secure a permanent office space in 2020. The in-person location for CPA's committee meetings will remain at CPA's downtown Los Angeles location. The remote locations for the Board and standing committee meetings will remain the same and are posted on the agenda each month. Participation on the Legislative & Regulatory, Finance, and Energy Committees is open to any interested member of the Board (Directors and Alternates).

Attachment: 1) 2020 Schedule of Meetings

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
2020 MEETING SCHEDULE

As of December 5, 2019

This schedule is updated regularly. Please check our website at www.cleanpoweralliance.org to view the most up to date version.

STANDING MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board of Directors 2:00 PM, 1st Thursday	~~2~~ 9	6	5	2	7	4	~~2~~ 9	DARK	3	1	5	3
Board Meeting Locations	**In-Person**: Varies, please refer to posted Meeting Agendas for locations. **Remote**: Ventura County Hall of Administration, City of Calabasas, City of Whittier											
Executive Committee 1:30 PM, 3rd Wednesday	15	19	18	15	20	17	15	19	16	21	18	16
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA **Remote**: Ventura County Hall of Administration, City of Beverly Hills											
Legislative & Regulatory Committee 10:00 AM, 4th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Finance Committee 11:00 AM, 4th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Energy Planning & Resources Committee 12:15 PM, 4th Wednesday	22	26	25	22	27	24	22	26	23	28	TBD	TBD
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA **Remote**: Varies, please refer to posted Meeting Agendas for locations.											
Community Advisory Committee 1:00 PM, 2nd Thursday	~~9~~ 16	13	12	9	14	11	9	13	10	8	12	10
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA **Remote**: Ventura County Hall of Administration, City of Whittier											

~~Red Strikeout~~ indicates cancelled meeting, and **Red Font** indicates new meeting date. Agendas are available at www.cleanpoweralliance.org at least 72 hours prior to the meeting. For questions, contact Jennifer Ward at jward@cleanpoweralliance.org or 213-269-5870.

Staff Report – Agenda Item 10

To:	Clean Power Alliance (CPA) Board of Directors
From:	Ted Bardacke, Executive Director
Subject:	General Counsel Contract Extension and Salary Adjustment
Date:	December 5, 2019

RECOMMENDATION

Authorize Board Chair Diana Mahmud to execute a new three-year contract with General Counsel Nancy Whang at a salary of $250,000 and including a benefits package that substantially conforms with the benefits offered to CPA employees generally.

SUMMARY

CPA's General Counsel Nancy Whang has been with the organization for over a year and has just 10 months left on her original two-year contract. In January of 2019, Ms. Whang established, in consultation with the Executive Committee, a set of initial priorities for the year. At its November 13 meeting, the Executive Committee discussed Ms. Whang's performance and set priorities for 2020. Ms. Whang's specific accomplishments in helping the institution grow and mature have been numerous and her strategic advice and counsel through CPA's difficult enrollment phases is noteworthy. Her ambitious goals for 2020 demonstrate she is committed to CPA's success and institutional durability.

After consulting with the Executive Committee, the Executive Director is recommending that Ms. Whang be given a new three-year contract with a salary of $250,000, along with a benefit package that is substantially the same as the benefits offered to all other CPA employees.

As demonstrated by the attached chart, this proposed amount would put Ms. Whang more in line with General Counsels at other large Southern California public agencies and at the top of the range with in-house General Counsels at other CCAs, commiserate with the fact that she has over a decade more experience as an attorney than other in-house CCA General Counsels. This recommended salary would close part of the gap between her current salary and what she was earning prior to joining CPA.

Attachments: 1) General Counsel Compensation – Community Choice Energy / Public Entity / Private Energy Corporation
2) Proposed Contract between Clean Power Alliance and Nancy Whang (redline from current contract)

GENERAL/SENIOR COUNSEL COMPENSATION

Community Choice Energy/Public Entity/Private Energy Corporation

As of November 2019

Organization	GC Salary	Context
Nancy Whang Clean Power Alliance	$215,000	Nancy is a 19th year attorney
Shalini Swaroop Marin Clean Energy	$230,000	MCE offers an annual COLA of approx. 4%. Shalini is a 9th year attorney.
Jessica Mullan Sonoma Clean Power	$197,600	The contract specifies a COLA of 4% in 2020 and 8% in 2021. Jessica is a 10th year attorney.
Vacant East Bay Clean Energy	$230,000-$250,000	
Metropolitan Water District	General Counsel: $325,000 Assistant GC: $193,000-264,000	
Assistant County Counsel Los Angeles Metro	$266,000[1]	
General Counsel SCPPA	$169,000-228,000	
District Counsel, South Coast Air Quality Management District	$235,000[2]	
Senior Counsel Southern California Gas Company	$221,450, plus 30% bonus and stock grant based on performance	Effective cash compensation: $287,885 not including stock grants.

[1] As of 2017
[2] As of 2018

EMPLOYMENT AGREEMENT
CLEAN POWER ALLIANCE GENERAL COUNSEL

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between the Clean Power Alliance of Southern California, also known as "CPA" and Nancy Whang an individual ("EMPLOYEE"). CPA and EMPLOYEE are sometimes collectively referred to herein as the "Parties". For identification proposes, this Agreement is dated December 5, 2019 ("Effective Date")~~August 16, 2018~~.

RECITALS

This Employment Agreement is entered into based on the following facts, understandings and intentions of the PARTIES:

A. The Los Angeles County Board of Supervisors, the Ventura County Board of Supervisors, and the City Councils of ~~twenty-nine~~thirty cities, including Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Camarillo, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Moorpark, Ojai, Oxnard, Paramount, Redondo Beach, Rolling Hills Estates, Santa Monica, Sierra Madre, Simi Valley, South Pasadena, Temple City, Thousand Oaks, Ventura, West Hollywood, Westlake Village, and Whittier (respectively, "Participant City"; or collectively, "Participant Cities"), adopted ordinances authorizing the implementation of a Community Choice Aggregation Program ("CCA Program") pursuant to California Public Utilities Code Section 366.2(c)(12).

B. On June 27, 2017, the Los Angeles Community Choice Energy Authority Joint Powers Authority was formed pursuant to the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (the "Act"), now known as the Clean Power Alliance of Southern California, to operate and administer the CCA Program.

C. The CPA desires to retain the services of a legal counsel to provide legal services to the CPA.

D. EMPLOYEE possesses the skill, experience, ability, background and knowledge to perform the duties and services provided by this Agreement as the General Counsel of CPA.

E. CPA desires to appoint and employ EMPLOYEE as its General Counsel on the terms provided by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual promises and conditions in this Agreement, it is agreed as follows:

1. **Duties and Authority of the General Counsel**. CPA shall employ EMPLOYEE as the General Counsel of CPA with the full power and authority to perform general legal services to the CPA. EMPLOYEE will do, perform, and carry out in good and professional manner, the duties and responsibilities of the position of General Counsel, and as otherwise directed by the CPA Board of Directors ("Board").

   This includes providing advice to and representation of CPA departments, divisions and offices, including but not limited to: preparing written and oral opinions; the management and oversight of civil actions, administrative proceedings, civil trials, and appeals; preparing and approving agreements for execution authorized by the Board as well as the Executive Director; preparing and approving resolutions, policies, and rules and regulations for adoption by the Board and other legislative bodies; supervision of outside counsel; and attendance at meetings of the Board, and other boards, commissions, and committees.

   In performance of duties, EMPLOYEE will devote time, ability, and attention equivalent to the professional effort necessary to fulfill EMPLOYEE's duties. EMPLOYEE's duties will require flexibility in work hours and location of work, including attendance at Board of Director's meetings or other derivative Board meetings or necessary meetings prescheduled for the Department Heads, Directors, or the CPA Executive Director.

   EMPLOYEE shall perform the duties required hereunder in accordance with all local, state, and federal laws applicable to CPA operations.

2. **Term**. Unless earlier terminated as provided in this Agreement, the term of this Agreement shall be for a three ~~two (2)~~ year period, commencing on the ~~e~~Effective ~~d~~Date ~~of this agreement.EMPLOYEE reports for work and assumes duties of General Counsel~~ (the "Term"). ~~In the event this does not occur by October 8, 2018 this Agreement shall be considered null and void, unless the PARTIES mutually agree to a later start date.~~

3. **Compensation.** Commencing ~~Effective~~ on the ~~e~~Effective ~~d~~Date ~~of this agreement, commencement of employment,~~ CPA shall pay EMPLOYEE an annual base salary of ~~$215,000~~ $250,000 prorated and paid on CPA's normal paydays, subject to legally permissible or required deductions. EMPLOYEE's salary is compensation for all hours worked and for all services under this Agreement. EMPLOYEE shall be exempt from overtime pay provisions of California law (if any) and federal law. EMPLOYEE's salary (a) shall be adjusted to reflect general cost of living adjustments, if any, that are offered to CPA employees, and (b) may be further adjusted by the CPA Board of Directors during the term of this Agreement.

4. **Benefits**. During the Term of this Agreement, EMPLOYEE shall be entitled to all benefits offered to CPA employees, including but not limited to group insurance

plans, retirement programs, vacation, paid time off, sick leave, and expense reimbursement. ~~participate in any group insurance plan (including medical, dental, vision, life and disability), retirement program or similar plan or program of CPA established by the Board during the term of this Agreement to the extent EMPLOYEE is eligible under its provisions. In the event CPA establishes a separate benefit program for executive and management employees, EMPLOYEE shall be entitled to only participate in such benefit program.~~ CPA may establish additional benefit programs and may modify, reduce or eliminate any benefit plan or program in its discretion, in accordance with applicable law.

In addition, EMPLOYEE shall be entitled to the following benefits:

a. Vacation. EMPLOYEE will accrue vacation leave at the rate of 120 hours (3 weeks) annually.~~, prorated and credited each pay period~~. ~~EMPLOYEE may accrue vacation to a limit of 1.5 times the annual accrual. Once EMPLOYEE reaches the maximum accrual limit she will not accrue any additional vacation time until her accrued balance falls below the maximum limit.~~ Except as otherwise provided in this Agreement, vacation leave shall be subject to any CPA vacation policy applicable to employees generally.

~~b. Sick Leave. EMPLOYEE shall be entitled to sick leave in the amount of one day per month, a total of 96 hours annually, prorated and credited each pay period. Except as otherwise provided in this Agreement, sick leave shall be subject to any CPA sick leave policy applicable to full-time employees generally. This benefit will be interpreted and applied consistent with the minimum requirements of California law requiring paid sick leave.~~

~~c.~~b. ~~Retirement. In addition to the standard CPA retirement program under section 4, EMPLOYEE will receive ________________________.~~Parking Allowance. Up to and until such time as CPA remains located at 555 W. 5th Street ~~In consideration of EMPLOYEE'S transportation needs,~~ CPA agrees to pay ~~to EMPLOYEE, during the term of this Agreement and in addition to other salary and benefits,~~ a parking allowance of $200 per month. Upon any relocation, EMPLOYEE shall be entitled to any ~~will become eligible for the~~ transportation allowance available to all CPA employees generally provided that if EMPLOYEE leases parking in the new premises, CPA shall compensate EMPLOYEE for any actual parking lease costs that exceed $200 per month.

~~d.~~c. Professional Organizations. CPA agrees to pay or to reimburse EMPLOYEE for budgeted, reasonable and necessary membership dues in professional organizations, including the California State Bar.

~~e.~~d. Continuing Education Expenses. During the employment term, and subject to the availability of funds, CPA shall reimburse EMPLOYEE for budgeted and reasonable ~~out-of-pocket~~ expenses incurred ~~in connection with CPA's business, including reasonable out-of-pocket expenses incurred in connection with CPA's business, including reasonable expenses for travel, food, and lodging while away from home, subject to such policies as CPA may from time-to-time reasonably establish for its employees. Additionally, EMPLOYEE shall be entitled to Board-approved or budgeted and reasonable reimbursement~~ for continuing education expenses, including ~~and for~~ attendance at conventions~~,~~

and conferences where continuing education credits are offered.

~~f.~~e. Software Access. During the employment term, EMPLOYEE will be provided access to software services at the level necessary for the completion of legal research and duties.

5. **Evaluation of Performance**. The Executive Committee of the CPA Board shall conduct an Annual Performance Review of the General Counsel. This review will be completed prior to the end of each 12 months of the Term of the Agreement. The Annual Performance Review will include both an evaluation of the General Counsel's performance during the prior 12 months and the setting of priorities and goals for the upcoming 12 months.~~During the first ninety (90) days of employment, EMPLOYEE and the Executive Committee of the Board will meet to develop an initial performance plan, which will be the basis for the EMPLOYEE's first annual performance evaluation. The initial performance plan will include a set of mutually agreeable performance goals and criteria which the Board shall use in evaluating the performance of EMPLOYEE at the first annual performance evaluation in 2019.~~

6. **Restrictions on Outside Business Activities and Conflicts**. During ~~her~~ EMPLOYEE's employment, EMPLOYEE shall devote EMPLOYEE's ~~her~~ full energies, interest, abilities, and productive time to the performance of the Agreement and shall not, without CPA's prior written consent, tender to other entities or individuals services of any kind for compensation, or engage in any other business activity. In addition, EMPLOYEE shall not engage in any activity, for compensation or otherwise, that would interfere or conflict with the performance of EMPLOYEE's~~her~~ duties under this Agreement, including activities that may reasonably be expected to conflict with the General Counsel duties. EMPLOYEE shall comply with the laws of the State of California regarding conflicts of interest, including but not limited to Government Code section 1090, and provisions of the Political Reform Act found in Government Code section 87100 et seq., including regulations promulgated by the California Fair Political Practices Commission.

7. **Termination of Agreement.**

   a. Termination by CPA. EMPLOYEE is employed at the pleasure of the Board and is thus an at-will employee. The Board may terminate this Agreement and the employment relationship at any time with or without cause, and with or without prior notice.

   b. Termination on Resignation. EMPLOYEE may terminate the Agreement by giving CPA at least sixty (60) days (or more if possible) prior written notice. CPA may accelerate the effective date of resignation to any date after the receipt of written notice or, upon request, may reduce the notice period, at its discretion.

   c. Termination on Death. If EMPLOYEE dies during the term of this Agreement, this Agreement shall be terminated on the date of EMPLOYEE's death. All warrants or checks for accrued salary, accrued vacation or other items shall be released to the person designated in writing by EMPLOYEE pursuant to Government Code Section 53245 or, if no designation is made, to EMPLOYEE's estate.

8. **Severance**. CPA shall pay EMPLOYEE for all services through the effective date of termination. EMPLOYEE shall have no right to any additional compensation or payment, except as provided below and except for any accrued and vested benefits applicable to all CPA employees generally.

   a. If CPA terminates this Agreement (thereby terminating- EMPLOYEE 's employment) without cause, CPA shall pay EMPLOYEE a lump sum severance benefit equal to three (3) months of EMPLOYEE's ~~her~~ then applicable base salary.

   b. If CPA terminates this Agreement (thereby terminating EMPLOYEE's employment) with cause, EMPLOYEE shall not be entitled to any severance. As used in this Agreement, cause shall mean termination due to:

      (1) A conviction, plea bargain, judgment or adverse determination by any court, the State Attorney General, a grand jury, or the California Fair Political Practices Commission involving any felony, intentional tort, crime of moral turpitude or violation of any statute or law constituting misconduct in office, misuse of public funds or conflict of interest;

      (2) Conviction of a felony;

      (3) Conviction of a misdemeanor arising out of EMPLOYEE's duties under this Agreement and involving a willful or intentional violation of law;

      (4) Willful abandonment of duties;

      (5) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the Board made by the Board as a body or persistent and willful violation of properly established rules and procedures; and

      (6) Any other action or inaction by EMPLOYEE that materially and substantially harms CPA's interests, materially and substantially impedes or disrupts the performance of CPA or that is detrimental to employee safety or public safety.

   c. If EMPLOYEE terminates this Agreement (thereby terminating EMPLOYEE's employment), EMPLOYEE shall not be entitled to any severance.

   d. Any other term of this Agreement notwithstanding, the maximum severance that EMPLOYEE may receive under this Agreement shall not exceed the limitations provided in Government Code Sections 53260 - 53264, or other applicable law. Further, in the event EMPLOYEE is convicted of a crime involving an abuse of office or position, EMPLOYEE shall reimburse the CPA for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 - 53243.4.

9. Reimbursement to CPA required

The following limitations apply to CPA's obligation to EMPLOYEE pursuant to paragraph 9 above:

a. Paid Leave. Pursuant to Government Code Section 53243, in the event the EMPLOYEE is placed on paid leave pending an investigation, EMPLOYEE shall reimburse CPA if ~~she~~ EMPLOYEE is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position," as that is defined by Government Code Section 53242.4;

b. Legal Defense. Pursuant to Government Code Section 53243.1, in the event CPA pays for EMPLOYEE's legal criminal defense, ~~she~~ EMPLOYEE shall fully reimburse such funds to CPA if EMPLOYEE ~~she~~ is subsequently convicted of a crime of moral turpitude that constitutes "abuse of office or position;"

c. Severance. Pursuant to Government Code Section 53243.2, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from CPA, including any severance paid under Paragraph 8 must be fully reimbursed to CPA if ~~she~~ EMPLOYEE is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position."

10. Miscellaneous Provisions.

a. Integration. Subject to all applicable Government code sections, the Agreement contains the entire agreement between the PARTIES and supersedes all prior oral and written agreements, understandings, commitments and practices between the PARTIES before the date of this Agreement. No amendments to this Agreement may be made except in writing signed by the PARTIES.

b. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of the Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances it shall nevertheless remain in full force and effect in all other circumstances.

c. Notices. Any notices required or permitted under this Agreement must be in writing and shall be deemed effective on the earlier of personal delivery (including personal delivery by facsimile or similar means intended to provide actual delivery on the same day) or the third day following mailing by first class mail to the recipient. Notice to CPA shall be addressed to the Secretary of the Board at the CPA's then principal place of business. Notice to EMPLOYEE shall be addressed to his home address, as then shown in CPA's files.

d. Agreement is Binding. This Agreement shall be binding upon and inure to the benefit of CPA, its successor and assigns, and shall be binding upon EMPLOYEE, his administrators, executors, legatees, heirs, and assigns.

e. Waiver. The failure of either PARTY to insist on strict compliance with any of the terms, covenants or conditions of this Agreement by the other PARTY shall not be deemed a waiver of that term, covenant or condition, nor a waiver or relinquishment of any right or power.

IN WITNESS WHEREOF, the PARTIES have executed this

Agreement.

Clean Power Alliance of Southern California

By_________________________________ Date___________

Diana Mahmud
Chair

By _________________________________
Nancy Whang

~~APPROVED AS TO FORM:~~

~~MARY C. WICKHAM~~
~~County Counsel~~

~~By_________________________________~~
~~Senior Deputy County Counsel~~

Staff Report – Agenda Item 11

To:	Clean Power Alliance (CPA) Board of Directors
From:	David McNeil, Chief Financial Officer
Approved by:	Ted Bardacke, Executive Director
Subject:	Receive and file Fiscal Year 2018-2019 Financial Statements
Date:	December 5, 2019

RECOMMENDATION

Receive and file presentation on the Fiscal Year 2018-2019 Financial Statements.

BACKGROUND

Each year CPA publishes fiscal year-end financial statements. CPA's Bylaws require the Finance Committee to select an independent auditor to perform a financial audit of the accounts of CPA on an annual basis and to receive the auditors' report. In April 2019, the Finance Committee selected Baker Tilly to perform an audit of CPA's Fiscal Year (FY) 2018-19 Financial Statements. In October 2019 the Finance Committee received the FY 2018-19 Financial Statements and the Independent Auditors' Report (Auditors' Report).

The FY 2018-19 Financial Statements (Attachment 1) consist of the following:

- Auditors' Report
- Management's Discussion and Analysis
- Financial Statements – Statements of Net Position, Revenues and Expenses and Changes in Net Position, Statements of Cash Flows
- Notes to the Financial Statements

FINANCIAL STATEMENTS

Auditors' Report

The Auditors' Report includes its opinion that CPA's FY 2018-19 Financial Statements "present fairly, in all material respects, the financial position of Clean Power Alliance as of June 30, 2019…in accordance with accounting principles generally accepted in the United States of America." The auditor found no material issues with CPA's financial reporting or controls. The Auditors' Report contains what is generally regarded as an unqualified or "clean" audit opinion.

Financial Highlights

- Operating revenues increased from $3.4 million in FY 2017-18 to $254 million in FY 2018-19 reflecting the full year impact of Phase 1 and 2 enrollments that occurred in 2018 and Phase 3 and 4 enrollments that occurred in February and May 2019 respectively.
- The net position increased by $18.6 million resulting in $16 million net position at the close of the year. The increase in net position is consistent with CPA's Board approved Reserve Policy, which calls for the organization to build reserves to a minimum of 30% of total annual operating budget expenditures.
- As of June 30, 2019, debt consisted of a loan payable to the County of Los Angeles due for repayment on September 30, 2020 and a $19 million note payable to River City Bank. The note payable to River City Bank was repaid in September 2019.
- The financial results comply with CPA's credit covenants.

Staff views the financial results as positive. CPA is in good financial health following the Phase 1-4 enrollments and is well positioned to serve its customers and deliver on its mission.

Attachment: 1) FY 2018-19 Financial Statements

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

Basic Financial Statements with Independent Auditor's Report

For the Fiscal Years Ended June 30, 2019 and 2018

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
YEARS ENDED JUNE 30, 2019 AND 2018

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Clean Power Alliance of Southern California
Los Angeles, California

We have audited the accompanying financial statements of Clean Power Alliance of Southern California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Clean Power Alliance of Southern California's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clean Power Alliance of Southern California's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clean Power Alliance of Southern California's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean Power Alliance of Southern California as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Clean Power Alliance of Southern California, as of and for the year ended June 30, 2018, were audited by other auditors whose report dated December 20, 2018, expressed an unmodified opinion on those statements.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 16, 2019

The Management's Discussion and Analysis provides an overview of Clean Power Alliance of Southern California's (CPA) financial activities as of and for the years ended June 30, 2019 and 2018. The information presented here should be considered in conjunction with the audited financial statements.

Contents of this Report

This report is divided into the following sections:

- Management's discussion and analysis.
- The Basic financial statements:
    - The *Statements of Net Position* includes all of CPA's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
    - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of CPA's revenue and expenses for the years shown.
    - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as non-capital financing activities.
    - Notes to the Basic Financial Statements, which provide additional details and information related to the basic financial statements.

BACKGROUND

CPA was formed pursuant to California Assembly Bill 117 which enables communities to purchase power on behalf of their residents and businesses and creates retail choice for electric generation services.

CPA, formerly Los Angeles Community Choice Energy (LACCE), was created as a California Joint Powers Authority on June 27, 2017. CPA was established to study, promote, develop, conduct, operate and manage energy programs in Southern California. Governed by an appointed board of directors (Board), CPA has the authority to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. CPA acquires electricity from commercial suppliers and delivers it through existing physical infrastructure and equipment managed by the California Independent System Operator (CAISO) and Southern California Edison (SCE).

The parties to CPA's Joint Powers Agreement consist of local governments whose governing bodies elect to join CPA. Pursuant to the Public Utilities Code, when new parties join CPA, all electricity customers in its jurisdiction automatically become default customers of CPA for electric generation, provided that customers are given the option to "opt out".

CPA began operations by serving approximately 1,800 municipal accounts in February 2018. In June 2018 it enrolled approximately 28,000 municipal and commercial accounts. In February 2019, CPA enrolled approximately 900,000 residential customer accounts. In May 2019 CPA enrolled approximately 100,000 commercial accounts. In December 2018 the City of Westlake Village became a party to CPA's Joint Powers Agreement. CPA plans to enroll approximately 4,000 residential and commercial accounts from Westlake Village during June 2020.

CPA's goal is to provide customers with competitively priced and affordable electricity with high renewable energy content and low greenhouse gas emissions. CPA offers its customers three electricity services to choose from: Lean Power, Clean Power and 100% Green Power. Lean Power provides 36% renewable energy content, Clean Power provides 50% renewable energy content and 100% Green Power provides 100% renewable energy content.

Financial Reporting

CPA presents its financial statements as enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

FINANCIAL HIGHLIGHTS

The following table is a summary of CPA's assets, liabilities, and net position as of June 30:

	2019	2018
Current assets	$ 142,619,616	$ 9,521,793
Noncurrent assets		
Capital assets, net	35,948	-
Other noncurrent assets	128,000	107,250
Total assets	142,783,564	9,629,043
Current liabilities	97,158,978	2,470,275
Noncurrent liabilities	29,635,608	9,835,608
Total liabilities	126,794,586	12,305,883
Net position		
Investment in capital assets	35,948	-
Restricted for collateral	7,952,000	-
Unrestricted (deficit)	8,001,030	(2,676,840)
Total net position	$ 15,988,978	$ (2,676,840)

Current Assets

Current assets totaled $142,620,000 as of June 30, 2019. Current assets include the following: $14,211,000 in cash and cash equivalents, $56,605,000 in accounts receivable and other receivables, $68,779,000 in accrued revenue, and $2,025,000 of prepaid expenses.

Current assets totaled $9,522,000 as of June 30, 2018. Current assets as of June 20, 2018 include the following: $3,296,000 in cash and restricted cash, $2,702,000 invested in the Los Angeles County Investment Pool, $741,000 in accounts receivable and other receivables, $908,000 in accrued revenue, and $1,850,000 in deposits.

Cash and cash equivalents, prepaid expenses, accounts receivable and accrued revenue increased year over year due to operating activities associated with the enrollment of residential and commercial accounts during 2019. Restricted cash increased pursuant to credit and security agreements. Funds invested in the Los Angeles County Investment Pool decreased as a result of CPA's withdrawal from the Pool.

Current Liabilities

Current liabilities totaled $97,159,000 as of June 30, 2019. Current liabilities include the following: $5,137,000 of accounts payable and other accrued liabilities, and $89,052,000 of accrued cost of electricity. CPA is required to collect and remit user taxes on certain customer sales and has a current liability of $2,971,000 for these taxes as of June 30, 2019.

Current liabilities totaled $2,470,000 as of June 30, 2018. Current liabilities include the following: $1,513,000 of the cost in electricity delivered to customers that is not yet due to be paid by CPA. Also included is $940,000 in accounts payable for service providers and other operating expenses. CPA has a current liability of $17,000 for taxes as of June 30, 2018.

Current liabilities increased year over year due to operating activities associated with the enrollment of residential and commercial accounts during 2019.

Noncurrent Liabilities

As of June 30, 2019, noncurrent liabilities totaled $29,636,000. Noncurrent liabilities include loans and notes payable to the County of Los Angeles and River City Bank respectively as described in the notes to the financial statements.

As of June 30, 2018, noncurrent liabilities consist entirely of $9,836,000 loan payable to the County of Los Angeles.

Noncurrent liabilities increased as a result of borrowing under a credit agreement with River City Bank and a supplier security deposit.

The following table is a summary of CPA's results of operations:

	2019	2018	Increase
Operating revenues	$ 253,919,018	$ 3,382,705	$ 250,536,313
Interest income	121,962	7,126	114,836
Total income	254,040,980	3,389,831	250,651,149
Operating expenses	235,128,858	6,066,671	229,062,187
Interest and related expenses	246,304	-	246,304
Total expenses	235,375,162	6,066,671	229,308,491
Change in net position	$ 18,665,818	$ (2,676,840)	$ 21,342,658

Total Income

Operating revenues increased from $3,383,000 in 2017-18 to $253,919,000 in 2018-19. Operating revenues consist entirely of electricity sales to customers. Sales to customers began in February 2018 to certain municipal and commercial accounts in the unincorporated Los Angeles County, accounting for five months of service during the 2017-18 year.

Operating revenues increased year over year as a result of the enrollment of residential and commercial customers in February and May 2019 respectively. Year over year changes in interest income reflect higher average balances in interest earning accounts.

Total Expenses

Operating expenses increased from $6,067,000 in 2017-18 to $235,375,000 in 2018-19. Operating expenses include the cost of energy and electric capacity used to serve CPA's customers and meet its regulatory obligations, contracts with service provides, staff compensation and general and administrative expenses. Operating costs increased year over year due to operating activities associated with the enrollment of residential and commercial accounts during 2019. Operating expenses in 2017-18 include the cost of serving customers for five months of operations as well as costs for the start-up and implementation of the agency. Interest and related expenses that occurred in 2018-19 reflect borrowing and interest costs arising primarily from the credit agreement with River City Bank.

Change in Net Position

The change in net position increased from negative $2,677,000 in 2017-18 to $18,666,000 in 2018-19. The change in net position in 2017-18 reflects the start-up nature of the agency. The contribution to the net position for 2018-19 reflects positive operating margins and are consistent with CPA's Reserve Policy adopted by CPA's Board of Directors in January 2019.

PURCHASE COMMITMENTS AND ECONOMIC OUTLOOK

During the normal course of business, CPA enters into various agreements, including renewable energy agreements and other power purchase agreements to purchase power and electric capacity. CPA enters into power purchase agreements in order to comply with state law and voluntary targets for renewable and greenhouse gas (GHG) free products. California law established a Renewable Portfolio Standard (RPS) that requires load-serving entities, such as CPA, to gradually increase the amount of renewable energy they deliver to their customers. In October 2015, the California Governor signed SB 350, the Clean Energy and Pollution Reduction Act of 2015 into law. SB 350 became effective January 1, 2016, and increases the amount of renewable energy that must be delivered by most load-serving entities, including CPA, to their customers from 33% of their total annual retail sales by the end of the 2017-2020 compliance period, to 50% of their total annual retail sales by the end of the 2028-2030 compliance period, and in each three-year compliance period thereafter, unless changed by legislative action. In September 2018, the California Governor signed SB 100, The 100 Percent Clean Energy Act of 2018, into law. SB 100 increases the amount of renewable energy that must be delivered by most load-serving entities, including CPA, to their customers to 60% of their annual retail sales by the end of the 2028-2030 compliance period. SB 100 further establishes as state policy that eligible renewable energy resources and zero-carbon resources supply 100 percent of all retail sales of electricity to California end-use customers and 100 percent of electricity procured to serve all state agencies by December 31, 2045.

PURCHASE COMMITMENTS AND ECONOMIC OUTLOOK (Continued)

SB 100 provides compliance flexibility and waiver mechanisms, including increased flexibility to apply excess renewable energy procurement in one compliance period to future compliance periods. Beginning January 1, 2021, at least 65% of the procurement a retail seller, such as CPA, counts toward the renewable portfolio standard requirement of each compliance period shall be from its contracts of ten years or more in duration.

CPA enters into long term purchase agreements to bring new solar, winding and other renewable energy generating facilities on-line, to meet its regulatory RPS and GHG free targets, to accomplish its mission of providing renewable energy and reducing greenhouse gas emissions, serve its customers and manage energy market risks. CPA manages risks associated with these commitments by aligning purchase commitments with expected demand for electricity and assuring diversity of technologies, geographical locations, and suppliers.

Commitments under power purchase agreements totaled approximately $228 million and $1.422 billion as of June 30, 2018 and June 30, 2019 respectively.

CPA manages its energy market risks in accordance with its Energy Risk Management Policy adopted by the Board of Directors in July 2018. Management intends to continue its conservative use of financial resources and expects to generate ongoing operating surpluses in future years.

REQUEST FOR INFORMATION

This financial report is designed to provide CPA's customers and creditors with a general overview of the Organization's finances and to demonstrate CPA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to Chief Financial Officer, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013.

BASIC FINANCIAL STATEMENTS

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

STATEMENTS OF NET POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,258,580	$ 2,546,067
Investment in Los Angeles County Investment Pool		2,701,780
Accounts receivable, net of allowance	50,674,048	660,508
Accrued revenue	68,779,327	907,546
Market settlements receivable	5,573,657	-
Other receivables	357,454	80,892
Prepaid expenses	2,024,550	25,000
Deposits	-	1,850,000
Restricted cash	7,952,000	750,000
Total current assets	142,619,616	9,521,793
Noncurrent assets		
Capital assets, net of depreciation	35,948	-
Deposits	128,000	107,250
Total noncurrent assets	163,948	107,250
Total assets	142,783,564	9,629,043
LIABILITIES		
Current liabilities		
Accounts payable	2,641,021	940,351
Accrued cost of electricity	89,051,637	1,512,698
Other accrued liabilities	2,495,683	-
User taxes and energy surcharges due to other governments	2,970,637	17,226
Total current liabilities	97,158,978	2,470,275
Noncurrent liabilities		
Loans payable to County of Los Angeles	9,835,608	9,835,608
Note payable to bank	19,050,000	-
Supplier security deposits	750,000	-
Total noncurrent liabilities	29,635,608	9,835,608
Total liabilities	126,794,586	12,305,883
NET POSITION		
Investment in capital assets	35,948	-
Restricted for collateral	7,952,000	-
Unrestricted (deficit)	8,001,030	(2,676,840)
Total net position	$ 15,988,978	$ (2,676,840)

The accompanying notes are an integral part of these financial statements.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Electricity sales, net	$ 253,913,018	$ 3,343,365
Other revenue	6,000	39,340
Total operating revenues	253,919,018	3,382,705
OPERATING EXPENSES		
Cost of electricity	223,125,906	3,298,724
Contract services	9,123,988	2,418,688
Staff compensation	2,133,751	222,051
General and administration	745,213	127,208
Total operating expenses	235,128,858	6,066,671
Operating income (loss)	18,790,160	(2,683,966)
NONOPERATING REVENUES (EXPENSES)		
Interest income	121,962	7,126
Interest and related expenses	(246,304)	-
Total nonoperating revenues (expenses)	(124,342)	7,126
CHANGE IN NET POSITION	18,665,818	(2,676,840)
Net position at beginning of year	(2,676,840)	-
Net position at end of year	$ 15,988,978	$ (2,676,840)

The accompanying notes are an integral part of these financial statements.

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 143,329,272	$ 2,155,770
Receipts from market settlements	13,166,766	
Other operating receipts	3,267,750	
Payments to suppliers for electricity	(155,978,140)	(3,309,957)
Payments to suppliers for other goods and services	(6,379,399)	
Payments to employees for services	(2,108,648)	
Other operating payments	(5,049,249)	(1,950,000)
Net cash provided (used) by operating activities	(9,751,648)	(3,104,187)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loan proceeds	28,100,000	9,100,000
Principal payments on loan	(9,050,000)	-
Interest and related expense payments	(175,132)	-
Net cash provided (used) by non-capital financing activities	18,874,868	9,100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to acquire capital assets	(37,541)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	127,054	2,034
Net change in cash and cash equivalents	9,212,733	5,997,847
Cash and cash equivalents at beginning of year	5,997,847	-
Cash and cash equivalents at end of year	$ 15,210,580	$ 5,997,847
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	$ 7,258,580	$ 2,546,067
Investment in Los Angeles County Investment Pool		$ 2,701,780
Restricted cash	7,952,000	750,000
Cash and cash equivalents	$ 15,210,580	$ 5,997,847

Noncash Non-Capital Financing Activities during the year ended June 30, 2018

Expenses of $735,608 were financed directly from loan proceeds.

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
(CONTINUED)

YEARS ENDED JUNE 30, 2019 AND 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	2019	2018
Operating income (loss)	$ 18,790,160	$ (2,683,966)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation expense	7,522	-
Revenue adjusted for allowance for uncollectible accounts	1,275,944	-
(Increase) decrease in:		
Accounts receivable	(51,306,203)	(660,508)
Energy market settlements receivable	(5,537,198)	-
Other receivables	(304,693)	(75,800)
Accrued revenue	(67,871,779)	(907,546)
Prepaid expenses	(1,997,093)	(25,000)
Deposits	1,829,250	(1,957,250)
Increase (decrease) in:		
Accounts payable	1,819,934	940,351
Energy market settlements payable	(109,534)	-
Accrued cost of electricity	87,538,939	1,512,698
Other accrued liabilities	2,411,559	-
User taxes due to other governments	2,951,544	17,226
Loans payable	-	735,608
Supplier security deposits	750,000	-
Net cash provided (used) by operating activities	$ (9,751,648)	$ (3,104,187)

The accompanying notes are an integral part of these financial statements.

1. REPORTING ENTITY

Clean Power Alliance of Southern California (CPA) is a joint powers authority created on June 27, 2017. As of June 30, 2019, parties to its Joint Powers Agreement consist of the following local governments:

Counties	Cities	
Los Angeles	Agoura Hills	Ojai
Ventura	Alhambra	Oxnard
	Arcadia	Paramont
	Beverly Hills	Redondo Beach
	Calabasas	Rolling Hills Estates
	Carson	Santa Monica
	Camarillo	Sierra Madre
	Claremont	Simi Valley
	Culver City	South Pasadena
	Downey	Temple City
	Hawaiian Gardens	Thousand Oaks
	Hawthorne	Ventura
	Malibu	West Hollywood
	Manhattan Beach	Westlake Village
	Moorpark	Whittier

CPA is separate from and derives no financial support from its members. CPA is governed by a Board of Directors whose membership is composed of elected officials representing one or more of the parties.

CPA's mission is to provide cost competitive electric services, reduce electric sector greenhouse gas emissions, stimulate renewable energy development, implement distributed energy resources, promote energy efficiency and demand reduction programs, and sustain long-term rate stability for residents and businesses through local control. CPA provides electric service to retail customers as a Community Choice Aggregation Program under the California Public Utilities Code Section (CPUC) 366.2.

Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by SCE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

CPA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

CPA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – investment in capital assets, restricted, and unrestricted.

When both restricted and unrestricted resources are available for use, it is CPA's policy to use restricted resources first, then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, CPA defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments. As of June 30, 2019, cash and cash equivalents were held in various interest and non-interest earnings accounts at River City Bank.

Prior to November 2018 CPA held investments in the Los Angeles County Investment Pool.

Investments held in the Los Angeles County Investment Pool are available on demand and are considered highly liquid. Amounts restricted pursuant to security and lending agreements is included as cash and cash equivalents on the Statement of Cash Flows.

CAPITAL ASSETS AND DEPRECIATION

CPA's policy is to capitalize furniture and equipment valued over $1,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture. Leasehold improvements are depreciated over 10 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DEPOSITS

Certain energy contracts entered into by CPA require CPA to provide the supplier with a security deposit. The deposits are generally held for the term of the contract. Deposits with energy suppliers are classified as current or noncurrent assets depending on the length of the time the deposits will be held. While these energy contract related deposits make up the majority of this item, other components of deposits include those for regulatory and other operating purposes.

NET POSITION

Net position is presented in the following components:

Investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets. CPA did not have any outstanding borrowings as of June 30, 2019 and 2018 attributable to those assets.

Restricted: This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted".

OPERATING AND NON-OPERATING REVENUE

Operating revenues include revenue derived from the provision of energy to retail customers.

Interest income is considered "non-operating revenue".

REVENUE RECOGNITION

CPA recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPERATING AND NON-OPERATING EXPENSES

Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

ELECTRICAL POWER PURCHASED

During the normal course of business CPA purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as wholesale sales and generation credits, load and other charges arising from CPA's participation in the CAISO's centralized market. The cost of electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and elective targets, CPA acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). CPA obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. An expense is recognized at the point that the cost of the Certificate is due and payable to the supplier. CPA purchases capacity commitments from qualifying generators to comply with the California Energy Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the California Independent System Operator to ensure the safe and reliable operation of the grid in real time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future. CPA is in compliance with external mandates and self-imposed benchmarks.

STAFFING COSTS

CPA pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. CPA is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. CPA provides compensated time off, and the related liability is recorded in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INCOME TAXES

CPA is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

USER TAXES AND ENERGY SURCHARGES DUE TO OTHER GOVERNMENTS

CPA is required by governmental authorities to collect and remit user taxes on certain customer sales. These taxes do not represent revenues or expenses to CPA.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements.

3. CASH AND CASH EQUIVALENTS

As of June 30, 2019 CPA, maintains its cash in both interest-bearing and non-interest-bearing bank accounts with River City Bank. California Government Code Section 16521 requires banks to collateralize amounts of public funds in excess of FDIC limit of $250,000 in an amount equal to 110% of deposit balances. CPA has no deposit or investment policy that addresses a specific type of risk that would impose additional restrictions beyond this code. Accordingly, the amount of risk is not disclosed. Risk is monitored on an ongoing basis.

As of June 30, 2018 CPA, held investments in the Los Angeles County Investment Pool (the County Pool). During 2018-19 CPA elected to no longer participate in the County Pool and withdrew its funds. The County Pool includes both voluntary and involuntary participation from external entities. CPA was a voluntary participant. CPA has approved by resolution, the investment policy of the County of Los Angeles which complies with the California Government Code.

The County Pool is not registered with the Securities and Exchange Commission as an investment company. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust.

The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, CPA held no individual investments. As of June 30, 2018, all investments were in the Los Angeles County Investment Pool.

3. CASH AND CASH EQUIVALENTS (continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. CPA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Deposits and withdrawals from the County Pool are made on the basis of $1 which is substantially equal to fair value. CPA's proportionate share of investments in the County Pool at June 30, 2018 of $2,701,780 is not required to be categorized under the fair value hierarchy.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. CPA has not adopted a policy to manage interest rate risk.

The County Pool manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations. As of June 30, 2018, approximately 36% of the investments in the County Pool had maturities of 60 days or less, with an average of 609 days to maturity for the entire portfolio. As of June 30, 2019 CPA's cash was held in entirely in interest bearing and noninterest bearing demand deposits at River City Bank.

CREDIT RISK

The investment policy of the County Pool contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2017-18 Los Angeles County Comprehensive Annual Financial Report.

4. ACCOUNTS RECEIVABLE

Accounts receivable were as follows:

	2019	2018
Accounts receivable from customers	$ 51,966,709	$ 677,225
Allowance for uncollectible accounts	(1,292,661)	(16,717)
Net accounts receivable	$ 50,674,048	$ 660,508

The majority of account collections occur within the first few months following customer invoicing. CPA estimates that a portion of the billed accounts will not be collected. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years.

5. MARKET SETTLEMENTS RECEIVABLE

During the normal course of business, CPA receives generation scheduling and other services from a registered, California Independent System Operator (CAISO) scheduling coordinator. Market settlements due from the scheduling coordinator were $5,574,000 and $0 as of June 30, 2019 and 2018, respectively.

6. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2019 and 2018 was as follows:

	Furniture & Equipment	Accumulated Depreciation	Total
Balances at June 30, 2018	$ -	$ -	$ -
Additions	44,080	(8,132)	35,948
Balances at June 30, 2019	$ 44,080	$ (8,132)	$ 35,948

Depreciation expense is included with general and administration on the Statements of Revenues, Expenses and Changes in Net Position.

7. DEBT

In August 2017, CPA and the County of Los Angeles executed a memorandum of understanding (MOU) to provide a non-interest bearing loan to CPA in an amount not to exceed $10 million to be repaid June 30, 2018. In April 2018, the County's Board of Supervisors approved an extension of the repayment term of the loan to June 30, 2019. In August 2018, County's Board of Supervisors approved a further extension of repayment of the loan to September 30, 2020. The purpose of the loan was to investigate the feasibility of implementing a community choice aggregation program as well as to provide for other working capital needs. During 2017-18 CPA received $9,100,000 cash loan proceeds and $735,608 noncash loan proceeds from the County of Los Angeles.

In August 2018 CPA entered into a $20 million Credit Agreement with River City Bank. The Credit Agreement is a revolving credit facility that CPA uses to provide letters of credit and to borrow funds to provide working capital. The Credit Agreement expires in August 2019.

In April 2019 CPA entered into the First Amendment to the Credit Agreement with River City Bank (First Amendment). The First Amendment increases available credit facility amount from $20 million to $37 million, extends the term of the agreement through March 31, 2021, reduces the interest rate on borrowing from 2% over the one-month London Interbank Borrowing Rate (Libor) to 1.75% over one-month Libor, adjusts the amount required to be held as cash collateral from 10% of the credit facility amount to 10% of the outstanding balance and updates the credit covenants. The First Amendment is intended to provide CPA with greater working capital and financial flexibility and contribute to the financial strength of the agency. The interest rate at June 30, 2019 was 4.18%.

The credit covenants were updated in September 2019 as described in subsequent events.

As of June 30, 2019, CPA had a $19,050,000 note outstanding under the credit facility repayable on March 31, 2021.

7. DEBT (continued)

Loan principal activity and balances were as follows for the following direct borrowings:

	Beginning	Additions	Payments	Ending
Year ended June 30, 2018				
County of Los Angeles	$ -	$ 9,835,608	$ -	$ 9,835,608
Total	$ -	$ 9,835,608	$ -	$ 9,835,608
Amounts due within one year				-
Amounts due after one year				$ 9,835,608
Year ended June 30, 2019				
County of Los Angeles	$ 9,835,608	$ -		$ 9,835,608
River City Bank	-	28,100,000	(9,050,000)	19,050,000
Total	$ 9,835,608	$ 28,100,000	$ (9,050,000)	$ 28,885,608
Amounts due within one year				
Amounts due after one year				$ 28,885,608

8. DEFINED CONTRIBUTION RETIREMENT PLAN

The Clean Power Alliance of Southern California Plan (Plan) is a defined contribution retirement plan established by CPA to provide benefits at retirement to its employees. The Plan is administered by Nationwide Retirement Solutions. As of June 30, 2019, there were 17 plan members. CPA is required to contribute up to 3.5% of annual covered payroll to the Plan and contributed $152,000 and $0 during the years ended June 30, 2019 and 2018, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

9. RISK MANAGEMENT

CPA is exposed to various insurable risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, CPA purchased insurance policies from investment grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage.

On July 12, 2018 CPA's Board adopted the Energy Risk Management Policy (ERMP). The ERMP establishes CPA's Energy Risk Program and applies to all power procurement and related business activities that may impact the risk profile of CPA. The ERMP documents the framework by which CPA staff and consultants will identify and quantify risk, develop and execute procurement strategies, develop controls and oversight and monitor, measure and report on the effectiveness of the ERMP. Risks covered by the ERMP include market price risk, credit risk, volumetric risk, operational risk, opt-out risk, legislative and regulatory risk and other risks arising operating as a Community Choice Aggregation and participating in California energy markets.

CPA maintains other risk management policies, procedures and systems that help mitigate and manage credit, liquidity, financial, regulatory and other risks not covered by the ERMP.

Credit guidelines include a preference for transacting with investment grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, CPA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counter parties.

10. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, CPA enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and hydro-electric facilities.

CPA enters into power purchase agreements in order to comply with state law and elective targets for renewable and greenhouse gas (GHG) free products and to ensure stable and competitive electric rates for its customers.

10. PURCHASE COMMITMENTS (continued)

The following table represents the expected, undiscounted, contractual obligations outstanding as of June 30, 2019:

Year ended June 30,	
2020	$ 666,000,000
2021	332,000,000
2022	137,000,000
2023	32,000,000
2024	21,000,000
2025-35	234,000,000
	$ 1,422,000,000

As of June 30, 2019, CPA had noncancelable contractual commitments to professional service providers through July 31, 2022 for services yet to be performed. Fees associated with these contracts are based on volumetric activity and are expected to be approximately $34,000,000.

11. OPERATING LEASE

Rental expense for CPA's office space was $134,000 and $26,000 for the years ended June 30, 2019 and 2018, respectively. CPA leases office space under various agreements with WeWork which expire in September 2019 and renew on a month to month basis.

12. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statement are effective for future fiscal years ending after June 30, 2019:

GASB Statement No. 87, *Leases*, is effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments' leasing activities.

13. SUBSEQUENT EVENTS

In September 2018 new legislation was passed in the California legislature that expands direct access for commercial customers throughout the State. In September 2019 CPA was advised by Southern California Edison that customer load equal to less than 1% of CPA's total load would depart under the new direct access legislation beginning in January 2021.

In September 2019 CPA and River City Bank entered into a letter agreement updating CPA's loan covenants under the Credit Agreement.

On October 10, 2019 the CPUC issued a decision in Rulemaking 17-09-020 relating to imports of resource adequacy into California under its Resource Adequacy Program. CPA is working to clarify how the decision will be implemented and what impacts, if any, the decision will have on CPA.

Staff Report – Agenda Item 12

To:	Clean Power Alliance (CPA) Board of Directors
From:	David McNeil, Chief Financial Officer
Approved by:	Ted Bardacke, Executive Director
Subject:	Presentation on CPA Fiscal Year 2019-20 Financial Performance and Outlook
Date:	December 5, 2019

RECOMMENDATION

Receive and file presentation on CPA Fiscal Year 2019-20 (FY19/20) Financial Performance and Outlook.

BACKGROUND

David McNeil, Chief Financial Officer, will present the fiscal year to date financial results and financial outlook for the fiscal year ending June 30, 2020. The purpose of this presentation is to provide an update regarding CPA's financial progress during the current fiscal year, compare actual vs budget results, and provide expectations of financial performance for the balance of the fiscal year.

At the time of this writing, financial results for October were not available. Therefore, the report below describes general trends over the first four months of FY 19/20; the Board presentation on December 5 will include more detailed results.

SUMMARY

For the first four months of FY19/20 (July – October 2019) CPA's financial performance was below expectations. Financial results were impacted by lower than normal temperatures, which resulted in lower electricity usage and revenue, low energy prices in California Independent Systems Operator (CAISO) spot markets throughout the summer and early fall, and CPA's long energy position (i.e. a high proportion of the energy needed to serve CPA customer load was purchased in advance through fixed price contracts).

During the normal course of business, CPA schedules and sells energy purchased from suppliers under fixed price contracts into the CAISO market and receives the spot market price for this energy. These contracts and the resulting CAISO revenue serve to hedge the cost of providing electricity to CPA's customers and protect CPA from wholesale market price volatility.

CPA had a long energy position in the summer of 2019 in order to protect the agency against weather conditions and CAISO spot market prices similar to those that occurred in the hot summers of 2017 and 2018. During these summers, spot market prices and energy usage were far above normal. These conditions led Southern California Edison (SCE) to under-collect approximately $800 million of revenue from its customers in 2018, a loss which CPA customers are still paying for.

CPA's service area experienced cooler than normal weather during the summer of 2019. Reduced mid-summer temperatures caused the maximum peak load on the California electricity system this summer to be at its lowest point since 2003. Cooler weather reduced CPA customers' energy use and related CPA revenue and depressed wholesale spot market energy prices. In addition to lower temperatures, spot market prices were significantly reduced by unexpected regulatory changes in the natural gas market, which lessened the supply constraints previously caused by storage limitations at the Aliso Canyon gas storage facility. As an example, from July to October 2019 wholesale spot market prices were 37% lower than the available forward prices that CPA used to prepare the FY19/20 Budget in May 2019. Reduced spot market energy prices reduced the revenue CPA received from its fixed price energy contracts.

CPA's summer 2019 hedging strategy was consistent with the Board approved Energy Risk Management Policy and appropriate given the volatility of California electricity markets, the limited availability of reserves to absorb higher than expected CAISO spot market prices, and load uncertainty during customer enrollment periods. Staff believes that reserves accumulated during the summer of 2019, together with more accurate load data, allows the agency to refine its hedging strategy for the summer of 2020.

Currently, CPA is financially sound and remains in compliance with its credit covenants. CPA can meet its financial targets for the current fiscal year assuming current retail rates remain in effect for the balance of the fiscal year and energy market conditions do not change significantly. The Board will likely be asked to adjust rates during the first half of 2020 in response to changes in rates by SCE, changes in the Power Charge Indifference Adjustment, and in anticipation of setting the budget and net position/reserve accumulation target for Fiscal Year 2020-2021 in June.

The continued accumulation of reserves is necessary in order for CPA to make progress towards meeting at least the minimum amount set by its Board-approved Reserve Policy (30% total operating budget expenditures). Progress of this type demonstrates CPA’s credit worthiness to investors in new, long term renewable energy projects with which CPA intends to contract. Entering into long term renewable energy contracts is the key to lowering CPA’s energy costs and meeting its mission objectives. Strong reserves also give the agency more freedom and confidence to make larger investments in local programs.

Staff Report – Agenda Item 13

To:	Clean Power Alliance (CPA) Board of Directors
From:	Ted Bardacke, Executive Director
Subject:	Update on Local Programs and Customer Outreach and Discussion on Local Program Delivery Mechanisms
Date:	December 5, 2019

RECOMMENDATION

Receive and file presentation on CPA's local programs and customer outreach activities and discuss and provide input on local program delivery mechanisms.

SUMMARY

Ted Bardacke, Executive Director, will provide a presentation (attached) on the following topics related to CPA's ongoing efforts to launch local customer programs, including: 1) status update on the Local Programs Strategic Plan; 2) near-term program initiatives such as the Distributed Energy Resources (DER) pilot, community solar, low-income 100% Green discount, and back-up power for essential facilities; 3) customer outreach, acquisition, and retention efforts related to local programs; and 4) input requested from the Board on program delivery mechanisms.

Attachment: 1) Presentation on Local Programs, Customer Outreach, and Delivery Mechanisms

Update on Local Programs and Customer Outreach

Discuss Local Program Delivery Mechanisms

December 5, 2019

Summary

1. **Local Programs Strategic Plan**
   - Program Types, Delivery Mechanisms
2. **Near-Term Program Initiatives**
   - DER Pilot, Community Solar, Low-Income 100% Green Discount, Back-Up Power for Essential Facilities
3. **Customer Outreach/Acquisition/Retention Efforts**
   - Solar Marketplace, Community Based Organization Grants, Key Accounts
4. **Program Delivery Mechanisms**
   - Mass Market, Direct Procurement & Install, Local/Regional Innovation Fund

1

Strategic Plan

- Board received update in October from program consultant (ARUP)
  - Engaged Community Advisory Committee
- Key Elements
  - Priority outcomes
  - Three program types – Resiliency/Grid Management, Electrification, Local Procurement
  - Delivery mechanisms
- Expected plan completion – Q1 2020
- Implementation schedule dependent on funding availability
  - Delivery mechanisms impact funding

1

Strategic Plan: Example Program Types

- **Resiliency/Grid Management**
  - Distributed Energy Resources (DER) Pilot
  - Back-Up power for essential facilities
  - Peak Management Program
- **Electrification**
  - EV charging, building codes (explored in Strategic Plan)
  - Potential matching funds and technical assistance
- **Local Procurement**
  - Community Solar
  - Low Income 100% Green Discount Program

2

Near-Term Initiatives: Distributed Energy Resources (DER) Pilot

- Board approved 12 to 18-month pilot in October
- Three demand response focus areas
  - Smart Thermostat – Residential
  - Solar + Storage – Residential & Commercial
  - EV Charger – Commercial
- Based on customer incentives
  - “Mass Market”
  - Customer acquisition/retention is key element

2

Near-Term Initiatives: Community Solar / Low-Income Discount

- CPA received preliminary CPUC funding allocation for two programs targeting Disadvantaged Communities (DACs) and Low-Income Customers
- Customers receive additional 20% bill discount
- **Community Solar**
  - 3.1 MW (~ 5-10 projects)
  - Projects in DACs, Customers w/n 5-mile radius of project
- **Low-Income 100% Green Discount**
  - Output from 12.2 MW of utility-scale projects located in DAC
- **Timing**: Advice Letter Q1 2020 – Implementation 2020 or 2021

2

Near-Term Initiatives: Back-Up Power for Essential Facilities

- Response to PSPS, Wildfire and Extreme Heat Events
- Target one installation of clean back-up power system in each Member Agency at zero cost
  - Primarily solar + storage
  - Emergency Operations and/or Community Refuge
- Operations
  - CPA to monetize generation/storage during typical operations
  - Facility stays operational during times of community stress
- Timing
  - RFI to Member Agencies in December / RFP first half of 2020

2

Fire Station #7, Fremont CA

3

Customer Outreach: Solar Marketplace

- Online and personalized marketplace for customers interested in solar and storage
- Price comparisons, contractor referrals, third-party advice
- Incorporates new Time-of-Use rates, which incentivize storage
- Residential Focused
  - Single Family
  - Multifamily
  - Community Solar Portal
- CPA receives payment from vendor for each “solar-eligible” customer requesting a quote
- Soft launch December – Marketing push in spring

3

Explore your solar options today!

Clean Power Alliance has partnered with EnergySage to help you make a confident solar decision

We're helping you go solar with confidence!

CPA CLEAN POWER ALLIANCE

energysage

Clean Power Alliance believes in a clean energy future that is local, where communities are empowered and customers are given a choice about the source of their energy.

Together with EnergySage, we are helping our customers compare options for rooftop solar PV through the Solar Marketplace. Get quotes online from local, pre-screened solar installation companies and get vendor-neutral help from EnergySage experts to choose the option that's best for your home.

Homepage of CPA's Solar Referral Service (Draft)

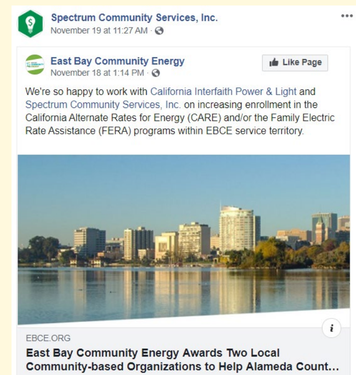
3

Customer Outreach: Community Based Organizations

- CPA to offer small grants to CBOs for DAC/low-income customer program enrollment
  - CARE/FERA/Medical Baseline enrollment
  - DER Pilot – specific low-income targets
  - Low Income 100% Green Discount Program
  - Community Solar
- Builds brand awareness in hard-to-reach communities
- **Budget:** DER Marketing, General Marketing, CPUC Funding
- **Timing:** Applications released in December, Selection and services begin in first half of 2020

3

Customer Outreach: Community Based Organizations



CBOs educating customers on behalf of Silicon Valley Clean Energy

Community outreach teams promoting customer programs for Peninsula Clean Energy (top) and CARE/FERA for East Bay Community Energy (bottom)

3

Customer Outreach: Key Accounts Management

- Personalized service
- Push for customer retention, added value, recognition
- DER customer acquisition
- Green Leader promotion and events
- Prepare for opening of Direct Access
- Explore Direct Access bidding

CPA CLEAN POWER ALLIANCE GREEN LEADER

Powered by 100% Green Energy. CPA CLEAN POWER ALLIANCE

4

Delivery Mechanisms: Member Agency and Regional Focus

- **Mass Market**
  - Public Agency Set-Aside
  - Annual budget dependent
- **Direct Procurement/Installation**
  - Facilitate new technologies and meet critical needs
  - Amortize costs over many years
- **Innovation Fund**
  - Application-based (Call for Projects)
  - Allocation-based (local or regional)
  - Can be expensive - Could start as a matching fund

Summary

1. **Local Programs Strategic Plan**
   - Timing, Program Types, Delivery Mechanisms
2. **Near-Term Program Initiatives**
   - DER Pilot, Community Solar, Low-Income 100% Renewables Discount, Back-Up Power for Essential Facilities
3. **Customer Outreach/Acquisition/Retention Efforts**
   - Solar Marketplace, Community Based Organization Grants, Key Accounts
4. **Program Delivery Mechanisms**
   - Mass Market, Direct Procurement & Install, Local/Regional Innovation Fund

Feedback and Questions

Feedback on Program Delivery Mechanisms

- Mass Market w/ Set-Aside
- Direct Procurement & Install
- Local/Regional Innovation Fund

Questions on Local Programs Strategic Plan, Near-Term Program Initiatives, Customer Outreach / Acquisition / Retention Efforts

Item VI

To: Clean Power Alliance (CPA) Board of Directors

From: Ted Bardacke, Executive Director

Subject: Management Update

Date: December 5, 2019

Public Safety Power Shutoffs (PSPS)

The months of October and November were extremely disruptive and frightening to many in our communities and throughout California. In addition to fires impacting Ventura and Los Angeles Counties, approximately 25,000 CPA customers had their power preemptively shut off one or more times during this period. CPA was active on social media warning our customers about impending power shutoffs and provided guidance on where to get help. Judging by traffic to our call center and monitoring of social media, the vast majority of our customers understand that it is Southern California Edison, in its sole discretion, who decides when and where to preemptively shut off power.

During this time, CPA staff assisted some communities apply for CalOES PSPS mitigation grants to fund clean energy solutions. As described in the local programs update, CPA is developing longer term programs to assist its member agencies and the communities in dealing with PSPS, natural disasters and the expected increase in the number of extreme heat events. CPA staff and Board members have also been meeting with state elected officials to discuss resiliency funding possibilities and policy priorities in areas where CPA could be an effective partner or service provider.

At the state level, the PSPS and wildfire events called into question the viability of an investor-owned PG&E, particularly since the two reorganization plans before the bankruptcy judge have become a proxy fight between two different coalitions of hedge funds. As a result, public ownership models for PG&E are beginning to gain traction in

Northern California. These efforts are being led by Mayor Sam Licardo of San Jose, the City of San Francisco, and some other Bay Area CCAs, assisted by Dan Richard, a former senior PG&E executive who was also chair of the High Speed Rail Authority under Governor Brown. For reference, see the attached draft of "Customer Owned-Utility Operating Principles" being circulated among Northern California elected officials by the City of San Jose.

While not directly related to CPA and SCE, it is likely that much of the political debate about CCAs and the future structure of the California energy market will take place through the lens of the discussion about a public takeover and/or breakup of PG&E and whether the current IOU model is best for the protection of public safety and ensuring reliable electricity service.

Integrated Resource Planning Procurement CPUC Decision

On November 7, 2019, the California Public Utilities Commission (CPUC) adopted a Decision in the Integrated Resource Planning proceeding requiring Electric System Reliability Procurement (Decision). The Decision 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 3,300 megawatts needed for statewide electricity system reliability starting in 2021.

To address the expected shortfall, the Decision directs two main actions. First, it recommends the State Water Resources Control Board extend compliance deadlines for four OTC plants to allow time for new resources to come online. Both Ormond Beach and Redondo Beach are located within CPA's service territory and have been subject to long-standing campaigns for closure and community planning efforts for site remediation and reuse. Compared to a Proposed Decision (PD) issued in September, the Decision reduced the recommended extension of Ormond Beach and Redondo from three years to one year and two years, respectively.

Second, the Decision orders all load serving entities (LSE) in California to procure incremental capacity totaling 3,300 megawatts to serve as a replacement for the OTC units. Notably, while the PD only directed LSEs in SCE territory to procure, the Decision acknowledged that the need was a systemwide issue and should be shared by all LSEs in California. The ordered procurement is as follows:

Load Serving Entity	**Minimum By August 1, 2021 (MW)**	**Minimum By August 1, 2022 (MW)**	**Minimum By August 1, 2023 (MW)**
Clean Power Alliance	**98.4**	**147.7**	**196.9**
PG&E (Bundled)	358.5	537.7	716.9
PG&E Direct Access (Aggregated)	57.0	85.5	114.0
PG&E CCAs (Aggregated)	293.5	440.2	587.1
SCE (Bundled)	592.3	888.5	1,184.7
SCE Direct Access (Aggregated)	70.1	105.2	140.3
Other SCE CCAs (Aggregated)	11.7	17.6	23.4
SDG&E (Bundled)	146.4	219.7	292.9
SDG&E Direct Access (Aggregated)	21.3	32.0	42.7
City of Solana Beach	0.5	0.8	1.1
Total	**1,650.0**	**2,475.0**	**3,300.0**

Between the issuance of the PD and the adoption of the Decision, CPA filed comments with the CPUC and held ex parte meetings with staff from all five CPUC Commissioners. CPA's two highest priority issues were partially addressed in the Decision by requiring all LSEs to share in the new procurement requirements and by limiting – though not eliminating – the extensions to Ormond Beach and Redondo Beach generating stations. CPA sees the Decision's mandate as an opportunity to replace fossil fuel resources with GHG-free resources. As discussed below, CPA has already launched a Reliability Request for Offers and received bids to address this need.

Reliability and Clean Energy RFO Update

CPA has launched two Request for Offers (RFOs) in 2019 to support our long-term procurement efforts. The first is the 2019 Reliability RFO for energy storage projects between 10MW and 100MW in size. This RFO is in response to the CPUC requirement for all LSEs to procure incremental capacity to support system reliability as discussed above. CPA launched this RFO on October 14, 2019 and offers were due on November 11, 2019. CPA received 40 offers from across California, with a large cluster in Los Angeles and Ventura counties. Staff is currently evaluating the offers based on both quantitative and qualitative criteria. A review committee made up of Energy Committee members and staff will present a shortlist of projects to the full Energy Committee for consideration in December 2019. Power Purchase Agreements are expected to be ready for Board consideration in the spring of 2020.

The second RFO is the 2019 Clean Energy RFO, consisting of two tracks. The Utility Scale track is for projects between 10MW and 400MW in size and is for standalone renewable energy projects or renewable energy projects paired with energy storage. Projects in this track must be online no later than December 31, 2023. The Distributed Track is for projects located in Los Angeles or Ventura counties between 500kW and 10MW in size and is for renewable energy, renewable energy paired with energy storage, or standalone energy storage. These projects must be online by December 31, 2024. CPA opened the Clean Energy RFO to bidders on October 22, 2019 and offers were due November 22, 2019. Results are still preliminary, but CPA received approximately 40 offers in the Distributed track and 80 in the Utility Scale track. Like the Reliability RFO, a review committee made up of Energy Committee members and staff is expected to present a shortlist of projects to the full Energy Committee for consideration in January 2020 (Utility scale track) and in February 2020 (Distributed track). Power Purchase Agreements are expected to be ready for Board consideration in the spring and summer of 2020.

In parallel, staff is continuing negotiations with one remaining solar + storage project from the 2018 Clean Energy RFO, which is expected to be ready for consideration in the first half of 2020.

Financial Performance

This month's Board meeting will feature a presentation on CPA's audited financial statements for Fiscal Year 2018/2019 and a presentation on CPA's financial performance from July to October of 2019. The monthly financial dashboard for September is attached to this report; due to the Thanksgiving holiday, the October dashboard was not available at the time this report was written.

Opt-Actions

As of November 27, CPA's commercial (Phases 1, 2, and 4) opt-out rate is 6.28%. CPA's commercial customer base has stabilized in the Lean and Clean jurisdictions but commercial customers in the 100% Green default jurisdictions continue to opt-out in higher numbers than any other customer type. The opt-out rate for new commercial customers who have started accounts since CPA's initial enrollment is significantly lower at 2.02% overall and 2.93% for new 100% Green customers.

CPA's Residential (Phase 3) opt-out rate is 5.29% and has essentially reached steady state. Opt-out rates among new residential move-ins is significantly lower at 1.60% overall and 1.78% for new 100% Green customers. A summary of opt-action data by jurisdiction is attached.

Total opt-out by load is estimated to be 14.36% reflecting higher opt-out rates among large commercial customers.

In 2020 CPA will be revising its opt-out reporting methodology to combine mass enrollment opt-out numbers with new move-ins and move-outs to report an overall "participation rate." This will allow staff to any significant changes in customer behavior while controlling for the weekly churn of move-ins, move-outs and other typical account changes.

Customer Service Center Performance

Call center volume continues to fall, down to 5,173 calls in October and 2,175 calls in November (as of November 27) after averaging over 10,000 calls per month in Q3 2010. To date in November, 99.9% of calls were answered within 60 seconds, and average wait time was 12 seconds.

Throughout mass enrollment and through the resolution of SCE's billing issues, CPA has operated its call center for extended hours in the evenings and weekends. After experiencing sustained and significant drops in calls received during these extended courtesy hours, CPA began operating its Customer Service Center during the standard business hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, beginning Monday, November 25. Outside these hours, customers may still call into the Customer Service Center and complete a variety of actions, including changing between Lean, Clean, and 100% Green Power or opting out, through the IVR automated recording system. Courtesy extended hours may be reinstituted as necessary during the enrollment of Westlake Village customers in June of 2020.

Customer Communications

CPA's customer engagement work in the fourth quarter of 2019 has focused on internally on co-hosting the annual CalCCA meeting in Redondo Beach and preparing the organization for the launch of various communications campaigns in 2020 related to local programs. Staff continues to represent CPA throughout the region at various community and energy industry events, speak to customer groups to educate residents and businesses about their energy options and billing questions, and engage with the media. To continue connecting with our members, stakeholders, and customers, CPA launched a bi-monthly electronic newsletter in October 2019, which can be viewed online here: https://bit.ly/33qKp1d.

Contracts Executed in October and November Under Executive Director Authority

Siemens was contracted to provide energy resource modelling and analysis connected with the Integrated Resource Planning compliance filing due to the CPUC in 2020 for a not-to-exceed amount of $62,500. CPA is engaged in this modelling effort jointly with three other CCAs under a cost sharing agreement.

JLL was contracted to provide real estate brokerage services to assist CPA in its search for a permanent office location. CPA will not be charged for these services as JLL will be paid a broker fee by the landlord of the building that CPA ultimately signs a lease with.

Inventure Recruitment was contracted to provide executive recruiting services in the specialized area of energy resource planning and procurement for a not-to-exceed amount of $120,000. Inventure is paid only when CPA is successful in hiring a candidate who has been hired through this service.

Surowski Design + Development was contracted to conduct ongoing website development for new and existing CPA webpages, perform security monitoring and updates, regular website functionality audits, and troubleshoot and repair code to support CPA’s communications goals. The Surowski Design + Development contract is for a not-to-exceed amount of $12,000.

Elite Edge Consulting was contracted to assist with CPA’s accounting system transition, including system evaluation, selection and implementation, for a not-to-exceed amount of $50,000.

CLG Group was contracted to provide executive training and organizational development assistance for a not-to-exceed amount of $15,000.

Cameron-Cole was contracted to conduct a 3rd Party audit of CPA’s greenhouse gas emissions levels through The Climate Registry for a not-to-exceed amount of $9,000.

A list of non-energy contracts executed under the Executive Director’s signing authority is attached. The list includes all open contracts as well as all contacts, open or completed, executed in the past 12 months.

Staffing Update

Erik Nielsen has been hired as Structured Contracts Manager dedicated to analyzing, negotiating, and managing CPA's long-term energy contracts. Erik joined CPA from SCE, where he was a Power Marketing Advisor; he has previously worked in machine prototyping and for an off-shore wind energy start-up. Erik was also the President of the Energy and Resources Club at USC's Marshall School of Business.

Alicia Gutierrez has been hired as Marketing Coordinator to support CPA's communications and customer engagement efforts. Alicia most recently served as Transit Marketing Coordinator for the City of Santa Monica's Big Blue Bus, and previously worked on the Communications team for Kinecta Federal Credit Union and the Port of Long Beach. Alicia will be supporting the organization with a variety of marketing tasks leading up to CPA's launch of customer programs in 2020, developing new externally-facing materials such as an Annual Report and bi-monthly newsletter, and ramping up CPA's online and social media presence.

Recent & Upcoming Events

November 5 – 6, 2019 CalCCA Annual Meeting: CPA was pleased to co-host CalCCA's 4th Annual Meeting in Redondo Beach. As CCAs have grown in prominence throughout California, so has attendance at CalCCA's event. About 100 people attended the first annual meeting in 2016 when there were just five CCAs in operation. This year – with 19 CCAs in operation serving about 10 million customers – nearly 500 attendees representing 85 organizations attended the Annual Meeting in Redondo Beach. The two-day event featured more than 70 speakers and keynote presentations from California Energy Commissioner David Hochschild, Assemblymember Al Muratsuchi, and Contra Costa County Supervisor John Gioia. Photos and video footage from the event will be available soon. For more information, please visit: www.cal-cca.org/calcca-annual-meeting-2019-2.

December 2, 2019 Home Energy Storage Workshop: On Monday, December 2, from 5:30 p.m. to 7:30 p.m., CPA staff will provide a presentation during a Home Energy Storage Workshop held at Ventura City Hall. The event will feature conversation with City and County of Ventura energy staff, local solar and energy storage companies, and community leaders on energy storage (battery) options for homes and businesses. For more information and to RSVP, please visit: www.SCEEP.org.

Attachments:

1) September 2019 Financial Dashboard
2) Customer Opt-Actions Report
3) Non-energy Contracts Executed under Executive Director Authority
4) Draft of City of San Jose's "Customer Owned-Utility Operating Principles" for PG&E

CLEAN POWER ALLIANCE

Financial Dashboard

YTD September 2019

Active Accounts

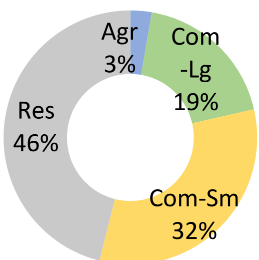
1,041,000

Opt-Out %

4.8%

YTD Sales Volume

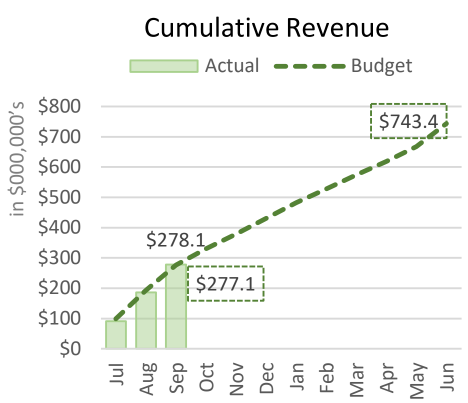
3,374 GWh

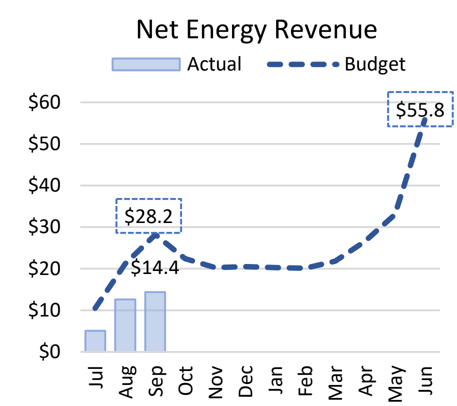


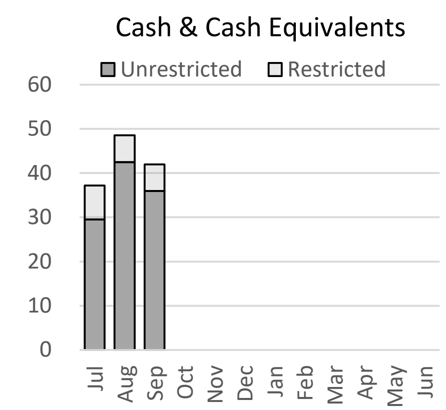
Summary of Financial Results

in $000,000's	September Actual	September Budget	September Variance	September %	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance	Year-to-Date %
Energy Revenues	$92.2	$83.5	$8.7	10%	278.1	277.1	1.0	0%
Cost of Energy	$90.4	$76.5	$13.9	18%	263.6	248.9	14.8	6%
Net Energy Revenue	$1.8	$7.0	-$5.2	-75%	14.4	28.2	-13.8	-49%
Operating Expenditures	$1.7	$2.0	-$0.3	-16%	5.2	6.3	-1.1	-17%
Net Income	$0.1	$5.0	-$4.9	-98%	9.2	21.9	-12.7	-58%

- CPA recorded results for September that were below expectations. September results were impacted by low spot market prices which contributed to energy costs that were 18% higher than budgeted for the month. Expenditures remain within authorized budget limits.
- First quarter (Q1'FY20) year-to-date:
  - Revenues of $278.1 million were $1 million above budgeted revenues.
  - Cost of energy of $263.6 million were 6% above budgeted energy costs.
  - Operating expenditures of $5.2 million were 17% lower than budgeted primarily due to lower than budgeted staffing, legal services, and Data & SCE service fees.
  - Net income of $9.2M was $12.7 million below budgeted net income of $21.9M.
  - Management believes that available liquidity and bank lines of credit are sufficient for CPA to continue to meet its obligations.







Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA

Opt-out %: Customer accounts opted out divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2018

Clean Power Alliance - Residential Customer Status Report - November 25, 2019

		Opt Percentage by City & County				
CPA Cities & Counties	**Default Tier**	Total Eligible Accounts	Opt Up %	Opt Mid %	Opt Down %	Opt Out %
AGOURA HILLS	Lean Power	7,405	0.38%	0.22%	0.00%	6.91%
ALHAMBRA	Clean Power	30,641	0.12%	0.00%	0.99%	2.72%
ARCADIA	Lean Power	19,767	0.13%	0.08%	0.00%	2.77%
BEVERLY HILLS	Clean Power	15,208	0.18%	0.00%	1.26%	1.75%
CALABASAS	Lean Power	9,094	0.20%	0.14%	0.00%	3.41%
CAMARILLO	Lean Power	25,941	0.40%	0.27%	0.00%	8.47%
CARSON	Clean Power	25,185	0.09%	0.00%	0.89%	2.64%
CLAREMONT	Clean Power	11,779	0.50%	0.00%	1.85%	7.46%
CULVER CITY	100% Green Power	16,402	0.00%	1.25%	3.38%	3.82%
DOWNEY	Clean Power	33,990	0.06%	0.00%	1.00%	3.08%
HAWAIIAN GARDENS	Clean Power	3,198	0.03%	0.00%	1.00%	1.94%
HAWTHORNE	Lean Power	25,145	0.13%	0.03%	0.00%	1.55%
LOS ANGELES COUNTY	Clean Power	283,636	0.12%	0.00%	1.24%	3.26%
MALIBU	Clean Power	5,644	0.21%	0.00%	1.56%	2.99%
MANHATTAN BEACH	Clean Power	14,269	0.57%	0.00%	2.15%	2.99%
MOORPARK	Clean Power	11,513	0.30%	0.00%	2.88%	14.13%
OJAI	100% Green Power	3,113	0.00%	1.12%	4.72%	8.32%
OXNARD	100% Green Power	50,700	0.00%	0.47%	2.60%	6.14%
PARAMOUNT	Lean Power	12,851	0.03%	0.02%	0.00%	1.69%
REDONDO BEACH	Clean Power	29,732	0.33%	0.00%	1.66%	2.62%
ROLLING HILLS ESTATES	100% Green Power	2,949	0.00%	2.00%	6.95%	5.80%
SANTA MONICA	100% Green Power	47,998	0.00%	0.67%	2.92%	5.58%
SIERRA MADRE	Clean Power	4,871	0.70%	0.00%	1.99%	4.39%
SIMI VALLEY	Lean Power	41,820	0.15%	0.15%	0.00%	9.51%
SOUTH PASADENA	100% Green Power	10,828	0.00%	0.64%	2.90%	3.73%
TEMPLE CITY	Lean Power	11,681	0.12%	0.06%	0.00%	2.93%
THOUSAND OAKS	100% Green Power	45,559	0.00%	1.78%	7.09%	16.83%
VENTURA	100% Green Power	39,562	0.00%	1.11%	3.99%	10.10%
VENTURA COUNTY	100% Green Power	31,214	0.00%	0.89%	4.69%	11.45%
WEST HOLLYWOOD	100% Green Power	23,375	0.00%	0.45%	1.85%	2.22%
WHITTIER	Clean Power	28,439	0.14%	0.00%	1.40%	4.11%
	Total	**923,509**	**0.12%**	**0.30%**	**1.86%**	**5.29%**

Opt Percentage by Default Tier					
Default Tier	Total Eligible Accounts	Opt Up %	Opt Mid %	Opt Down %	Opt Out %
100% Green Power	271,700	0.00%	0.94%	3.92%	8.47%
Clean Power Power	498,105	0.16%	0.00%	1.31%	3.49%
Lean Power	153,704	0.19%	0.13%	0.00%	5.52%
Total	**923,509**	**0.12%**	**0.30%**	**1.86%**	**5.29%**

Clean Power Alliance - Non-Residential Customer Status Report - As of November 25, 2019

	Opt Percentage by City & County					
CPA Cities & Counties	**Default Tier**	Total Eligible Accounts	Opt Up %	Opt Mid %	Opt Down %	Opt Out %
AGOURA HILLS	Lean Power	1,582	0.00%	0.00%	0.00%	6.51%
ALHAMBRA	Clean Power	5,007	0.00%	0.00%	0.56%	6.93%
ARCADIA	Lean Power	3,681	0.00%	0.19%	0.00%	2.93%
BEVERLY HILLS	Clean Power	4,431	0.02%	0.00%	0.65%	2.39%
CALABASAS	Lean Power	1,274	0.00%	0.00%	0.00%	8.24%
CAMARILLO	Lean Power	5,165	1.28%	0.17%	0.00%	7.82%
CARSON	Clean Power	4,941	0.00%	0.00%	0.65%	6.40%
CLAREMONT	Clean Power	1,617	0.06%	0.00%	0.93%	5.32%
CULVER CITY	100% Green Power	3,529	0.00%	0.68%	1.53%	4.65%
DOWNEY	Clean Power	4,769	0.00%	0.00%	0.63%	4.03%
HAWAIIAN GARDENS	Clean Power	584	0.00%	0.00%	0.51%	0.86%
HAWTHORNE	Lean Power	4,113	0.00%	0.02%	0.00%	3.12%
LOS ANGELES COUNTY	Clean Power	29,541	0.03%	0.00%	0.71%	3.80%
MALIBU	Clean Power	1,388	4.03%	0.00%	0.07%	4.18%
MANHATTAN BEACH	Clean Power	2,004	4.84%	0.00%	0.95%	4.24%
MOORPARK	Clean Power	1,895	1.06%	0.00%	0.74%	7.28%
OJAI	100% Green Power	828	0.00%	1.57%	4.59%	6.88%
OXNARD	100% Green Power	8,740	0.00%	0.18%	9.22%	8.46%
PARAMOUNT	Lean Power	3,155	0.06%	0.00%	0.00%	4.28%
REDONDO BEACH	Clean Power	4,970	0.00%	0.00%	0.89%	3.22%
ROLLING HILLS ESTATES	Lean Power	528	5.11%	0.19%	0.00%	7.95%
SANTA MONICA	100% Green Power	9,140	0.00%	0.77%	3.25%	5.97%
SIERRA MADRE	Clean Power	515	0.00%	0.00%	2.14%	3.11%
SIMI VALLEY	Lean Power	5,890	0.20%	0.03%	0.00%	6.23%
SOUTH PASADENA	Clean Power	1,422	0.07%	0.00%	1.27%	2.25%
TEMPLE CITY	Lean Power	1,427	0.00%	0.00%	0.00%	1.19%
THOUSAND OAKS	100% Green Power	7,501	0.00%	0.19%	3.65%	13.70%
VENTURA	100% Green Power	8,659	0.00%	1.48%	4.86%	9.40%
VENTURA COUNTY	100% Green Power	7,110	0.00%	1.29%	3.56%	19.13%
WEST HOLLYWOOD	100% Green Power	4,111	0.00%	0.27%	1.78%	3.09%
WHITTIER	Clean Power	4,229	0.00%	0.00%	0.61%	2.93%
	Total	**143,766**	**0.23%**	**0.27%**	**1.88%**	**6.28%**

Opt Percentage by Default Tier					
Default Tier	Total Eligible Accounts	Opt Up %	Opt Mid %	Opt Down %	Opt Out %
100% Green Power	49,618	0.00%	0.74%	4.47%	9.74%
Clean Power Power	67,313	0.27%	0.00%	0.67%	4.14%
Lean Power	26,835	0.40%	0.07%	0.00%	5.25%
Total	**143,766**	**0.23%**	**0.27%**	**1.88%**	**6.28%**

Clean Power Alliance					
Non-energy contracts executed under Executive Director authority Rolling 12 months -- Open contracts shown in Bold					
Vendor	**Purpose**	**Month**	**NTE Amount**	**Status**	**Notes**
Cameron-Cole, LLC	**3rd Party Independent GHG Verification Services**	**November 2019**	**$ 9,000**	**Active**	
CLG Group	**Executive Training**	**November 2019**	**$ 15,000**	**Active**	
Elite Edge Consulting	**Accounting system evaluation, selection, and implementation**	**November 2019**	**$ 50,000**	**Active**	
Surowski Design + Development	**Web Development Services**	**October 2019**	**$ 12,000**	**Active**	
Inventure Recruitment	**Ongoing Recruitment Services**	**October 2019**	**$ 120,000**	**Active**	
JLL	**Real Estate Brokerage Services**	**October 2019**	**NA**	**Active**	**Broker to be paid by building owner**
Siemens	**Integrated Resource Planning for 2020 CPUC IRP Compliance**	**October 2019**	**$ 62,500**	**Active**	**25% cost share with 3 other CCAs**
Jarvis, Fay & Gibson, LLP	**Legal Services Agreement (General Public Law, Commercial Real Estate Leases, and Environmental Matters)**	**September 2019**	**$ 10,000**	**Active**	
Keyes & Fox	**Legal Services Agreement (Energy Procurement & Legislative and Regulatory Issues)**	**September 2019**	**$ 25,000**	**Active**	
The Harmon Press	**Professional Printing Services**	**September 2019**	**$ 24,000**	**Active**	
The Climate Registry	**2018 GHG Reporting**	**September 2019**	**$ 4,000**	**Active**	
Abbot, Stringham and Lynch	2018 CEC Power Source Disclosure Audit	August 2019	$ 12,400	Completed	
West Coast Mailers	**Bulk Mailing Services**	**August 2019**	**$ 20,000**	**Active**	
InterEthnica	**Written Translation Services, Typesetting, and Graphic Design in Spanish, Chinese, and Korean.**	**August 2019**	**$ 10,000**	**Active**	
Holland and Hart	NTE increase for NextEra PPA	August 2019	$ 19,800	Completed	10% increase of oririginal contract NTE of $18,000
Baker Tilly	FY 2018/2019 Financial Audit	August 2019	$ 30,000	Completed	
Bill Gurnsey	**Subset Customer Outreach**	**June 2019**	**$ 15,000**	**Active**	
E3	**TOU Rate Analysis**	**June 2019**	**$ 125,000**	**Active**	
Manatt Phelps	**Legal Services (JPA governance research)**	**May 2019**	**$ 15,000**	**Active**	
Abbot, Stringham and Lynch	Green-E Certification - 100% Green Power Product	May 2019	$ 6,200	Completed	
Abbot, Stringham and Lynch	AMI Data Audit	April 2019	$ 13,500	Completed	
SHI International	**VPN and SQL Database (IT)**	**April 2019**	**$ 6,500**	**Active**	
Polsinelli	**Legal services (Employment Law)**	**March 2019**	**$ 18,000**	**Active**	
Chapman	Legal services (Credit Agreement)	March 2019	$ 10,000	Completed	
Mustang Marketing	Communications and outreach to commercial and institutional customers and business groups in the Conejo Valley and Ventura County	February 2019	$ 7,500	Completed	Amount increased in May 2019 by additional $7,500 for an additional two months
LOACOM	Social media services and messaging to residential customers	February 2019	$ 10,500	Completed	
M.CUBED (Richard McCann)	**Financial review of SCE's proposed early termination agreement with the Coso geothermal plant**	**July 2018**	**$ 15,000**	**Active**	

Customer Owned-Utility Operating Principles

Geographic Inclusion and Equity

- The customer-owned utility would not seek to sever any portion of the current PG&E service area
- Governance and operations would reflect a priority for ensuring that no disparate negative impact is borne by any specific region, county, or city, as a result of the transformation of the utility.

Governing Board Responsibilities & Selection Process

- Assumes ratemaking and capitalization responsibilities in place of CPUC regulation.
- Governing Board would oversee management of the organization, hire and/or retain senior management.
- Fiduciary duty of the Board would be to the customer-owners.
- Interim Governing Board nominees would be presented in the Bankruptcy Process.
- Selection of Governing Board members would be through a two-step process, with a nominating committee patterned on the CAISO selection process (see attached), vetting candidates for election.
- Organization charter would require board members to meet qualification requirements of competence, independence, and specific skill sets (e.g., safety, cyber-security, management, etc.).

Power Supply Procurement

- Customer-owned utility would be subject to all State requirements for clean energy procurement, energy efficiency initiatives, etc. as they relate currently to the investor-owned utilities.
- Primary responsibility for power supply procurement in areas where qualified CCA's already procure power would shift to those qualified CCAs, who would become provider of last resort (POLAR) in their territory. ("Qualified" CCAs would meet good utility practices; including adopting risk management policies and procedures, adequate operating reserves, and limits on uses of ratepayer funds). The customer-owned utility would serve the remaining customers whose communities choose not to form a CCA.
- The customer-owned utility would support new CCA formation and options to reduce costs for all ratepayers including options to reduce and stabilize the PCIA and other non-bypassable charges.
- The Customer Owned Utility would support local efforts to administer and implement public purpose programs such as energy efficiency and renewable energy programs funded through the public goods charge.

Public Accountability

- Notwithstanding "private" entity legal status, Customer-owned utility would operate as though it were a public agency with regard to transparency and accountability of decision-making. That includes:
  - Compliance with applicable public record and open meeting rules, including the Brown Act and Public Records Act

- Prohibitions on organized political contributions or activities, except educational programs
- Outreach to underserved communities,
- Goals for women & minority contracting and employment,
- And other important public policy objectives.

Rate Impact & Credit Quality

- Customer-owned utility would be committed to lowest cost financing for capital investments needed to maintain the grid, adhere to safety and reliability standards, realize energy policy objectives, and improve customer affordability.
- By charter, the organization would be required to maintain investment-grade credit quality.
- The current balance of rate allocation between urban and rural customers would be maintained.

Safety and Response

- The customer-owned utility would be subject to state agency standards and oversight relating to health, safety & wildfire protection.
- The utility would develop a transparent, prioritized capital investment plan to address infrastructure needs of both the distribution and transmission system to prevent wildfires, reduce PSPS events, and improve overall reliability.
- Required Public Safety Power Shutoffs would be based on best practices, with a transparent decision-making structure, emphasis on coordination with local first responder and emergency service agencies, and high quality customer communication.
- A customer-owned utility would fully support development of distributed energy generation and storage, including local micro grids.