

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 |

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|----|------------------------------|--------------------|-------------------|---------|
| 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 contracts that cover 15% to 20% of that need. Ms. Keefer detailed the benefits of selecting projects with earlier online dates to help the CPA meet compliance requirements 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 is 15-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 an 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 comments were filed 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.