



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

**Wednesday, April 22, 2020**

**12:15 p.m.**

**Listen to the Energy Committee meeting (Audio Only):**

**Call: (415) 655-0052 Conference Code: 512-505-022**

**All Participants must press “#” to join the meeting.**

**SPECIAL NOTICE REGARDING PUBLIC COMMENT:** Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of Coronavirus known as COVID-19, the Energy Planning & Resources Committee will allow members of the public to participate and address Committee Members during the meeting via teleconference only. Below are the ways to participate:

- Members of the public are encouraged to submit written comments on any agenda item to [publiccomment@cleanpoweralliance.org](mailto:publiccomment@cleanpoweralliance.org) up to two (2) hours before the meeting.
- If you desire to provide public comment during the meeting, you must contact staff at (213) 269-5889 at the beginning of the meeting but no later than immediately before the agenda item is called.
  - You will be asked to provide a phone number to call you during the meeting. You will also be asked for your name (or other identifying information) similar to filling out a speaker card so that you can be called when it is your turn to speak.
  - You will be called during the comment section for the agenda item on which you wish to speak.
  - You may be put on hold until your name is called by CPA staff.
  - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
  - Once you have spoken, or the allotted time has run out, the phone call will be discontinued.

*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 the Clerk of the Board at [gmonzon@cleanpoweralliance.org](mailto:gmonzon@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.*

Clean Power Alliance Energy Planning & Resources Committee  
April 22, 2020

**PUBLIC COMMENT POLICY:** *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

*Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.*

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**I. CALL TO ORDER & ROLL CALL**

**II. GENERAL PUBLIC COMMENT**

**III. CONSENT AGENDA**

1. Approve Minutes from March 25, 2020 Energy Committee Meeting
2. Receive and File March 2020 Risk Management Team Report

**IV. REGULAR AGENDA**

3. Update on COVID-19 Impacts to Demand

**V. COMMITTEE MEMBER COMMENTS**

**VI. ADJOURN – NEXT MEETING MAY 27, 2020**

**Public Records:** *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. Those documents are available for inspection online at [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org).*

MEETING of the Energy Planning & Resources Committee  
of the Clean Power Alliance of Southern California  
Wednesday, March 25, 2020, 12:30 p.m.

**MINUTES**

*The Energy Planning & Resources Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.*

**I. CALL TO ORDER & ROLL CALL**

Committee Chair Ramirez called the meeting to order and Clerk of the Board, Gabriela Monzon, called conducted roll call.

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

**II. GENERAL PUBLIC COMMENT**

There was no public comment.

**III. CONSENT AGENDA**

1. Approve Minutes from February 26, 2020 Energy Committee Meeting

**Motion:** Committee Member McKeown, Santa Monica  
**Second:** Committee Member Peak, Malibu  
**Vote:** Item 1 was approved by a roll call vote.

2. Receive and File January and February 2020 Risk Management Team Report

**Motion:** Committee Member Peak, Malibu  
**Second:** Committee Member Cox, Thousand Oaks  
**Vote:** Item 2 was approved by a roll call vote.

There were no public comments on the consent items.

Committee Member Kulcsar joined the meeting at or about 12:30 p.m.

#### IV. REGULAR AGENDA

3. Process Update on Request for Offers (RFO) Activity

Erik Nielsen, Structured Contracts Manager, discussed the following topics: 2019 long-term RFOs; goals for the 2019 reliability RFO; 2019 reliability RFO status update; projects in exclusive negotiations in 2019 reliability RFO; goals for the 2019 clean energy RFO; 2019 clean energy RFO utility scale track status update; 2019 clean energy RFO utility scale track projects in exclusive negotiations; 2019 clean energy RFO distributed track status update; 2019 clean energy RFO distributed track projects in exclusive negotiations; and the 2020 long-term procurement schedule (subject to change).

In response to Committee Member Cox' questions, Matt Langer, Chief Operating Officer, clarified that the Behind-the-Meter Request for Proposals (RFP) referred to companies that have behind-the-meter resources and are able to provide resource adequacy. Staff further clarified that load reduction typically included controllable load reduction as opposed to energy efficiency programs.

Committee Member McKeown asked if staff was aware of any potential delays in the construction of new facilities related to COVID-19 and what, if any, impact there was on load. Mr. Nielsen noted that there were no delays impacting either currently contracted facilities or contract negotiations. Natasha Keefer, Director of Power Planning and Procurement, added that staff was in contact with developers that already have executed contracts with CPA. Ms. Keefer discussed implications on short-term load forecasting, emphasizing that staff noticed a drop in load, but there was not enough data to make appropriate conclusions. Ms. Keefer also stated that the agency may see sustained load drops over the next few years due to economic conditions, however, CPA must meet procurement mandates that require the continued execution of power purchase agreements.

In response to Chair Ramirez's question related to why some projects did not enter into exclusive negotiations, Mr. Nielsen clarified that some

developers may pursue other opportunities to diversify their offtake or may drop out because of project development issues (e.g. not securing site control).

4. Power Planning and Procurement Look-Ahead

Natasha Keefer, Director of Power Planning and Procurement, provided an overview of the following: procurement team staffing; the role and need for a scheduling coordinator; scheduling coordinator and congestion revenue rights services; procurement data & systems; and key 2020 priorities.

Chair Ramirez and Committee Members Cox and Capoccia inquired about the in-house staffing of a scheduling coordinator and competitive salaries. Staff indicated that a scheduling coordinator would not be brought in-house at least for another three to five years as it is preferable for a third-party to provide those functions. Staff added that it is challenging to find experienced procurement prospects and that a comprehensive compensation study will be launched in the next few months.

There were no public comments for this item.

**V. COMMITTEE MEMBER COMMENT**

There were no comments.

**VI. ADJOURN**

Committee Chair Ramirez adjourned the meeting at 1:32 p.m.



## Staff Report – Agenda Item 2

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

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

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

**Subject:** Risk Management Team Report

**Date:** April 22, 2020

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### **MARCH 2020 RMT REPORT**

#### **Key Actions**

- Discussed potential impacts of COVID-19 on short-term and long-term load forecast.
- Reviewed short-term energy position for balance-of-month April and May 2020 and decided to take no action.
- Reviewed long-term energy position and approved energy hedge solicitations for 2021 – 2023.
- Reviewed renewable energy and carbon free positions and considered potential transactions.
- Reviewed resources adequacy (RA) position and discussed RA portfolio optimization strategy.

#### **Policy Compliance**

Energy Risk Management Policy deviations measured as of March 26, 2020:

Policy Deviation	Required Action
The Energy hedges for the prompt 1-4 quarters are less than the minimum hedge targets because of reduced hedging activity in 2020 due to potential COVID-19 related load impacts.	RMT is closely monitoring load impacts related to COVID-19, including development of various load forecast scenarios.
The Energy hedges for balance of Prompt Year are less than the minimum hedge because of reduced hedging activity in	RMT is closely monitoring load impacts related to COVID-19, including development of various load forecast scenarios.

2020 due to potential COVID-19 related load impacts.	
The Energy Calendar Year + 5 hedges are higher than the maximum hedge target due to expected long-term contracts needed to meet CPA's compliance obligations.	No procurement action needs to be taken. RMT is currently evaluating amendments to the Energy Risk Management Policy (ERMP) Hedging Strategy to address long-term contracting impacts to hedge strategy.



## Staff Report – Agenda Item 3

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

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

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

**Subject:** Update on COVID-19 Impacts to Demand

**Date:** April 22, 2020

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### **RECOMMENDATION**

Receive and file.

Natasha Keefer, Director of Power Planning & Procurement, will provide a presentation to the Energy Planning & Resources Committee on the COVID-19 impact to demand.

**Attachment:** [1\) COVID-19 Impacts to Demand Presentation](#)



## **Update on COVID-19 Impacts to Demand**

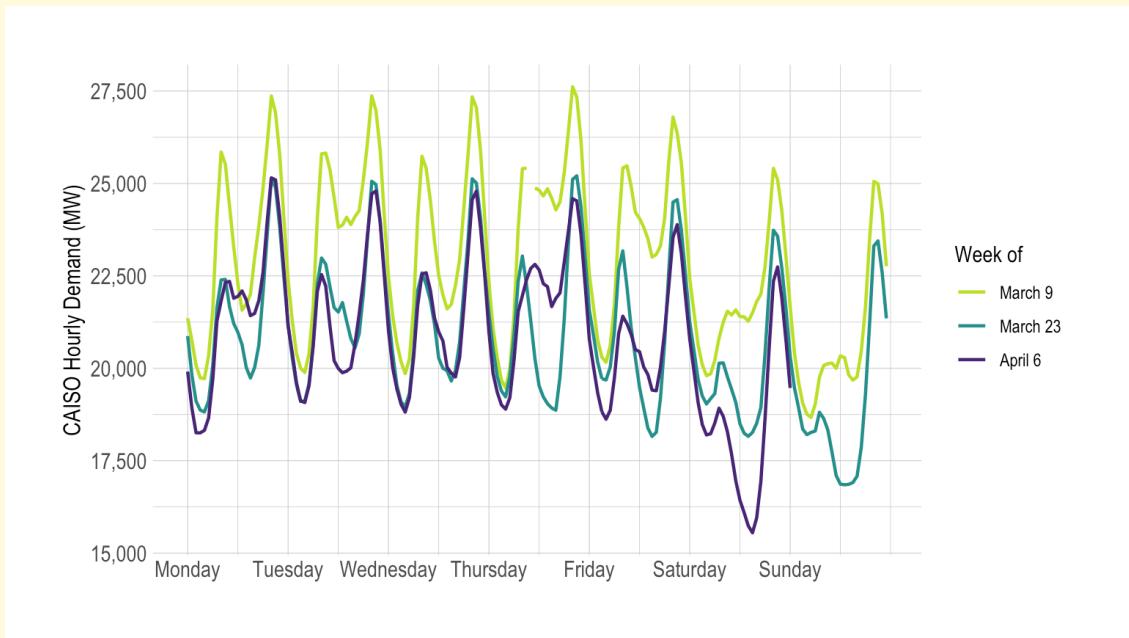
Wednesday, April 22, 2020  
12:15pm

## Executive Summary

- On March 19<sup>th</sup>, California issued a Shelter in Place (SIP) Order related to the COVID-19 pandemic that has resulted in material impacts on energy demand and market pricing
- Decreases to load in the short-term are largely driven by statewide SIP measures
- Long-term load impacts are highly uncertain given the potential for sustained economic impacts
- CPA is actively monitoring market conditions and has developed load forecast scenarios
- This analysis is informing procurement strategy and other business planning activities to ensure prudent decision-making

# COVID-19 Impacts on CAISO Demand

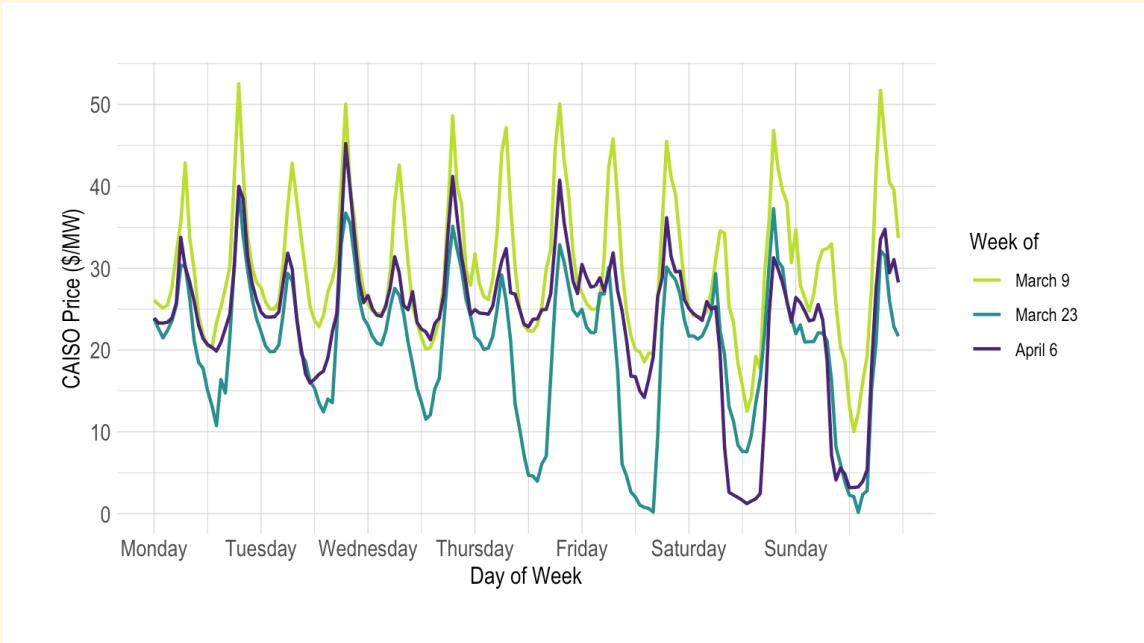
- Shelter-in-place orders have reduced energy use in California



The results above are actual and have not been adjusted for weather or seasonal variation.

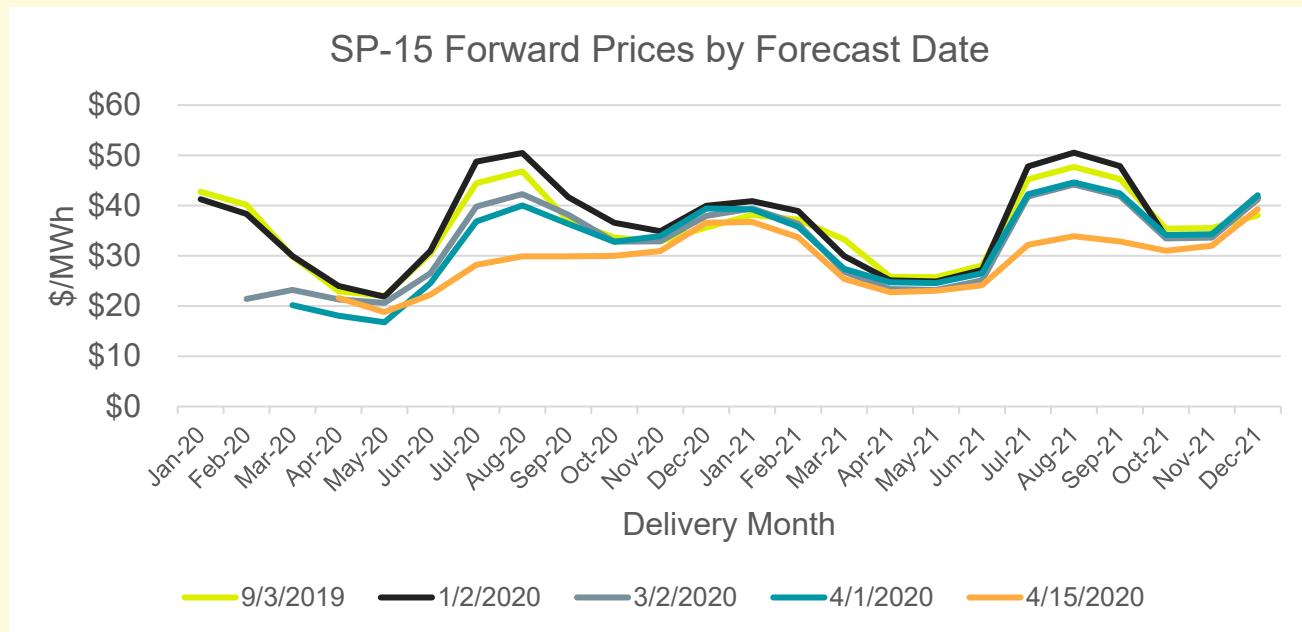
# COVID-19 Impacts on CAISO Energy Market Prices

- Load reductions have caused energy market prices to drop



## Forward Energy Prices Have Also Dropped

- Load reductions and depressed economic conditions have had a bearish impact on forward prices, particularly during summer



## CPA Load Forecast Scenarios

- CPA is evaluating three potential scenarios:

Deeper Impact,  
Slower Recovery

- Shelter-in-Place until September 1<sup>st</sup>
- 3-year recovery

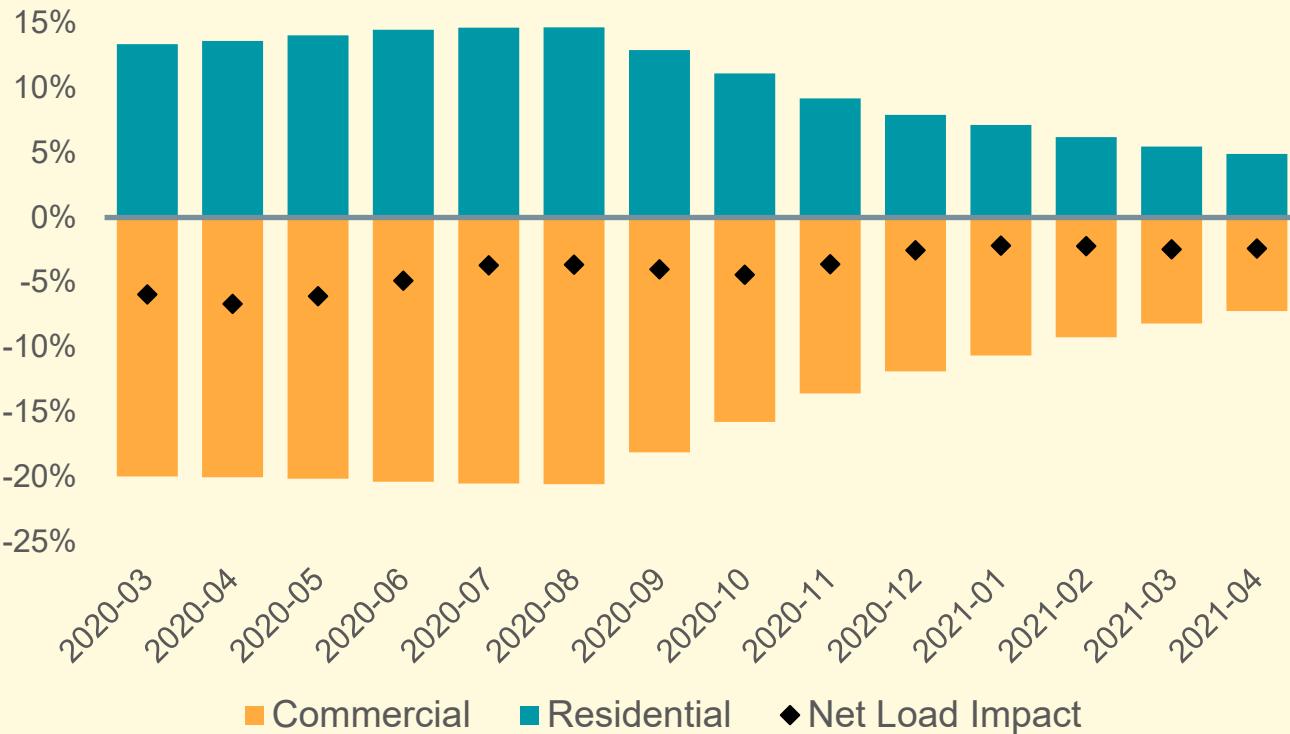
Base Case  
Recovery

- Shelter-In-Place until June 1<sup>st</sup>
- 2.5-year recovery

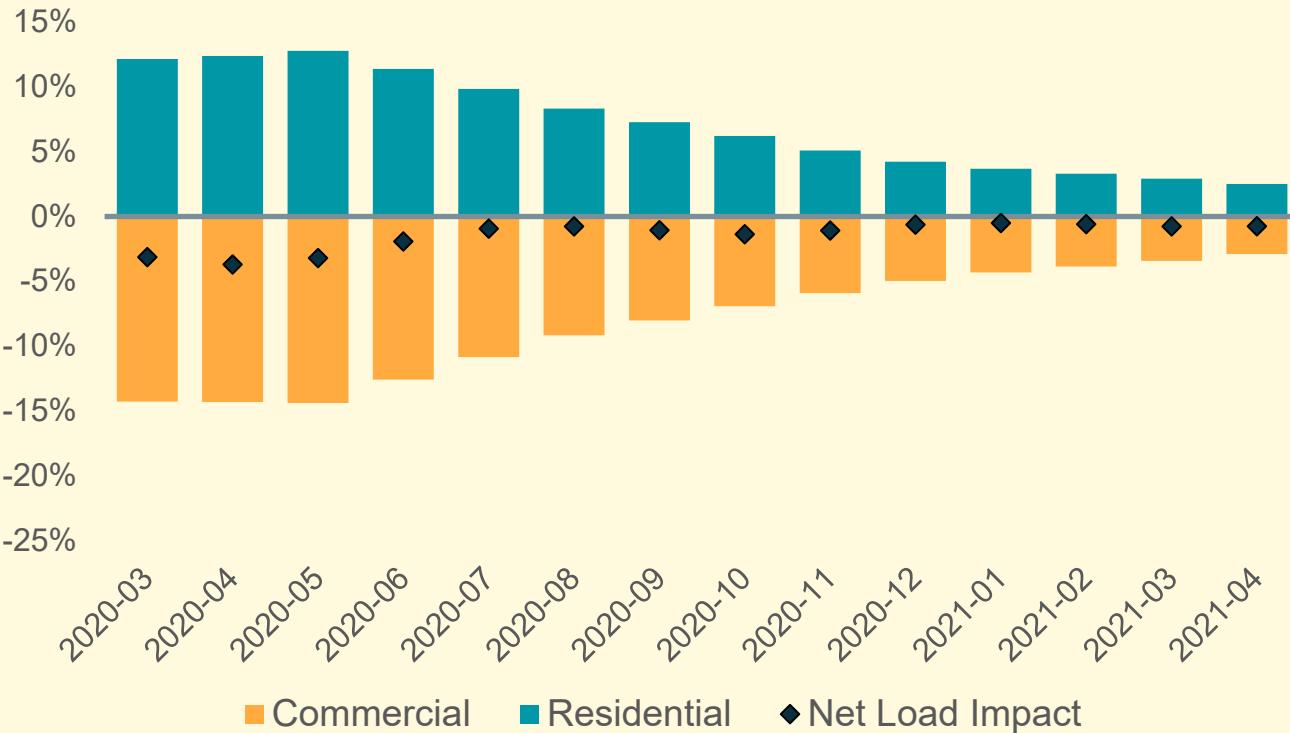
Faster Recovery

- Shelter-In-Place until May 1<sup>st</sup>
- 2-year recovery

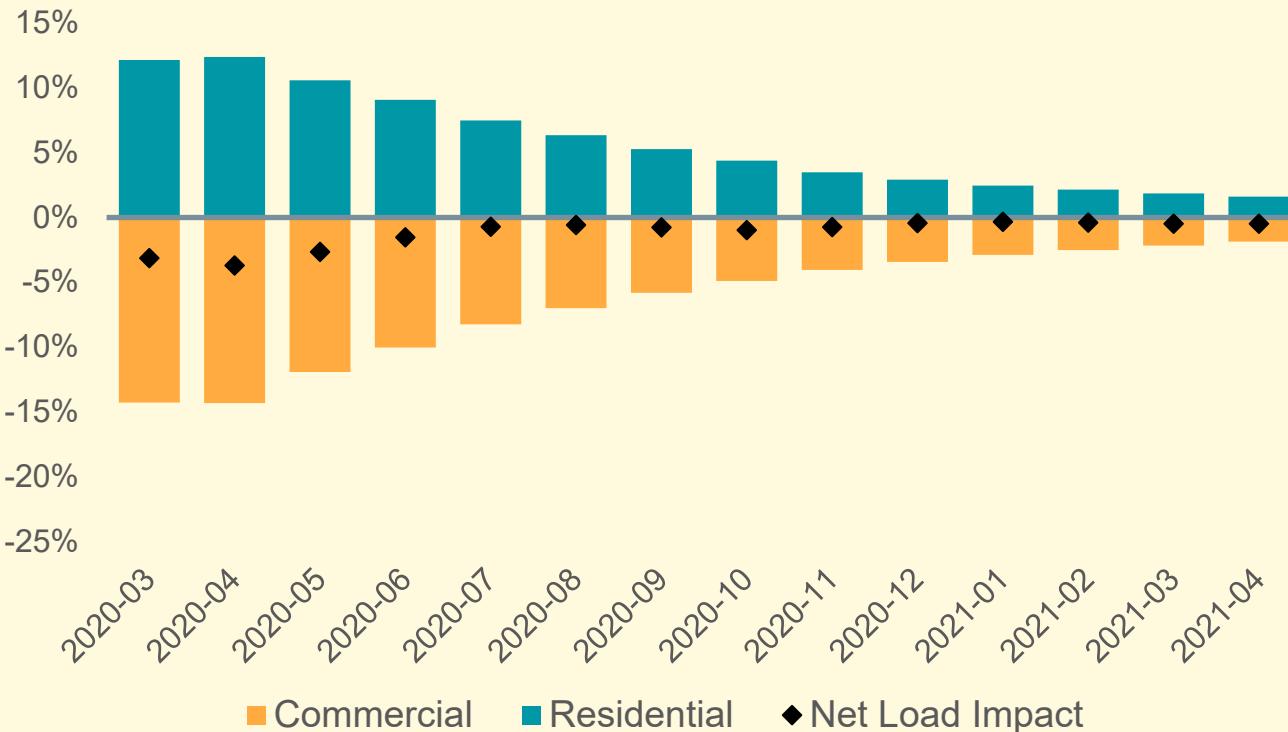
## Deeper Immediate Impact, Slower Recovery Case: Estimated Monthly Change in Load



## Base Case: Estimated Monthly Change in Load



## Faster Recovery Case: Estimated Monthly Change in Load



## Procurement Strategy

- CPA's Energy Risk Management Policy (ERMP) designates a hedge target range by time period to allow flexibility for changing market and load conditions:

Time Period	Minimum Hedge %	Maximum Hedge %
Prompt 1-4 Quarters	85	110
Balance of prompt year not covered by Prompt 4 Quarters	65	90
Current Calendar Year (CY) + 2	40	70
CY + 3	0	50
CY + 4	0	30
CY + 5	0	15

- CPA's Risk Management Team is evaluating several load scenarios and pursuing hedge targets at the lower end of the range to accommodate for low load conditions

## Next Steps

- CPA is closely monitoring market conditions and impacts to CPA's load
- CPA continues to update and evaluate load forecast scenarios
- CPA considers evolving market conditions when making procurement decisions