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CPA CLEAN POWER ALLIANCE



# REFLECTIONS & LOOKING FORWARD

This past year was a dynamic one for Clean Power Alliance as we expanded and launched new clean energy service in 31 jurisdictions across Los Angeles and Ventura Counties. We now serve more than 3 million people through approximately 1 million accounts, positioning us as the country's largest Community Choice Aggregation (CCA) program and California's fifth largest energy provider. Our size, coupled with our local leaders' dedication to the success of the organizationis allowing us to deliver on our mission to provide new, competitively priced clean energy choices for residents and businesses in our member cities and counties.

Clean Power Alliance was challenged last year with an ever-changing legislative and regulatory landscape, the bankruptcy of California's largest private utility, an unprecedented number of rate changes by Southern California Edison, and wildfires and public safety power shutoffs (PSPS) in our communities. Through it all we remained resolute in our commitment to address the challenges of climate change through a local community perspective. Like CCAs throughout California, Clean Power Alliance is uniquely poised to leverage the collective commitment of our local leaders to develop a new way to provide electricity services. We have been at the forefront of climate change mitigation through rapidly greening our customers' energy supply while providing choice and helping our member jurisdictions fast-track their sustainability goals by offering 100% renewable energy at competitive rates.

We are proud of the fact that we have more customers receiving 100% renewable energy than any other energy provider in the nation, with nearly 30% of our customers on our 100% Green Power rate plan. Overall, our clean energy portfolio is meeting California's ambitious state goals 10 years early. In 2020, we anticipate both lowering our costs and further expanding renewable energy capacity in California by entering into more long-term power purchase and energy storage agreements.

In looking ahead at how we can better leverage our resources, we'll be expanding our customer programs and investments in climate change mitigation. In 2020, we will launch new resiliency, smart tech and incentives for

#### WELCOME MESSAGE FROM THE BOARD CHAIR AND EXECUTIVE DIRECTOR

electric vehicle (EV) charging infrastructure and deploy our CPA Power Response demand response effort. We will also inaugurate our Solar Marketplace, an online solar and battery shopping portal. We're excited for our customers to give them a try!

On behalf of the Clean Power Alliance Board and staff, we extend a sincere thank you to our customers, CPA's Community Advisory Committee, and other community partners. It has been a pleasure to serve Los Angeles and Ventura County residents and businesses, as we begin to work together with our diverse communities on solutions to address climate change and enhance local resiliency.

Jeana Mahmus

DIANA MAHMUD CHAIR, BOARD OF DIRECTORS

TED BARDACKE EXECUTIVE DIRECTOR

# **OUR CUSTOMERS** & RATE PRODUCTS

Clean Power Alliance (CPA) is proud to serve a broad customer base with diverse needs. member agency communities

# **RETENTION RATE**

# 1 MILLION customers

ALMOST ALL CUSTOMERS WITHIN OUR SERVICE TERRITORY HAVE REMAINED WITH US







## ENROLLED BY SPRING 2019





# **Customer Choices**

CPA offers three rate options designed to suit the diverse needs of our communities.

LEAN POWER CLEAN POWER

Lean Power offers 36% renewable energy content and a 1-2% bill savings in comparison to SCE rates. Clean Power offers 50% renewable energy content and a 0–1% bill savings or bill parity in comparison to SCE rates.

# **2019 Customer Choices**

Community Default	Opt Up to 100% Green	Opt to Clean
100% GREEN	0.0%	0.9%
CLEAN	0.2%	0.0%
LEAN	0.2%	0.1%
ALL CUSTOMERS	0.2%	0.3%

0% tent s or 100% GREEN POWER

5

100% Green Power offers 100% renewable energy content and a 7-9% bill premium in comparison to SCE rates.

#### Opt Down to Lean

Opt Out

4.1%	8.8%
1.3%	3.7%
0.0%	5.6%
1.9%	5.5%

# **CUSTOMER SNAPSHOT**

**6** 28%

## ON 100% GREEN POWER

CPA has the most customers on a 100% renewable energy rate plan than any other electricity provider in the country!

52%

## RESIDENTIAL CUSTOMERS ENROLLED IN FINANCIAL ASSISTANCE

27%

such as CARE, FERA, and Medical Baseline programs.





50% renewable energy at no extra cost!



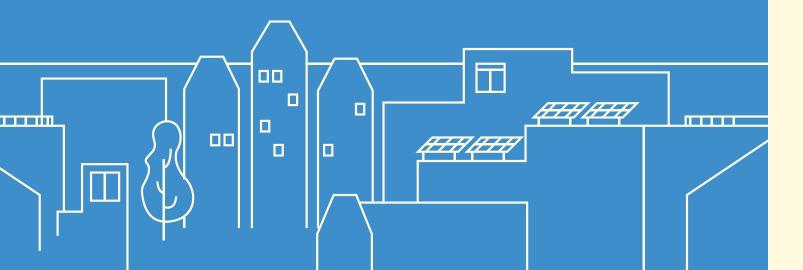
# **ON LEAN POWER**

7

36% renewable energy and collectively saving \$1 million.

"AS RENTERS, WE'RE HAPPY TO BE CPA **CUSTOMERS SINCE IT GIVES US A CHANCE TO GET AFFORDABLE CLEAN** ENERGY. REDUCING **OUR IMPACT ON THE ENVIRONMENT IS VERY IMPORTANT TO OUR FAMILY."** 

CPA Residential Customers, Alhambra



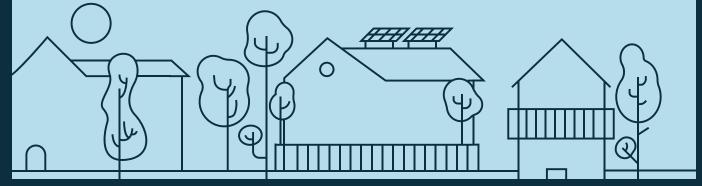


# POWER PROCUREMENT

Constructing a reliable, clean, and cost-effective energy portfolio is a top priority, allowing us to keep our rates competitive for our customers. Our swift execution of competitively priced long-term power purchase agreements has helped establish CPA as an energy market player that smartly invests in new projects. The projects also advance our mission of investing in a green energy economy through job creation and providing opportunities for the development of skills necessary to power the green energy economy.

10

In 2020 we're on track to meet California's mandates for 60% renewable energy, 10 years ahead of schedule. To help achieve our ambitious renewable energy goals, between October 2018 and the end of 2019, CPA's Board of Directors approved five long-term power purchase agreements, totaling approximately 606 megawatts. This included two new solar projects, an existing small hydroelectric project, and two new wind projects. Many of the projects will be located within Southern California. The two new solar facilities are in areas with low environmental impact, specifically designated for renewable energy development, and will create approximately 500 jobs, contracting well-paid and skilled workers.



# **VOYAGER WIND PROJECT**

This project contracts for 21.6 megawatts from six wind turbines that were built at the existing Voyager Wind project site near Mojave, CA. In late 2018, CPA executed a 15-year contract for these wind turbines, which generates approximately 71,500 MWh of energy per year. The project created an estimated 205 construction jobs and 16 new permanent jobs. Terra-Gen, the Voyager Wind project owner, also contributed \$150,000 to fund a community college green workforce scholarship program co-administered by CPA.



## ARLINGTON SOLAR PROJECT

This project contracts for 233 megawatts from the Arlington Solar project in Riverside County, CA, owned and operated by NextEra Energy Resources. Arlington will come on-line in two phases, with the first 100 MWh delivered in December 2021 and the next 133 MWh delivered in December 2022. Building the project will require approximately 426 construction workers. CPA's 15-year contract for this project has an expected output of 718,220 MWh per year.



## ISABELLA HYDRO-ELECTRIC PROJECT

This project contracts for all of Isabella Partners' existing 12 megawatt small hydroelectric project in Kern County, CA, for the next 10 years. It has an expected output of approximately 48,000 MWh per year and a 10-year long contract.



# 12

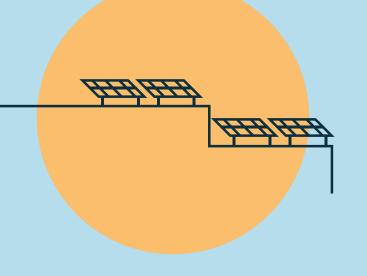
# ROSAMOND **SOLAR PROJECT**

This project contracts for 40 megawatts from Clearway Energy Group's Rosamond Solar project in Kern County, CA, beginning in March 2021. Building the project will create an estimated 73 construction jobs. It has an expected output of 114,780 MWh/year and a 15-year long contract.

# WHITE HILLS WIND PROJECT

This project contracts for 300 megawatts from the White Hills Wind project in White Hills, AZ, with an expected output of 830,000 MWh/year. It's located near Hoover Dam and will be owned and operated by NextEra Energy Resources. The project comes on-line in December 2020 with a 20-year term contract. Building the project will require approximately 300 construction workers. NextEra will also contribute \$1 million over four years toward local workforce development initiatives in CPA's service territory.





# **FUTURE PROCUREMENT ACTIVITIES**

CPA will continue investing in new development opportunities with the launch of two RFOs in late 2019 to contract for additional energy capacity, including the 2019 Reliability RFO for stand-alone energy storage projects and the 2019 Clean Energy RFO, for both large-scale renewable and storage projects and smaller distributed renewable and storage projects exclusively located in CPA's service territory. Given the state's emphasis on resiliency and our own clean energy goals, increasing storage capacity within the state is critical for CPA.

# **POWER SOURCES**

We value transparency and the ability to provide clear and concise information to our customers about the source of their power. CPA annually publishes a Power Content Label describing the power source mix from the prior year. The Power Content Label below shows customers how much renewable energy was purchased in 2018 for our three energy rate products: Lean Power, Clean Power, and 100% Green Power.

# **2018 ELECTRIC POWER GENERATION MIX**

Energy Resources	Lean Power	Clean Power	100% Green Power	2018 CA Power Mix**
Eligible Renewable	36%	62%	100%	31%
Biomass & Biowaste	0%	0%	0%	2%
Geothermal	0%	0%	0%	5%
Eligible Hydroelectric	0%	0%	0%	2%
Solar	0%	38%	0%	11%
Wind	36%	23%	100%	11%
Coal	0%	0%	0%	3%
Large Hydroelectric	45%	27%	0%	11%
Natural Gas	0%	0%	0%	35%
Nuclear	0%	0%	0%	9%
Other	0%	0%	0%	<1%
Unspecified Sources of Power*	19%	13%	0%	11%
Total	100%	100%	100%	100%

\* Clean Power Alliance generation data represents 2018 data provided through the California Energy Commission's Power Source Disclosure Program.

# **GREEN-E<sup>®</sup> CERTIFICATION**

Green-e<sup>®</sup> Energy is a consumer protection and education program designed to provide purchasers of renewable energy, assurance of product quality and verification of product ownership. Since CPA's inception in 2018, our 100% Green Power product has been Green-e® certified. Green-e® certification independently verifies that we supplied enough renewable energy for our 100% Green Power customers to meet 100% of their demand on an annual basis. Our 100% Green Power customers can use this certification to claim points under the LEED Green Building rating system. For more information on Green-e<sup>®</sup>, visit cleanpoweralliance.org/green-e.

Unspecified sources of power mean electricity from transactions that are not traceable to specific generation sources.

### **2020 PEAK LOAD: ~ 2,900 MEGAWATTS**

# FINANCIALS

As a self-sustaining organization financed exclusively by customer rates, we're fiscally conservative, keep our operating expenses low, and are accumulating reserves to prepare for any unexpected changes in the energy market. In FY 2018-2019 our total net position was close to \$16 million after less than a full year of operations.

	2018	2019
<b>OPERATING REVENUES</b>		
Electricity sales, net	\$3,343,000	\$253,913,000
Other revenue	39,000	6,000
Total operating revenues	3,383,000	253,919,000
OPERATING EXPENSES		
Cost of electricity	3,299,000	223,126,000
Contract services	2,419,000	9,124,000
Staff compensation	222,000	2,134,000
General and administration	127,000	745,000
Total operating expenses	6,067,000	235,129,000
Operating income (loss)	(2,684,000)	18,790,000
NONOPERATING REVENUES (EXPENSES)		
Interest income	7,000	122,000
Interest and related expenses		-246,000
Total nonoperating revenues (expenses)	7,000	-124,000
CHANGE IN NET POSITION	(2,677,000)	18,666,000
Total assets	9,629,000	142,784,000
Total liabilities	12,306,000	126,795,000
Total net position	-\$2,677,000	\$15,989,000



# PROGRAMS

We believe in a clean energy future that is local and in giving back to our communities. Incentives and educational initiatives are one way we can complement our clean energy goals, offering customers more benefits and savings.

In 2019, we launched several customer programs, including our Peak Management Program, Green Leader Program, and Voyager Scholarship Program. In addition, our Board of Directors approved and launched a Local Programs Strategic Planning process that will guide future program development.

## **PEAK MANAGEMENT** PROGRAM

In 2019, CPA piloted a behavioral demand response rate for commercial and municipal customers. The Peak Management Program (PMP) ran for a five-month period from July 1 to November 30, 2019. Participating customers received a discount during the summer months of the program in the form of monthly on-peak demand credits in exchange for a surcharge on energy consumed during "peak" hours (4 p.m. to 9 p.m.) on 10 days when power was very expensive and dirty. Participating customers benefited from bill protection during the pilot.

The accounts that enrolled in the pilot ranged in size and usage patterns, which provided an opportunity to analyze event response among several different types of customers. CPA was able to demonstrate a measurable reduction in average customer usage between 4 p.m. to 9 p.m. on multiple days during the pilot. Based on the promising results of the pilot, CPA is evaluating expansion of the PMP program in 2020. Through close interaction with customers enrolled in the pilot program, CPA has identified opportunities for customer education and program modifications to encourage customers to further reduce their energy usage during these critical events.

# **LOCAL PROGRAMS STRATEGIC PLAN**

This past year, CPA launched our Local Programs Strategic Planning process, which will guide programs we should develop from 2020-2025. We conducted a robust stakeholder engagement process that included workshops and multilingual surveys, reaching hundreds of participants, including customers, stakeholders and our Community Advisory Committee (CAC). Through collecting feedback and a rigorous study of existing CCA programs, we developed a process to consider projects and comparative tool on how to prioritize our future programs. We'll be examining how to meet both our goals and those of the local community, including reaching underserved communities and customers, resiliency, workforce development, disaster preparedness, and achieving local sustainability. The plan is expected to be finalized in 2020.

We're happy to share that this past May our Board of Directors approved the Voyager Scholarship Program starting with a \$150,000 scholarship contribution. Seven community colleges serving Disadvantaged Communities throughout Los Angeles and Ventura Counties were selected to distribute the scholarships in early 2020 to students pursuing studies in energy-related fields. The goal of the scholarships is to help develop the future clean energy workforce.

Powered by

**100% Green** 

Energy.



CPA launched the Green Leader Program to recognize business and municipal customers who either retained or opted up to the 100% Green Power rate product. Our Green Leader Program helps businesses get credit for opting to 100% renewable energy, offers them complementary marketing opportunities, and is helping foster a greater network of like-minded businesses committed to environmental leadership.



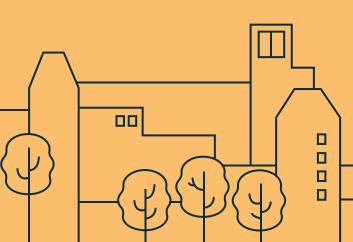
## **VOYAGER SCHOLARSHIP** PROGRAM

#### **Los Angeles County**

Antelope Valley College Compton College East Los Angeles College Rio Hondo College

#### **Ventura County**

Moorpark College Oxnard College Ventura College



# OUT IN THε COMMUNITY

CPA team members engaged in widespread community outreach and engagement at neighborhood events, organization meetings, and through partnership efforts. Our events took place throughout our service territory.

We also conducted robust communications initiatives aimed at educating our customers, including outreach in Spanish and Chinese. We spoke at Lunar New Year celebrations, Earth Day activities, rural and community council meetings, various Chambers of Commerce meetings, and many more. In total, CPA presented and participated in 102 member agency and community events reaching thousands of individuals within our service territory. We also conducted several social media campaigns, reaching roughly 103,000 customers. Our Facebook following grew by 21%, and our Twitter following grew 22%.





REACHING ROUGHLY 103,000 CUSTOMERS AND FOLLOWERS, OUR FACEBOOK FOLLOWING GREW BY 21%, AND OUR TWITTER FOLLOWING GREW 22%.

# SUSTAINABLE ENERGY INCUBATOR

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In 2019, we hosted a series of Sustainable Energy Incubator workshops with the goal of educating our industry partners, member agencies, and other stakeholders on emerging energy issues. These workshops are supplemented by additional customized technical assistance to help member agency staff gain the resources and knowledge of how to start their own sustainable energy programs and get connected to financial resources to implement them.

In total, CPA presented and participated in...

AND COMMUNITY EVENTS

**MEMBER AGENCY** 

**Reaching more than...** 

INDIVIDUALS IN PERSON WITHIN OUR SERVICE TERRITORY



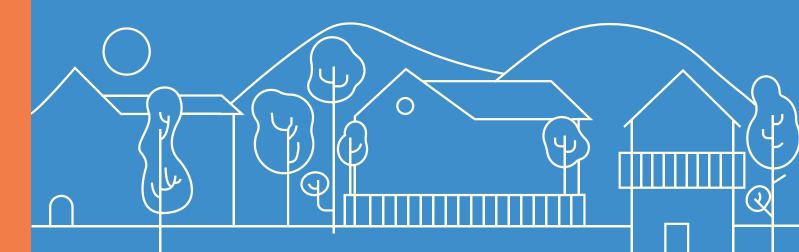
# 2019 GREEN LEADERSHIP AWARD

In April 2019, the Los Angeles County Board of Supervisors recognized CPA with a Green Leadership Award in the Public Agency Category. The Green Leadership Awards acknowledge outstanding achievements in environmental sustainability and CPA was awarded for our efforts to provide accessible clean energy sources to disadvantaged communities and significantly reduce region-wide greenhouse gas emissions by expanding options for renewable power.



**"BEING SUSTAINABLE GIVES US A BUSINESS** ADVANTAGE AND CHOOSING 100% GREEN **POWER ALLOWS US A REASONABLY PRICED WAY** TO LEAD BY EXAMPLE."

Handcrafted Construction, CPA Commercial Customer, Culver City



# **2019 BOARD OF DIRECTORS**

Clean Power Alliance is governed by a Board of Directors, which includes an elected official from each of our member agencies and counties. Our 31-member Board of Directors is committed to providing our community's residents, businesses, and organizations with renewable energy options at competitive rates.

Diana Mahmud CHAIR
Sheila Kuehl VICE CHAIR
Linda Parks VICE CHAIR
Deborah Klein Lopez
Ross J. Maza/ Jeff Maloney
Sho Tay
Julian Gold
Alicia Weintraub
Tony Trembley/ Susan Santangelo
Jawane Hilton
Corey Calaycay
Meghan Sahli-Wells
Sean Ashton
Maya Maravilla/ Victor Farfan
Alex Monteiro

24

South Pasadena Los Angeles County Ventura County **Agoura Hills** Alhambra Arcadia **Beverly Hills** Calabasas Camarillo Carson Claremont **Culver City** Downey Hawaiian Gardens Hawthorne

**Skylar Peak** Nancy Hersman/ **Steve Napolitano Janice Parvin** Johnny Johnston **Carmen Ramirez Laurie Guillen Christian Horvath Steve Zuckerman Kevin McKeown** John Harabedian/ John Capoccia **Ruth Luevanos Nanette Fish** Claudia Bill-de la Peña **Christy Weir** Lindsey Horvath **Henry Bouchot** 

Malibu Manhattan Beach Moorpark Ojai Oxnard Paramount **Redondo Beach Rolling Hills Estates** Santa Monica Sierra Madre Simi Valley **Temple City Thousand Oaks** Ventura West Hollywood Whittier



# 2019 COMMUNITY **ADVISORY COMMITTEE**

We have a dedicated Community Advisory Committee (CAC) comprised of customers who are leaders in their communities that advise our Board of Directors on policies, programs, and planning, while also serving as advocates for our customers. Our 15-member committee represents seven sub-regions of our service territory. Our CAC members represent a diverse cross-section of community and professional backgrounds.

> CHAIR David Haake Los Angeles County

#### **VICE CHAIR Robert Parkhurst** Los Angeles County **Angus Simmons** Ventura County

Laura Brown

Lilian Mendoza East Ventura/West Los Angeles County (Agoura Hills, Calabasas, Camarillo, Moorpark, Simi Valley, and Thousand Oaks)

Lucas Zucker Steven Nash

West/Unincorporated Ventura County (Ojai, Oxnard, Unincorporated Ventura County, and City of Ventura)

**Jaime Abrego Jordan Salcido** Gateway Cities (Downey, Hawaiian Gardens,

Paramount, and Whittier)

**David Lesser Emmitt Hayes** South Bay (Carson, Hawthorne, Manhattan Beach, Redondo Beach, and Rolling Hills Estates)

#### **Cris Gutierrez**

Westside (West Hollywood, Santa Monica, Beverly Hills, Malibu, and Culver City)

# **Neil Fromer**

#### **Richard Tom**

San Gabriel Valley (Arcadia, Alhambra, Temple City, South Pasadena, Claremont, and Sierra Madre)

## **Kristie Hernandez**

Unincorporated Los Angeles County

# **CPA STAFF**

- Ted Bardacke, Executive Director
- Nancy Whang, General Counsel
- Matthew Langer, Chief Operating Officer
- David McNeil, Chief Financial Officer
- Raynette Tom, Executive Assistant to the **Executive Director**

#### **Customer Programs, Services** and Operations

Tyler Aguirre, Customer Programs Manager Jennifer Giles, Commercial Accounts Executive

Christopher Stephens, Manager of Non-Energy Contracts

#### **External Affairs**

Jennifer Ward, Director of External Affairs

Gabriela Monzon, Clerk of the Board

- Allison Mannos, Senior Manager of Marketing & Customer Engagement
- Karen Schmidt, Regional Affairs Manager

Christian Cruz, Community Outreach Manager

Alicia A. Gutierrez, Marketing Coordinator

#### Finance

Hui Lisano, Controller

Sean Swe, Manager of Load Forecasting and Analysis

Alex Maranga, Financial Analyst

#### **Power Planning and Procurement**

Natasha Keefer. Director of Power Planning & Procurement

Erik Nielsen, Structured Contracts Manager

Tessa Haagenson, Power Origination Manager

Ted Tardif, Energy Resources Manager

**Charles Grinstead, Energy Resources** Manager

#### **Regulatory and Policy**

Gina Goodhill, Director of Policy

CC Song, Director of Regulatory Affairs

#### Technology, Data, & People

Monique Edwards, Director of Technology, Data, and People

Tsehai Scott, Human Resources & Administrative Associate





# **"IT'S IMPORTANT TO ME** TO BE A GOOD STEWARD **OF OUR PLANET AND** THAT'S WHY I'M ON THE **100% GREEN POWER RATE."**

CPA Residential Customer, Thousand Oaks



Established in 2017, CPA service began in phases: commercial customers in our three earliest adopter communities began in June 2018, all residential customers began in February 2019, and the remaining commercial customers for 28 communities began in May 2019.

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