

MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, May 20, 2020 1:30 p.m.

MINUTES

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

WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order at 1:31 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Beverly Hills	Julian Gold	Committee Member	Remote
Los Angeles County	Sheila Kuehl	Vice Chair	Remote
Oxnard	Carmen Ramirez	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Kevin McKeown	Committee Member	Remote
South Pasadena	Diana Mahmud	Chair	Remote
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood	Robyn Eason	Alternate Committee Member	Remote

All items are unanimously approved unless otherwise stated.

GENERAL PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

1. Approve Minutes from April 15, 2020 Executive Committee Meeting

Motion: Vice Chair Kuehl, Los Angeles County
Second: Committee Member Eason, City of West Hollywood
Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Oral Update from Executive Director on CPA Operations

Ted Bardacke, Executive Director, provided an oral update on CPA's actions to secure temporary office space and the organization's Customer Bill Assistance program, noting that there were two thousand new accounts for CARE/FARE/Medical Baseline programs since the Board's approval of the Customer Bill Assistance. Mr. Bardacke also highlighted the collaboration between member agencies to conduct community outreach and plans for larger marketing within the business community as only 1,000 businesses had applied for a discount.

Vice Chair Parks asked about the composition of the new CARE customers and Committee Member Gold inquired about CPA's capacity to continue the Customer Bill Assistance program and the option to revisit additional funding for it. Mr. Bardacke indicated that new CARE customers were reflective of the overall population, rather than being concentrated in areas where CPA already had CARE customers. In response to Committee Member Gold's inquiry, staff noted that funding was available for the following 8 to 10 weeks and that a reallocation of funds would be necessary in order to provide additional funding for the COVID-19 Customer Bill Assistance program in the new fiscal year. Vice Chair Kuehl and Committee Member Zuckerman expressed interest in exploring the availability of additional funds for bill assistance. Mr. Bardacke and David McNeil, Chief Financial Officer, indicated that they would bring a proposal to the Finance Committee for how additional funds could be provided while maintaining CPA's compliance with credit covenants.

At Chair Mahmud's request, Mr. Bardacke provided an update on the new office space, briefly touched on the Joint Rate Comparison Mailer and continued with a status update on the Integrated Resources Plan (IRP), emphasizing that the California Public Utilities Commission (CPUC) asked for the submission of two IRPs and had extended the submission date to September 1, 2020. , which no longer required the approval of the Board of Directors, therefore, staff would request input from the Board but not an approval.

Mr. McNeil provided an overview of customer payment status, accounts receivables, and COVID-19 adjustments. In response to Chair Mahmud's question, Mr. McNeil clarified that CPA was prepared to satisfy credit covenants, however, staff did not know how much of the accounts

receivable would result in eventual write-off yet. Staff noted that CPA was financially indifferent to the enrollment numbers of CARE customers and that there were multiple ways to enroll in the program.

3. Review Draft Agenda for June 4, 2020 Board of Directors Meeting

Mr. Bardacke discussed the consent and regular agenda items for the June 4th meeting. Mr. Bardacke highlighted that the SC/CRR item was being rescheduled in order to provide staff with additional time to conduct due diligence before it made a recommendation.

Matthew Langer, Chief Operating Officer, provided a brief report on the rate change item, noting that the rate change was exacerbated by the undercollection by SCE in 2019 and the recommendation was to adjust Phase 1 and 2 rates down.

Mr. Bardacke provided a summary of the Local Programs Strategic Plan, noting that staff was seeking Board approval of three broad program categories: resiliency and grid management, electrification, and local energy procurement. Staff was also seeking Board approval of seven initial program concepts within those categories.

Committee Member Lopez asked for clarification on the type of support CPA could provide to member agencies that may receive pushback for promoting building electrification codes. Mr. Bardacke noted that the program was still being designed and that the program would seek to add options resources, not eliminate existing ones. Chair Mahmud added that some cities have faced firm opposition from SoCalGas on electrification codes, and although PSPS events continued to be prevalent, electrification may face local resistance until a reliable grid was established. Lastly, Chair Mahmud inquired about feed-in tariffs and whether the Community Solar program could be described as a feed-in tariff. Mr. Bardacke clarified that staff had spoken with many stakeholders who have advocated for feed-in tariffs in the past to explain that CPA was committed to local distributed generation just not designed as a feed-in tariff.

4. Draft FY 2020/2021 Budget

Mr. McNeil provided an overview of the FY 2020/2021 budget, including budget priorities, staffing costs, and local program costs.

Committee Member Gold, also Chair of the Finance Committee, noted that the Finance Committee had asked for further context on the increases associated with staffing, legal, and technical services.

Vice Chair Parks asked if there were funding sources from the CARES Act that CPA could take advantage of and if there were assurances that new CARE/FARE participants were indeed in need of the program assistance. Mr. Bardacke explained that that income verifications were relaxed for CARE/FARE, but those signing up for it affirmed that they had indeed been affected by the COVID-19 pandemic. Mr. Bardacke also affirmed that government agencies were explicitly excluded from receiving funds from the CARES Act but that CPA would look into other forms of reimbursement for the Bill Protection program and other related COVID-19 costs.

Chair Mahmud inquired about the funds for repayment of the \$10 million loan from L.A. County, the eligibility of CPA to recoup direct expenses incurred in complying with the COVID-19 safety orders, and asked for an update on a salary survey to better understand compensation. Lastly, Chair Mahmud asked how programs that were identified as dependent upon CPUC approval would be handled, if approval did not occur.

Mr. McNeil clarified that there were sufficient reserves available to pay for the \$10 million loan from L.A. County without having to borrow. Mr. Bardacke stated that a salary survey would eventually be contracted for later this year. Regarding the CPUC approval of programs, staff indicated that funding had already been allocated, and that CPA was awaiting approval of its spending plan.

In response to Chair Mahmud's question on bad debt write off, Mr. McNeil stated that bad debt amounts to 1.25% of revenue and that no direct outreach was done to other CCA's as their service territories differ to those of CPA as well as their residential and commercial compositions. Chair Mahmud asked if there was undesignated money that could potentially be used to make supplemental allocations to address COVID-19 related issues. Staff noted that there were \$36 million in unrestricted net position, however, there were certain budget targets and covenant obligations to take into consideration. Chair Mahmud commented that the Finance Committee would be the best fit to assist in the formulation of a recommendation for an appropriate figure for Board consideration.

COMMITTEE MEMBER COMMENTS

Vice Chair Parks commented that Ventura County received state funds from the CARES Act.

Committee Member Zuckerman opined that a balance sheet would be helpful in the discussion of COVID-19 contributions.

Vice Chair Kuehl expressed content with staff's work during the Shelter-in-Place order and offered assistance should any Board or staff member need it.

CLOSED SESSION

5. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: (1)

General Counsel Nancy Whang stated no reportable action was taken.

ADJOURN

Vice Chair Kuehl adjourned the meeting at 3:50 p.m.