MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, June 17, 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 1:36 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 May 20, 2020 Executive Committee Meeting

Motion: Committee Member Gold, Beverly Hills
Second: Committee Member McKeown, Santa Monica
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 new temporary office space, financial performance, and the Covid-19 Customer Bill Assistance program, noting that CPA had spent about $50K per week for bill assistance. Mr. Bardacke also elaborated on the 100% Green Discount Program that was discussed with the California Public Utilities Commission (CPUC) and provided an update on the status of the companion Community Solar Program.

In response to Vice Chair Parks' question about impacts to energy use and cost, staff indicated that revenue forecasts accounted for Shelter in Place impacts to load, which proved to be conservative as April's financial performance exceeded expectations.

Committee Member Gold asked about the estimated number of customers that terminated service. Mr. Bardacke clarified that both "move-in" and "move-out" accounts fluctuate every week and that CPA had not detected an increase in terminated accounts. Mr. Bardacke also noted that due to the activation of missing enrollments from previous years, the number of new customer accounts will rise over the summer as those accounts are enrolled from July through September. David McNeil, Chief Financial Officer, added that while So Cal Edison (SCE) was not disconnecting service for nonpayment, they were to collect past due amounts on CPA's behalf, which also impacted revenues.

Mr. Bardacke continued to provide details on staffing matters and remote meeting options.

Matt Langer, Chief Operating Officer, provided an update on the CPUC's Central Procurement Entity (CPE) decision which established a new entity for local resource adequacy (RA) and removed those obligations from Load Serving Entities (LSEs) such as CPA. Additionally, Mr. Langer noted that CPA had previously pushed for a different settlement that took a "backup" approach where LSEs continued to procure local RA with a CPE providing backup local RA procurement. However, the CPUC opted for a full procurement model which was not optimal for CPA, but staff participated in the creation of a task force that could potentially allow LSEs to receive compensation at a set rate with the value of the compliance provided.

Committee Member Lopez expressed concern for how this type of information was shared with board members who did not have a deep understanding of the energy industry and Committee Member Zuckerman stated this presented an opportunity to discuss education and training for board members.

Committee Member McKeown inquired about local attributes and Chair Mahmud asked about credits and compensation for local RA procurement and if there was a concern for SCE's control of the CPE responsibilities. Mr. Langer explained that dividing local attributes depended on the market and that CPA would not want to be in a position to sell short and buy back in an uncertain market, but was going to push for the CPUC to consider a crediting process. Mr. Langer noted that only compensation, not credit, was available since there was no longer an obligation to procure local RA, but CPA will still own it, which is why a crediting system was beneficial. In response to further questions from Chair Mahmud, Mr. Bardacke clarified that there was an additional proceeding at the CPUC that would aim to address the entire resource adequacy framework.

In response to Committee Member Gold's question about fiscal impact, Mr. Langer indicated that there would be lower costs since local RA obligations would go away, but some costs were becoming non-bypassable charges that potentially impacted revenue.

Committee Member Ramirez and Vice Chair Parks expressed concern for SCE's handling of the new Central Procurement Entity and their corporate responsibilities to their shareholders rather than the public.

Lastly, Mr. Bardacke shared that staff was preparing training for new board members and that CPA intended to continually invest in education for all its board members.

3. <u>Review Draft Agenda for July 9, 2020 Board of Directors Meeting</u>

Mr. Bardacke discussed the consent and regular agenda items for the July 9th meeting. Mr. Bardacke highlighted that the Energy Risk Management Policy's annual amendments were going to address hedging strategy updates, incorporate long term contracts, improve risk management responsibilities, and create separate internal controls.

Natasha Keefer, Director of Power Planning & Procurement, provided an update on preliminary results of the Integrated Resource Plan (IRP), explaining that staff was recommending to the Board that delegation of authority be given to the Energy Committee as the governing board for approval of the IRP. Ms. Keefer stated that this delegation was necessary to accommodate for the changes brought on by the CPUC's decision to require two compliance portfolios – one achieving the statewide 46 million metric ton (MMT) greenhouse gas (GHG) emissions target, and one achieving a statewide 38 MMT target, and that CPA may indicate a preference for one or the other.

Committee Member Zuckerman asked if the IRP depended on sources of generation that were not currently owned by CPA or contracted for and if all submitters were working off the same cost curves. Ms. Keefer clarified that the IRP's purpose was to help determine what new resources needed to be developed to achieve the statewide GHG targets. Ms. Keefer added that everyone was working from assumptions designated by the CPUC even if CPA had a different view of the future.

4. Discuss 2020 Board of Directors Retreat

Mr. Bardacke requested feedback from the Executive Committee on the content and timing for the Board retreat.

Committee Members McKeown, Lopez, and Zuckerman all expressed interest in meeting in person when feasible while Vice Chair Kuehl suggested ways to structure a virtual meeting to elicit conversations amongst board members. Committee Member Ramirez encouraged the use of topics that allowed for the framing of a greater long-term vision for CPA and Vice Chair Parks added that materials made available in advance could help stimulate conversations. Committee Member Gold similarly noted a preference for meeting in person and using topics that will innovate, aspire, and uplift the organization rather than a more typical business meeting.

In response to Chair Mahmud's inquiry about timelines, Mr. Bardacke noted that a retreat could be put together by staff in approximately 8 weeks, but that a later date could be beneficial to put together an event that aligns with the Committee's desires to have an in-person retreat if possible.

COMMITTEE MEMBER COMMENTS

Vice Chair Parks wished all Committee Members safety in their communities and Vice Chair Kuehl expressed gratitude for the community's involvement.

Committee Members expressed interest in having a training for all board members on the basics of Community Choice Aggregators and the various components of the electric utility industry.

Mr. Bardacke agreed that training was vital, and staff was going to prepare training for both existing and new board members.

ADJOURN

Chair Mahmud adjourned the meeting at 3:17 p.m.