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

Wednesday, October 28, 2020

12:15 p.m.

SPECIAL NOTICE: 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 COVID-19, the Energy Planning & Resources Committee will conduct this meeting remotely.

Members of the public may participate in the meeting remotely in one of two ways.

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Dial: (669) 900-9128
Meeting ID: 944 6878 6900

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- Email Public Comment: Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.
- Provide Public Comment During the Meeting: Please notify staff via email to clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
    - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
    - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
    - 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, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: clerk@cleanpoweralliance.org.

*While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click “start from your browser.”

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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.

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from September 23, 2020 Energy Committee Meeting
2. Receive and File September 2020 Risk Management Team Report

REGULAR AGENDA

3. Disadvantaged Community Programs Request for Offers (RFO) Update
4. Rotating Outages Root Cause Analysis Presentation

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING NOVEMBER 25, 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/agendas.*

MEETING of the Energy Planning & Resources Committee

of the Clean Power Alliance of Southern California

Wednesday, September 23, 2020, 12:15 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.

CALL TO ORDER & ROLL CALL

Committee Chair McKeown called the meeting to order at 12:16 p.m. and Clerk of the Board, Gabriela Monzon, conducted roll call.

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

All votes are unanimous, unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from August 26, 2020 Energy Committee Meeting
2. Receive and File August 2020 Risk Management Team Report

Motion: Committee Member Ramirez, Oxnard
Second: Committee Member Tait, Arcadia
Vote: The consent agenda was approved by a roll call vote, with an abstention from Committee Member Cox.

REGULAR AGENDA

3. 2020 Clean Energy RFO Update

Erik Nielsen, Structured Contracts Manager, provided an overview of the current contracting status of CPA's long-term portfolio, noting that solar plus storage and solar comprise about 75% of the portfolio, heavily weighted towards generation. Mr. Nielsen discussed the status of the 2019 Request for Offers (RFO) launched in October 2019, highlighting that it resulted in 1.5 million Megawatt-hours of contracted generation to date and that CPA was successful in meeting the IRP Procurement Track compliance target, with only one project remaining in negotiation. Mr. Nielsen also reviewed the broad lessons learned from the previous RFOs, including the effective evaluation criteria, shortlist size, and noted distributed track projects were more expensive and did not provide as many community benefits.

Natasha Keefer, Director of Power Planning and Procurement, reviewed long-term procurement requirements and stated that CPA is focused on projects with earlier online dates to meet Senate Bill (SB) 350 compliance obligations and both reduce risk and allow CPA to be more selective with procurement over time. Ms. Keefer explained that CPA's current portfolio is largely solar, therefore resource diversity will be an important consideration in portfolio selection, noting that SB 350 requirements have set the minimum standards for procurement targets. Ms. Keefer reviewed the 2020 Clean Energy RFO specifications and schedule and highlighted that storage will be requested in 4-hour and long duration options. Lastly, Ms. Keefer discussed other local procurement efforts focused on developing new resources in CPA's service territory, including two CPUC Disadvantaged Community (DAC) programs that will provide bill discounts to eligible customers and the Clean Back-Up for Essential Facilities program to develop storage or solar plus storage projects at critical facilities in each member agency jurisdiction.

Committee Member Ramirez asked how the investigation into the recent power outages may affect CPA; Committee Member Kulcsar asked if there were plans to run multiple RFOs and asked for clarification on the community benefits expected from selected projects. Staff explained that the investigation has called attention to grid reliability and that CPA is in good standing due to its early actions on storage procurement because it not only met the mandate but exceeded it, and therefore can meet potential forthcoming procurement orders dealing with storage duration and portfolio diversification. Additionally, Ms. Keefer noted that the 2020 Clean Energy RFO is the only RFO planned for this year, but is inclusive of generating hybrid resources and stand-alone storage; and clarified that although some developers have been able to offer certain community benefits to CPA, making this a requirement can result in a direct increase to cost. Committee Member Capoccia cautioned that member agencies should focus on providing the best possible value to customers and asked for more details

on the Clean Back-Up for Essential Facilities Program and the Behind-the-Meter (BTM) RFO. Ms. Keefer explained that BTM refers to companies that aggregate customer's solar plus storage into resources that are converted into a large enough product sold back to Load Serving Entities (LSEs) to meet their energy or resource adequacy (RA) needs. Matt Langer, Chief Operating Officer, added that the clean back-up for essential facilities program will provide back-up power during Public Safety Power Shutoffs (PSPS) or outages, where storage and solar-plus storage systems would offset energy use.

Chair McKeown inquired about CPUC subsidies, to which Ted Bardacke, Executive Director, responded that the DAC programs' above-market costs will be subsidized by the CPUC. Chair McKeown stated that on a policy basis CPA is still encouraging distributed generation.

COMMITTEE MEMBER COMMENTS

Committee Member Ramirez shared that the organization Elected Officials to Protect California formally asked the Governor to declare a climate emergency and are awaiting a response.

Committee Member Cox inquired about SCE notices on rate increases, and Mr. Langer clarified that SCE rates will go up on October 1st, but the increase will only affect delivery charges and not impact CPA rates.

ADJOURN

Chair McKeown adjourned the meeting at 1:25 p.m.

Return to Agenda

Staff Report – Agenda Item 2

To:	Clean Power Alliance (CPA) Energy Planning & Resources Committee
From:	Matthew Langer, Chief Operating Officer
Approved by:	Ted Bardacke, Executive Director
Subject:	September 2020 Risk Management Team Report
Date:	October 28, 2020

SEPTEMBER 2020 RMT REPORT

Key Actions

- Discussed historical market performance, including impact of September 2020 heat wave events.
- Discussed October load forecast update and ongoing load forecast timeline.
- Reviewed short-term energy position for balance of month October through December and approved energy hedge solicitations.
- Reviewed long-term energy position and approved energy hedge solicitations for 2021 – 2023.
- Reviewed renewable energy and carbon free positions, including impact of SCE hydro allocation, and approved potential transactions.
- Reviewed Resource Adequacy (RA) position and discussed potential changes to RA program rules.

Policy Compliance

No new policy compliance issues to report.

ATTACHMENT

None.

Return to Agenda

Staff Report – Agenda Item 3

To:	Clean Power Alliance (CPA) Energy Planning & Resources Committee
From:	Natasha Keefer, Director of Power Planning & Procurement
Approved by:	Ted Bardacke, Executive Director
Subject:	Disadvantaged Community Programs Request for Offers (RFO)
Date:	October 28, 2020

ATTACHMENT

1) Disadvantaged Community Programs RFO Presentation

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Disadvantaged Community Programs RFO

October 28, 2020

Summary

- In June 2018, the CPUC approved D.18-06-027 which created the Disadvantaged Community[1] Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs (DAC Programs)[2]
  - Promotes development of RPS-eligible projects located in DACs
  - The CPUC funds a 20% discount to eligible low-income DAC customers and reimburses CPA for above-market program costs
- CPA filed an Advice Letter with the CPUC in December 2019 to launch its DAC Programs; CPA is expecting CPUC approval on November 5, 2020
- Once CPA receives approval, it will launch its DAC Programs, including a solicitation for RPS-eligible projects (DAC RFO) that will supply customers once enrolled
  - The DAC Programs will be released using customer-friendly names

(1) Disadvantaged communities (DACs) are geographically defined as the 25% highest scoring census tracts in CalEnviroScreen3.0, a scoring methodology developed by CalEPA
(2) These names reflect the program names from the CPUC Decision

Agenda

- Background on CPUC DAC programs
- CPA program overview
  - DAC Green Tariff
  - DAC Community Solar
- Proposed DAC RFO
- Next Steps

Background

- CPA was allocated 12.19 MW for its DAC-GT program and 3.13 MW for its CS-GT program
- Both the DAC-GT and CS-GT programs provide a 20% overall bill discount to eligible customers
- Program costs are not charged to participating customers; instead, CPA recovers costs annually from the CPUC:
  - Above-market cost for generation[1]
  - 20% bill discount for participating customers
  - Program administration costs
  - Marketing, education and outreach (ME&O) funding
- The following slides describe the DAC-GT and CS-GT programs individually in more detail

(1) Total generation cost must be within the CPUC-set cost cap

DAC Green Tariff Program

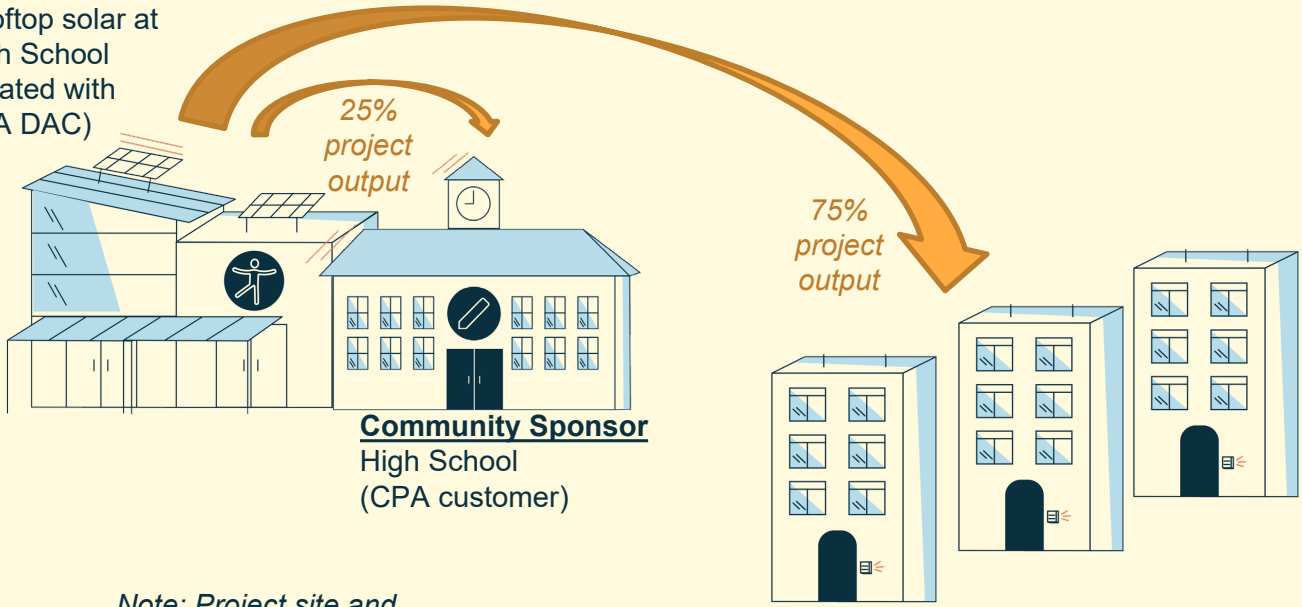
- DAC-GT customers will receive renewable energy from an RPS-eligible project located in a DAC in Southern California Edison (SCE) territory
- Customer enrollment will be available upon the DAC-GT program launch; subscribing customers receive 100% renewable energy
  - CPA has already procured interim DAC-GT resources for 2020 and 2021 in order to launch the program immediately; these interim resources will be phased out when new generation projects are built and operational
- For the DAC-GT program, eligible projects must be sized between 500 kW and 20 MW; however, based on its program allocation, CPA will limit project eligibility to 13 MW
  - Once fully subscribed, the program is expected to serve approx. 5,300 customers

DAC Community Solar Program

- The CS-GT program allows eligible customers to purchase renewable electricity produced by a CS-GT project for up to 100% of their electric usage
- CS-GT customers will receive a portion of the renewable energy output of a local community solar project
- The Project must be physically located within an eligible DAC and located within 5 miles of the benefitting customers' census tracts
- The maximum size of a Project is 3 MW (no minimum)
- Once fully subscribed, the CS-GT Program is expected to serve approx. 1,300 customers
- Each CS-GT project must have a non-profit community-based organization (CBO) or local government entity that sponsors a CS-GT Project on behalf of residents

Community Solar Program - Example

Project Site
Rooftop solar at High School (located with CPA DAC)



Community Sponsor
High School
(CPA customer)

Note: Project site and Community Sponsor do not have to be the same

Enrolled CPA residential customers
Located within DACs within 5 miles of High School; at least 50% customers are low income

Community Solar Program - Community Sponsor

- The sponsor's role is to catalyze community participation in the program. They must:
  - Work with the project developer to encourage program participation, including outreach and recruitment of customer subscribers
  - Lead local job training and workforce development efforts
- The community sponsor may receive supply from the CS-GT Project and 20% bill discount if eligible, but the entity does not need to be eligible for the discount to be the community sponsor
- The sponsor is eligible to receive the CS-GT 20% rate discount if:
  - They are a CPA customer
  - At least 50% of the program is enrolled by low-income customers
  - The sponsor may subscribe to no more than 2 MW of project capacity, and their subscription allocation is capped at 25% of total energy output

Comparison of DAC Programs

	DAC-GT	CS-GT
Customer Income Eligibility	Residential customers eligible for the CARE or FERA low-income programs	Residential customers*; 50% of enrollment reserved for CARE or FERA customers
Customer Locational Eligibility	Customers live within a DAC in CPA territory	Customers live within a DAC census tract in CPA territory that is within 5 miles of a project
Enrollment Cap	2 MW per customer	2 MW per customer
Energy Mix	100% renewable energy based on monthly usage	Customers subscribe to a portion of project capacity based on historical usage
Project Location	Located within a DAC in SCE territory	Located within a DAC in CPA territory
Project Size	500 kW – 13 MW	No minimum; maximum 3 MW
Generation Type	New solar, wind, hydroelectric, or biomass/biogas RPS-eligible front of the meter generating facility	New, RPS-eligible solar, front of the meter generating facility
Community Sponsor	N/A	Projects require a Community Sponsor

*Community sponsor may take commercial service and still be eligible for CS-GT

RFO Evaluation Criteria

- CPA will use its standard 6 evaluation criteria to evaluate project proposals:

$ Value	Development Score	Environmental Stewardship
Workforce Development	Project Location	Benefits to DACs

- In addition, CPA will include the following **workforce development requirements** for all projects:
  - Prevailing wage requirements for all projects with a preference for Project Labor Agreements (PLAs)
  - For projects not committing to PLAs, CPA will request targeted hire commitments

Proposed DAC RFO

- Prior to launching a DAC RFO, CPA must receive approval from the CPUC of its solicitation materials via a Tier 2 Advice Letter[1]
- Given timing of CPUC approvals, CPA may launch its first DAC RFO as early as December 2020 for eligible projects
- CPA expects to procure eligible projects over multiple RFOs, until program caps are met
- CPA will consider projects for 15-year contract terms with an online date no later than 12/31/2023
- CPA will also include a Community Solar Request for Information (RFI) to gather information on interested developers, community sponsors, or site hosts who are not able to submit an offer in this first RFO but are interested in participating in future RFOs
- CPA will use its standard RFO review process, including standard evaluation criteria and an RFO Review Team, including Board Directors, to recommend a shortlist for Energy Committee consideration

(1) A Tier 2 Advice Letter typically has a 30-day review period by the CPUC

Next Steps

- CPA is expecting CPUC approval of its DAC Programs on November 5, 2020
- At that time, CPA will submit its solicitation materials for CPUC approval, which is expected to take 30 days
- CPA's RFO process, selection, and Board approval process will be the same as other long-term energy RFOs
- Once approved by the Board, executed PPAs must be submitted for CPUC approval in order to qualify for cost recovery

Return to Agenda

Staff Report – Agenda Item 4

To:	Clean Power Alliance (CPA) Energy Planning & Resources Committee
From:	Natasha Keefer, Director of Power Planning & Procurement Ted Bardacke, Executive Director
Subject:	Rotating Outages Root Cause Analysis
Date:	October 28, 2020

ATTACHMENT

1) Rotating Outages Root Cause Analysis Presentation

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Rotating Outages Root Cause Analysis

October 28, 2020

Agenda

- Background
- Report summary
  - Main causes of the rotating outages
  - Joint Agencies' policy recommendations
- Opportunities and challenges for CPA

Background

- On August 14 and 15, an extreme West-wide heat event led the California Independent System Operator (CAISO) to institute rotating electricity outages in California
- On October 6, 2020, the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the CAISO (Joint Agencies) released their preliminary root cause analysis of the rotating outages
- On October 12, 2020, the Assembly Utilities and Energy Committee, chaired by Assemblymember Holden, held an oversight hearing with testimony from the heads of the Joint Agencies
- CPA, through CalCCA, has been actively engaged on the discussions related to the outages, including issuing a letter to the Governor on September 9th

Main Causes Identified in the Joint Agency Report

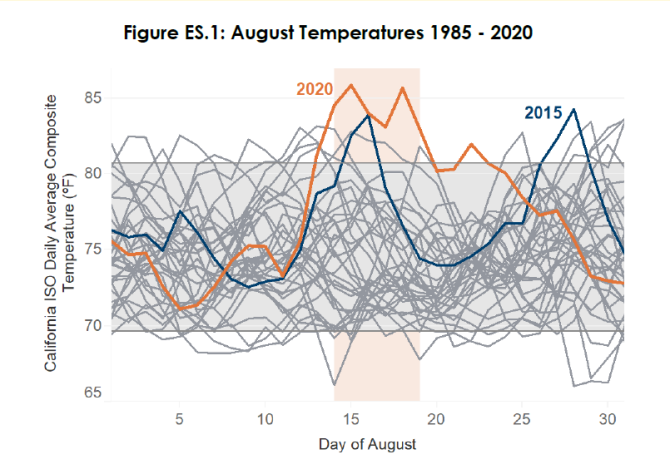
1. **Extreme Demand** - Demand for electricity during a climate-change induced extreme heat storm *across the western United States* significantly exceeded resource planning targets

2. **"Net Peak" Reliability Shortfall** - Resource planning targets, which have traditionally focused on the overall system peak, have failed to spur the development and availability of sufficient reliability resources being available to meet demand in the early evening hours – the "net peak"

3. **Market Practices** - Some practices in CAISO's day-ahead energy market exacerbated the supply challenges under highly stressed conditions

1 High Demand

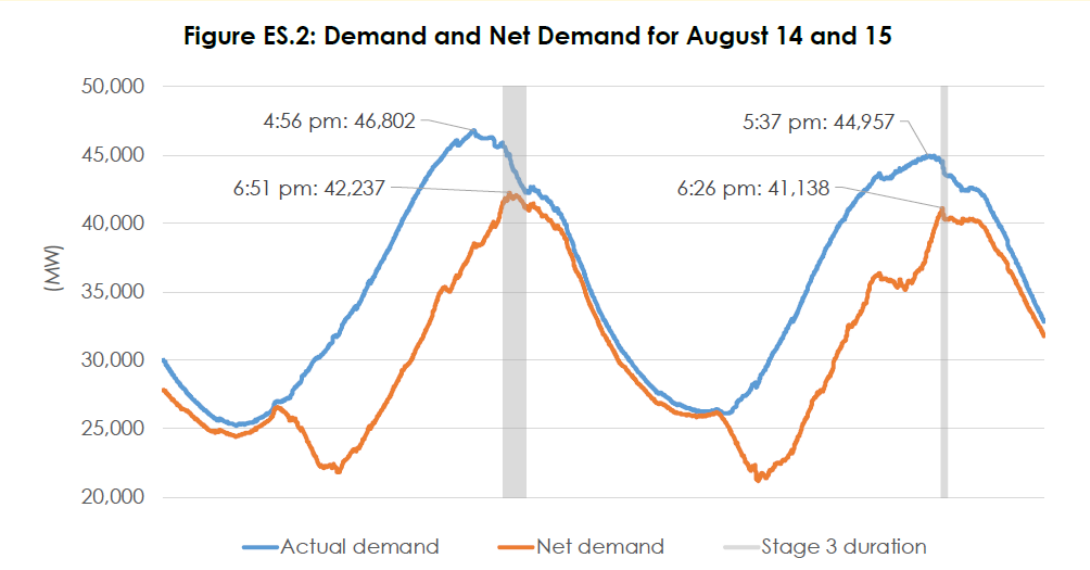
- The heat storm was a 1-in-35-year weather event, while resource planning targets a 1-in-2 weather event



- With climate change we can assume that extreme heat events will be more common and that current resource planning targets are not appropriately calibrated for the full effects of changing weather patterns

2 Reliability Shortfall

- As can be seen from the chart below, the rotating outages occurred after the system peak but coincided with the “net peak” (i.e. demand net of wind and solar supply)



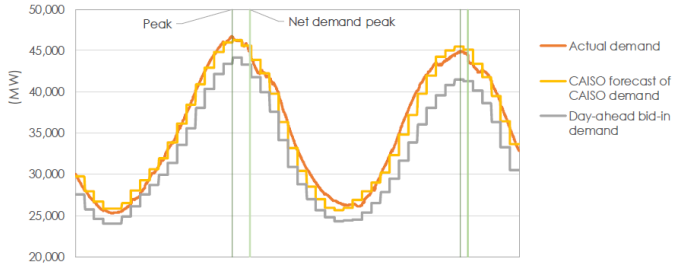
2 Reliability Shortfall (cont.)

- For August 2020, all LSEs met their Resource Adequacy (RA) obligations, which included at 15% planning reserve margin
- However, over the two-day period, the maximum operational need was 2.5% more than the planning reserve margin driven by higher load, reduced resource, and transmission availability
- All resources, except for solar, delivered less energy in real time than they had capacity contracted for in the RA market
- The current RA program was designed around peak demand, not “net peak” demand

3 Market Practices

- At its worst, LSEs were collectively under-scheduled by 7% during the net peak on August 15

Figure ES.7: Comparison of Actual, CAISO Forecast, and Bid-in Demand



Day-ahead bid-in demand below actual:

	8/14	8/15
At peak:	3,386	3,434
Time of net demand peak:	1,792	3,219

- LSEs' load forecasting tools and timeliness of the data driving those forecasts have not been designed to optimally perform in extreme conditions

- In addition, there were several CAISO market operating practices highlighted in the report that exacerbated the CAISO's response to the reliability shortfall

Joint Agencies' Policy Recommendations

1. Update the resource and reliability planning targets to better account for:
   - Heat storms and other extreme events resulting from climate change
   - The changing electricity resource mix during critical hours of grid need
2. Ensure that the generation and storage projects that are currently under construction in California are completed by their targeted online dates
3. Expedite the regulatory and procurement processes to develop additional resources that can be online by 2021, most likely demand response and other flexible resources
4. Coordinate additional procurement by non-CPUC jurisdictional entities, e.g. Publicly Owned Utilities (POUs)
5. Enhance CAISO market practices to ensure they accurately reflect the actual balance of supply and demand during stressed operating conditions

Opportunities and Challenges for CPA

- RA Program reform is critical to ensuring system reliability for customers; however, poor program design could lead to added complexity/costs to comply for CPA
- Increased State focus on facilitating permitting and interconnection of projects under development reduces CPA's contracted project risk
- While CPA has already met and exceeded its current procurement mandates, the CPUC could order additional procurement
- Increased regulatory urgency to address demand response value in the California energy markets could allow CPA to reach untapped customer potential
- Enhanced CAISO market practices could improve load forecasting; however, new practices could fail to address proven issues and unduly penalize good market actors like CPA

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End of Document