MEETING of the Executive Committee of the Clean Power Alliance of Southern California

Wednesday, October 21, 2020

1:30 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 Executive Committee will conduct this meeting remotely.

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

To Participate on Your Computer:

https://zoom.us/j/91443961467

To Listen to the Meeting by Phone:

Dial: (669) 900-9128

Meeting ID: 914 4396 1467

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 during the meeting 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.*

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 AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from September 16, 2020 Executive Committee Meeting

REGULAR AGENDA

2. Rotating Outages Root Cause Analysis
3. Update on Power Charge Indifference Adjustment (PCIA)
4. Review Draft Agenda for November 5, 2020 Board of Directors Meeting

CLOSED SESSION

5. PUBLIC EMPLOYMENT
   (Government Code Section 54957)

   Title: Executive Director

6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
(Government Code Section 54957)

Title: General Counsel

COMMITTEE MEMBER COMMENTS

ADJOURN

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. Public records are available for inspection online at www.cleanpoweralliance.org/agendas.*

MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, September 16, 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 the Board Clerk, 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	Lindsey Horvath	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 August 19, 2020 Executive Committee Meeting

Motion: Committee Member Gold, Beverly Hills
Second: Vice Chair Kuehl, Los Angeles County
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, discussed the Labor Day weekend heat storms, including customer outreach and conservation efforts, emphasizing that the financial impact to the organization could be notable, due to demand spiking on a Sunday, when CPA is less hedged. Mr. Bardacke stated that the Labor Day grid stress differed from the August events in that there were no outages, both imports and renewable energy performed as expected, and a major concern was due a natural gas powerplant going offline, leading to a broader policy discussion on reliability and the importance of diversity in the portfolio. Mr. Bardacke discussed the focus on climate change from both the Governor and the legislative/regulatory arenas that will direct CPA's legislative priorities in the coming year.

Mr. Bardacke also reviewed the retail loads by member jurisdictions for the previous year that provide data to be used in a weighted vote by the Board if ever needed.

Committee Member Zuckerman asked about the number of Time of Use (TOU) customers and how that number can impact conservation efforts. Matt Langer, Chief Operating Officer, indicated that the number was low and that CPA's eventual transition to Residential TOU rates will be accompanied by an educational campaign, but conservation efforts largely rely on customer behavior. Chair Mahmud commented that this customer behavior may be dependent on both the sensitivity of customers to price elasticity and their efforts to conserve energy.

3. Review Draft Agenda for October 1, 2020 Board of Directors Meeting

Mr. Bardacke briefly discussed appointments to the Community Advisory Committee (CAC) and their recent efforts to develop a workplan establishing minimum commitments and goals. Mr. Bardacke also highlighted the power purchase agreement (PPA) item, stating that the project was the last remaining one from the 2018 Clean Energy Request for Offers (RFO) and noted that it scored high in environmental stewardship as it is located on the site of a former natural gas power plant.

Chair Mahmud complemented staff for the recruitment of quality candidates and for running an efficient CAC program. In response to Chair Mahmud's clarifying question regarding the 2020 Clean Energy RFO, Mr. Bardacke stated the RFO would be launched in late October, focusing on procurement priorities for CPA and include lessons learned from previous years' RFO's. Committee Member McKeown thanked staff for the behind-the-scenes work that occurs in finalizing negotiations once the Energy Committee concludes selection and approval of projects. Chair Mahmud inquired about the CalCCA letter referencing the formation of a Joint Powers Authority (JPA)

for cooperative large-scale procurement, to which Mr. Bardacke responded that although CPA participated in the joint Request for Information (RFI), staff did not see an incentive to participate in a procurement JPA just yet, and the current course of action is to pursue long duration procurement through CPA's 2020 RFO.

Mr. Bardacke summarized the COVID-19 Bill assistance item, highlighting that because CPA met its financial thresholds, this permitted the use of additional funds as previously approved by the Board of Directors. Mr. Bardacke noted that the spending of funds would be accounted for as a reduction in revenue to better reflect their use, and this would negate the need for a budget adjustment. Mr. Bardacke explained that the bill assistance program would be reevaluated towards the end of the year as staff considers the potential resumption of customer disconnections in April 2021 and the new statewide ratepayer-funded program that would help reimburse Investor Owned Utilities (IOUs) and Community Choice Aggregators (CCAs) for writing off bad debt for customers at risk of disconnection.

Committee Member Zuckerman asked if and how customer payments bifurcate into delivery and generation charges and how that might affect collections. Staff clarified that payments are applied to the total bill and SCE acts as CPA's collection agent. CPA staff, however, intend to present a collections policy to the Finance Committee that will dictate collection protocol for CPA customers.

4. Update on New Member Expansion Activities

Mr. Bardacke provided an overview of the item, highlighting CPA's reactive approach to requests from interested parties in the last year, rather than a more pro-active approach to expansion. Mr. Bardacke reviewed some of the insight gained in the last year, specifically, that interest from some community members and/or council members may not necessarily be reflective of the overall sentiment of the City; the amount of staff time and effort it took to pursue all requests was significant; and lastly, there were several process improvements to be made for the next year, notably to allow CPA to seek only partial recovery of costs for feasibility studies. Mr. Bardacke noted that staff would also seek feedback on the qualitative evaluation of opportunities for expansion that arise in the next year.

Vice Chair Kuehl explained that as climate change becomes a more prevalent subject, it can be advantageous to invite all interested cities to join CPA with an affordable flat flee. Vice Chair Parks expressed interest in encouraging all surrounding cities to join but keeping in mind equity as expansion occurs. Committee Member Lopez explained that given the financial situations most cities are facing due to the pandemic, it may be more feasible to tie a flat fee to the size of the City, noting that smaller cities require less analysis; and expressed preference for a default rate of 50%

Clean energy because it is cost-neutral. Committee Member McKeown explained that requiring a substantive indication of interest from interested cities along with a possible subsidized feasibility study could mitigate the costs CPA would incur in the process, and noted a preference for allowing cities to join at their preferred rate as a marketing tool for recruitment.

Committee Member Zuckerman asked, if aggressive expansion can be administratively taxing on staff and if it can adversely impact competitive lean rates. Mr. Bardacke responded that broad outreach will require full time staff; noted that inviting cities that were only partially interested to join CPA, may impact the organizational culture; and stated that it was important to conduct some analysis of local internal politics of a city and collaborate with internal staff before dedicating too much staff time in outreach and feasibility. Additionally, David McNeil, Chief Financial Officer, stated that expansion inherently created risk, and having strong financial reserves could mitigate risk, but that CPA was not in that position just yet.

Committee Member Ramirez warned that CPA should remain cautious of overextending staff, the organization and maintaining a cohesive set of values. Vice Chair Parks agreed, but also emphasized the need for competitive rates lower than those of Southern California Edison (SCE), which was important in attracting cities such as Simi Valley which may not have otherwise considered joining CPA. Committee Member Horvath expressed strong support for expansion that maintains a high level of engagement to communities but is also considerate of staff time. Vice Chair Kuehl agreed that it was important not to overwhelm staff but opined that during these times where many local government operations are remote, it could be beneficial to pursue engagement and outreach in that manner. Committee Member Gold asked if enrolling too little or too many cities could affect CPA's financial position and how a city's load composition could play into a feasibility analysis. Mr. Bardacke clarified that timing and market response was more likely to impact CPA's financial position and added that both the mix of commercial and residential customers in a city and the number of subset customers will be a considerable factor in a feasibility study. Lastly, Mr. Langer noted that the usage profile of customers is influenced by the local climate and is an important factor in the analysis that will eventually play into the type of procurement the agency does and what rates will look like in the long run. Committee Member Gold commented that the enrollment process should prioritize those cities that will provide a financial benefit to CPA and acknowledge the city's political climate.

Chair Mahmud agreed with the recommendation to establish a flat application fee, which will be considered an expression of interest to join CPA and a commitment on behalf of cities to providing their residents and businesses substantially lower-cost access to 100% renewable energy. Chair Mahmud added that requiring a default rate would not impede customers' ability to opt-down if they needed to and that it was important to provide education to residents on understanding the components of their

bills. Chair Mahmud also noted that although some local governments continue to conduct business remotely, their staff may not currently have the bandwidth to pursue membership in CPA, but an approach to marketing from an environmental commitment standpoint would be more appropriate. Committee Member Zuckerman noted that shared values were very important in expansion and ensuring that members shared similar goals and establish minimum environmental commitments. Vice Chair Kuehl suggested reaching out to member cities that joined at the lower rate and ask how a default rate requirement would have affected their decision to join CPA.

Mr. Bardacke thanked the Executive Committee for their feedback and indicated that staff would work on a proactive expansion plan in the near future.

COMMITTEE MEMBER COMMENTS

Committee Member Horvath thanked CPA staff for their contribution to preparing recommendations for A/C retrofitting and upgrades in City of West Hollywood.

In response to Vice Chair Kuehl's question about communication on conservation efforts to member agencies, Mr. Bardacke responded that when there is an anticipated need, cities are provided with social media content to push out to their residents.

ADJOURN

Chair Mahmud adjourned the meeting at 3:02 p.m.

Return to Agenda

Staff Report – Agenda Item 2

To:	Clean Power Alliance (CPA) Executive Committee
From:	Ted Bardacke, Executive Director
Subject:	Rotating Outages Root Cause Analysis
Date:	October 21, 2020

BACKGROUND/DISCUSSION

On October 6, 2020, the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the California Independent System Operator (CAISO) (Joint Agencies) released their preliminary root cause analysis of the rotating outages and associated grid stress that occurred throughout the state in mid-August. Three main causes and five suggested policy recommendations were contained in the Joint Agencies' report. 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. Legislators expressed frustration with the Joint Agencies' lack of planning as a whole and clearly communicated a sense of urgency around near-term solutions in advance of next summer.

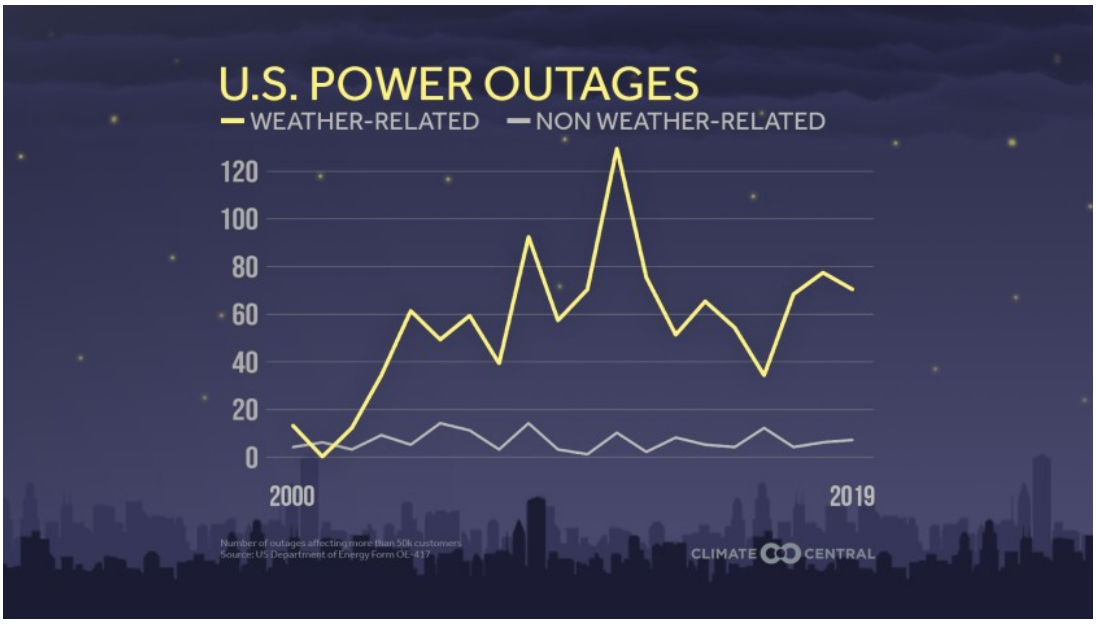
This staff report summarizes the Joint Agencies' root cause analysis and policy recommendations, discusses key items raised by legislators, and concludes with an analysis of challenges and leadership opportunities for CPA over the next year as the policy discussion – which CPA has an opportunity to shape – evolves over the rest of the year and through 2021.

Throughout the root cause analysis and legislative hearing, with a few exceptions, California's near and long-term clean energy future, powered mostly by renewably generated electricity, remains unquestioned. The focus has almost exclusively been on how to make the transition reliable, affordable, and swift.

Root Cause Analysis and Joint Agency Policy Recommendations

The root cause analysis began by maintaining, as the Joint Agencies have from the beginning, that all Load Serving Entities (LSEs) performed to their requirements and played by the rules they were given. Instead, they identified the main causes of the rotating outages as those rules no longer being adequate and appropriate for both a changing climate and resource mix. In particular, the root cause analysis identified the following:

1. **Demand for electricity during a climate-change induced extreme heat storm across the western United States significantly exceeded resource planning targets.** The CEC determined that the long duration and geographic breadth of the heat storm was a 1-in-35 year weather event, while resource planning targets a 1-in-2 weather event.[1] One can quibble with whether 1-in-35 is the right number; nevertheless with climate change we can assume that events like these will become much more common. *It is clear that current resource planning targets are not appropriately calibrated for the full effects of changing weather patterns.*

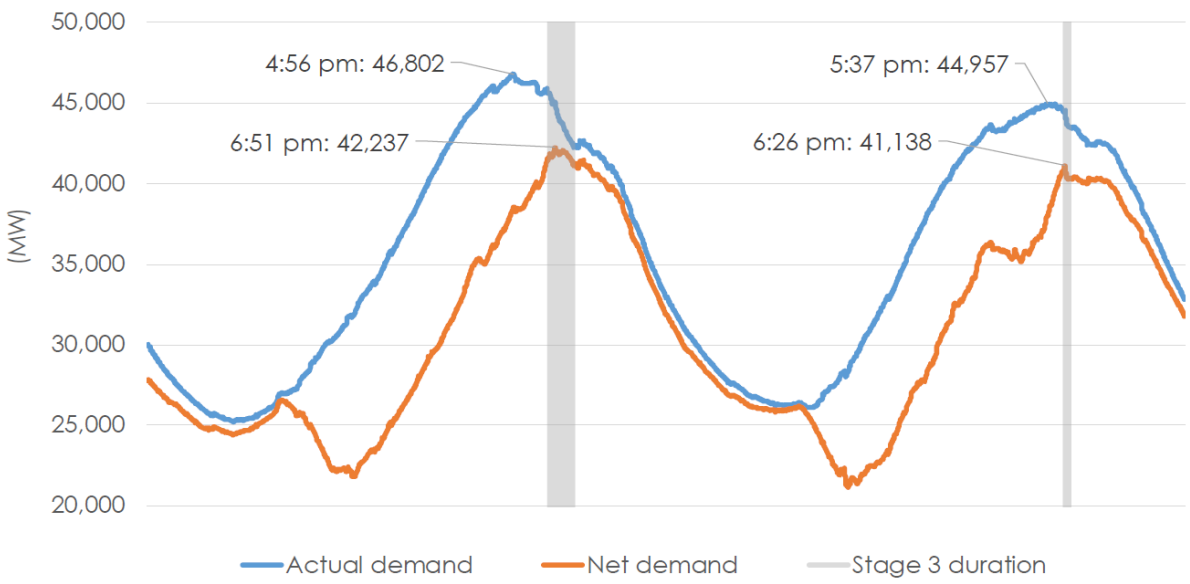


In the past two decades, weather-related power outages have increased substantially while non weather-related outages have remained flat

[1] Four of California's five hottest August days in the last 35 years came this past August. Heat not only drives up electricity demand but sustained heat over several days stresses generation and transmission infrastructure, while associated fires puts key infrastructure at risk.

2. **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."**[2] As can be seen from the chart below, the rotating outages occurred after the system peak but coincided with the net peak.

Figure ES.2: Demand and Net Demand for August 14 and 15



In addition, all resources except for solar, delivered less energy in real time than they had capacity contracted for in the Resource Adequacy (RA) market. Due to outages and other deficiencies, natural gas missed its RA target the most. Sufficient imports were theoretically available, but transmission congestion prevented full delivery. And while demand response delivered significant resources, they were below what had been counted for in the RA capacity market. *It is clear that no one resource type was more responsible for resource deficiencies than others and that individual resource planning targets (called "qualifying capacity") need to be revised; similarly, with the underperformance of the natural gas fleet, these resources should not be automatically deemed reliable.*

[2] The "net peak" is the maximum demand on the system, less the contribution of solar and wind resources.

3. **Some practices in CAISO's day-ahead energy market exacerbated the supply challenges under highly stressed conditions,** including scheduling practices by LSEs, certain bidding practices, and mechanisms for committing the availability of particular resources. This is the most technically complicated of the three root causes, as it looks at a series of market design and industry practices that have developed over time but collectively caused problems in managing the grid in real time. The issue that has caught the most attention of media is load forecast error by LSEs, including CCAs, in the day-ahead market. Overall, at its worst, LSEs were collectively under-scheduled by 7% during the net peak on August 15. While we do not know at this time which LSEs performed better or worse than this average and with the understanding that load forecasts always deviate from actual load,[3] *it is clear that LSEs' load forecasting tools and timeliness of the data driving those forecasts have not been designed to optimally perform in extreme conditions.*

The Joint Agencies offered up five near-term actions they would be focusing on as a result of the August events and subsequent root cause analysis. These five are:

1. Update the resource and reliability planning targets to better account for:
    a. heat storms and other extreme events resulting from climate change;
    b. 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)

[3] This issue is particularly acute during COVID-19 load conditions, which deviate significantly from historic norms.

5. Enhance CAISO market practices to ensure they accurately reflect the actual balance of supply and demand during stressed operating conditions

The challenges and opportunities for CPA presented by these five recommendations are discussed in a later section of this staff report.

Legislative Oversight Hearing

The overarching theme of the October 12 legislative oversight hearing was a perceived lack of urgency on the part of the Joint Agencies to act quickly in the face of a transition that has long been known was coming but not adequately planned for. Whether this frustration turns into more timely decisions and nimble cooperation among the Joint Agencies – particularly in advance of next summer and the planned retirement of Diablo Canyon in 2025[4] – remains an open question.

Other recurring subjects raised were the potential need for a long duration storage legislative requirement and questions as to whether the 15% planning reserve margin needed to be increased. Both of these changes would require significant cost/benefit analysis and in the case of long duration storage, a legislative mandate would almost certainly focus on some of the highest cost resources with long lead times.

Leadership Opportunities and Challenges for CPA

Staff have identified challenges and opportunities linked to four of the five near-term recommendations made in the Joint Agencies report. These are summarized in the table below.

[4] Diablo Canyon Nuclear Power Plant supplies approximately 10% of California's energy needs on a 24/7 basis.

Joint Agencies Recommendation	Opportunity	Challenge
1) Update resource and reliability planning targets.	Fixing current issues with the RA Program and enhancing program design to improve system reliability would support CPA's fast transition to a clean energy supply without significantly impacting competitiveness.	Poor RA Program design could lead to added complexity/costs to comply, thus increasing costs to customers.
2) Ensure current construction timelines are met.	Reduces project delivery risk.	None.
3) Procure additional demand response/flexible resources for 2021.	CPA has 2x the 2021 required resources already procured, so CPA could meet a significant new procurement mandate without taking any action, thus improving competitiveness. Lends more urgency to processes that could unlock more value for demand response.	CPUC could order additional procurement.
4) Coordinate procurement with POUs.	NA	NA
5) Enhance CAISO market practices.	Could improve timeliness of load data transfer from SCE as more timely data could lead to better load forecasting.	New practices could fail to address proven issues and instead unduly penalize good market actors like CPA.

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Staff Report – Agenda Item 3

To:	Clean Power Alliance (CPA) Executive Committee
From:	Matt Langer, Chief Operating Officer
Approved by:	Ted Bardacke, Executive Director
Subject:	Power Charge Indifference Adjustment (PCIA) Undercollection Trigger Update
Date:	October 21, 2020

RECOMMENDATION

Receive and file.

ATTACHMENT

1) PCIA Undercollection Trigger Update Presentation

CLEAN POWER ALLIANCE
Locally powered energy innovation.

Item 3
PCIA Undercollection Trigger

October 21, 2020

PCIA Undercollection Trigger

- As expected, SCE's PCIA Undercollection Balancing Account (PUBA) exceeded the 7% trigger threshold in August
  - SCE had 60 days to file an expedited Application with the CPUC with a plan to bring the balance below the threshold
  - The PUBA undercollection is a result of capped 2020 PCIA rates
- SCE filed the Trigger Application on October 9, indicating that it forecast the PUBA balance to reach $68.6 million by year-end, of which approximately $57.3 million is the responsibility of CPA's customers
- SCE has proposed two options for recovery of the PUBA balance in 2021, both options include a 12-month amortization period
  - Option 1 would amortize the full PUBA balance on top of potentially capped 2021 PCIA rates
  - Option 2 would amortize 80% of the PUBA balance as part of uncapped 2021 PCIA rates

PUBA Considerations

- Three key pieces impact CPA's 2021 rates: SCE's ERRA Generation Rate, the PCIA, and PUBA
- SCE ERRA Generation Rate and PCIA trends
  - Earlier in the year, SCE's generation rates were on track to go down significantly in 2021 due to lower than expected CAISO market prices
  - Heat events in August and September have reversed this trend, leading to upward pressure on SCE ERRA rates
  - The same market forces are leading to downward pressure on 2021 PCIA rates
- Staff is evaluating all the available information to assess the best position to take on the two options presented in SCE's PUBA trigger filing
  - SCE's November ERRA update will provide a good indication of 2021 ERRA and PCIA rates, although CPA will likely be required to respond to the PUBA Application before then

Return to Agenda

Staff Report – Agenda Item 4

To:	Clean Power Alliance (CPA) Executive Committee
From:	Ted Bardacke, Executive Director
Subject:	Review Draft Agenda for November 5, 2020 Board of Directors Meeting
Date:	October 21, 2020

Staff will provide an overview of the proposed agenda items for the November 5, 2020 Board of Directors meeting for review and feedback from the Executive Committee. The Draft Board agenda is attached to this staff report. Information on the main items for Board consideration is provided below.

CONSENT AGENDA

The following items are recommended for inclusion on the Consent Agenda of the November Board meeting.

2021 Meeting Schedule

The 2021 Meeting Schedule for CPA's Board and standing Committees will be presented at the November 5th meeting (Attachment 2). The proposed schedule follows CPA's current meeting cadence.

Legal Service Agreement (LSA) for RFO and Regulatory Support Services

With the conclusion of negotiations for the Estrella Solar + Storage contract, which is set for consideration at the November 5th Board meeting, the scope of work under the current LSAs with Clean Energy Counsel ("CEC") and Keyes & Fox will have effectively been completed. New agreements are needed for projects resulting from the 2020 Clean Energy RFO, which launches later this month. Staff intends to bring new LSAs with CEC and Keyes & Fox and will leverage the rate structures used successfully in the 2018 and

2019 RFOs. Since Keyes & Fox also provides CPA regulatory support services, the regulatory scope of work will be included in the new LSA.

Energy Resource Planning Tools Contract

Staff will be proposing a contract for Production Cost Modeling Software and As-Needed Services. The software solution will support CPA's effort to bring power portfolio and integrated resources planning (IRP) functionalities in-house. CPA released a Request for Proposals (RFP) on August 7, 2020 and received 7 responses. The specialized software being contracted for is commonly used for energy planning functions and will be primarily used by CPA's Energy Resource Planner as well as meet other analytical needs of the power procurement and risk management teams.

REGULAR AGENDA

The following items are recommended for inclusion on the Regular Agenda of the November Board meeting.

Power Purchase Agreement– 2019 Clean Energy RFO

In October 2019, CPA launched its 2019 Clean Energy RFO targeting procurement of 1-2 million MWh of annual renewable energy. CPA received a robust response to the Utility Scale Track of the RFO from 59 conforming renewable and renewable plus storage projects. On January 22, 2020, the Energy Committee approved a shortlist of projects that were recommended by a team of reviewers, consisting of three Board members from the Energy Committee and senior CPA staff, to proceed with PPA negotiations. CPA entered exclusive negotiations for eight renewable or renewable plus storage projects for contracts 15 years in length or longer.

Per CPA's Energy Risk Management Policy, any power purchase transactions greater than five years require approval by the Board. To date, the Board has approved five projects from the Utility Scale Track of the 2019 Clean Energy RFO. Staff will be bringing the last remaining short-listed project still under negotiation, a Solar + Storage project, to the November Board meeting for consideration.

This project is the one local project (Los Angeles County) selected for shortlisting in the Utility Scale Track of the 2019 Clean Energy RFO. In addition to the local economic and workforce development opportunities enabled by this project, it will also help fulfill CPA's long-term contracting compliance obligation, lower CPA's renewable energy costs, and expand the overall supply of renewable energy and storage capacity in California.

Presentation on FY 2019-2020 Financial Statements

David McNeil, Chief Financial Officer, will provide a short presentation on the results of CPA's annual independent fiscal audit of its FY 2019-20 Financial Statements. The audit is currently ongoing and staff will present the audit results in detail to the Finance Committee on October 28, 2020. The Auditors' Report is expected to include its opinion that CPA's FY 2019-20 Financial Statements "present fairly, in all material respects, the financial position of Clean Power Alliance as of June 30, 2020". In addition to providing an overview of CPA's financial results for the previous fiscal year, Mr. McNeil will also provide an update regarding enhanced financial reporting that CPA plans to make available later in November.

CPA Power Response Update

In October 2019, the CPA Board approved a services agreement with Calpine and Olivine for the implementation of a 12-18 month Distributed Energy Resources (DER) pilot program, called Power Response. DERs are local, geographically dispersed energy resources or technologies that enable customers to increase, shift or reduce load during certain times of the day, and load reductions from DER demand response can be aggregated and sold as a resource in the CAISO market. The Power Response program provides incentives for customers with existing DER technologies to enroll into the program to participate in demand response events. Goals for the pilot included pursuing CPA policy and program objectives in the demand response and grid resiliency area, achievement of benefits to customers such as saving money and benefiting from existing DER investment, and the testing of procurement goals such as wholesale market participation of DERs, avoided RA and wholesale market purchases, and revenue from bidding DER capacity.

The program launched in February 2020 for customer enrollment and is now in its 9th month. Steady enrollment has occurred in the residential smart thermostat segment of the program, however other areas (commercial EV/battery storage and residential battery storage) are currently far under target enrollment. The program entered its operational phase in late August 2020, when it called its first demand response event for smart thermostat customers. The program was also activated during CAISO Flex Alert and Grid Alert events during September to reduce strain on the grid. To date, 15 Power Response events have been called. Though wholesale market participation of DERs has yet to be tested as current program enrollment does not yet meet the minimum CAISO aggregation levels, per customer event performance has so far exceeded initial projections.

At the November Board meeting, CPA staff will be presenting lessons learned from the ongoing pilot and current thinking for the future of the Power Response program. Key components for the program's future include:

- Shifting the customer acquisition role to a third-party implementer that will leverage that implementor's vendor/installer network
- Expansion of Power Response's support for the cost-effective installation of new demand response enabled equipment
- Scaling the program to a necessary size that allows CPA to realize procurement benefits and other cost savings
- Continuation of CPA's ability to "white label" the marketing/branding (or co-brand) existing program
- Continuation of incentives for demand response participation in addition to sign-up and potentially equipment incentives
- Leveraging CPA's upcoming EV charger incentive program to drive demand response enrollment

Staff plans to develop an RFP for a third-party implementor that will administer the program at the conclusion of the pilot period.

ATTACHMENTS

1) Draft November 5, 2020 Board Meeting Agenda
2) 2021 Board and Standing Committees Meeting Schedule

REGULAR MEETING of the Board of Directors of the Clean Power Alliance of Southern California

Thursday, November 5, 2020

2:00 p.m.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from October 1, 2020 Board of Directors Meeting
2. Approve 2021 Board of Directors and Standing Committees Meeting Schedule
3. Approve Legal Service Agreement for RFO and Regulatory Support Services
4. Approve Energy Resource Planning Tools Contract
5. Receive and File Community Advisory Committee Monthly Report

REGULAR AGENDA

Action Item

6. Approve Power Purchase Agreement– 2019 Clean Energy RFO

Information Items

7. Presentation on FY 2019-2020 Financial Statements
8. CPA Power Response Update

MANAGEMENT UPDATE

COMMITTEE CHAIR UPDATES
Director Lindsey Horvath, Chair, Legislative & Regulatory Committee
Director Julian Gold, Chair, Finance Committee
Director Kevin McKeown, Chair, Energy Planning & Resources Committee

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON DECEMBER 3, 2020

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CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
2021 DRAFT MEETING SCHEDULE

STANDING MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board of Directors 2:00 PM, 1st Thursday	7	4	4	1	6	3	1	DARK	2	7	4	2
Board Meeting Locations	**In-Person**: Varies, please refer to posted Meeting Agendas for locations.											
	Remote: Ventura County Hall of Administration, City of Calabasas, City of Whittier											
Executive Committee 1:30 PM, 3rd Wednesday	20	17	17	21	19	16	21	18	15	20	17	15
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA											
	Remote: Ventura County Hall of Administration, City of Beverly Hills											
Legislative & Regulatory Committee 10:00 AM, 4th Wednesday	27	24	24	28	26	23	28	25	22	27	24	TBD
Finance Committee 11:00 AM, 4th Wednesday	27	24	24	28	26	23	28	25	22	27	24	TBD
Energy Planning & Resources Committee 12:15 PM, 4th Wednesday	27	24	24	28	26	23	28	25	22	27	24	TBD
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA											
	Remote: Varies, please refer to posted Meeting Agendas for locations.											
Community Advisory Committee 1:00 PM, 3rd Thursday	21	18	18	22	20	17	22	19	16	21	18	16
Meeting Locations	**In-Person**: Clean Power Alliance Office – Downtown LA											
	Remote: Ventura County Hall of Administration, City of Whittier											

~~Red Strikeout~~ indicates cancelled meeting, and **Red Font** indicates new meeting date. Agendas are available at www.cleanpoweralliance.org/agendas at least 72 hours prior to the meeting. For questions, please contact the Clerk of the Board at clerk@cleanpoweralliance.org or 213-713-5995. *Last updated: XXXXXX*

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