

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, November 5, 2020, 2:00 p.m.

MINUTES

The Board of Directors 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 2:01 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Reata Kulcsar	Alternate	Remote
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Meghan Sahli-Wells	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens			Absent
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Christine Shen	Alternate	Remote
15	Manhattan Beach	Nancy Hersman	Director	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Remote
19	Paramount	Adriana Figueroa	Alternate	Remote
20	Redondo Beach	Christian Horvath	Director	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Kevin McKeown	Director	Remote
23	Sierra Madre	John Capoccia	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City			Absent
27	Thousand Oaks			Absent
28	Ventura City			Absent
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no 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 and Authorize the Executive Director to Execute a Professional Legal Services Agreement with (a) Keyes and Fox, LLP and (b) Clean Energy Counsel
4. Approve Professional Services Agreement with Energy Exemplar Pty Ltd for Production Cost Modeling Software and Related Services and Authorize the Executive Director to Execute Agreement
5. Approve Professional Services Agreement with EcoMotion for Consulting Engineering Services and Authorize the Executive Director to Execute Agreement
6. Receive and File Community Advisory Committee October Meeting Report

Motion: Director Calaycay, Claremont

Second: Vice Chair Kuehl, Los Angeles County

Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

7. Approve a 15-Year Renewable Power Purchase Agreement with Estrella Solar, LLC and Authorize the Executive Director to Execute the Agreement

Natasha Keefer, Director of Power Planning & Procurement, discussed the 2019 Clean Energy RFO, noting that the RFO helped CPA meet customers' large

renewable energy demands, capture better value than short-term renewable energy contracts, and meet regulatory obligations under SB 100 and SB 350. Ms. Keefer reviewed projects currently under contract with CPA that make up a third of CPA's energy load, with the Estrella Project being the first renewable energy PPA located in CPA's service territory. Ms. Keefer reviewed the RFO valuation results, provided a project overview, rationale, and evaluation summary, noting that in addition to providing positive economic value to CPA, the project was selected for its location and workforce development commitment to hiring disadvantaged workers.

Joe Sullivan of the International Brotherhood of Electrical Engineers provided oral public comment in support of the item. Luis Amezcua of the Sierra Club provided written public comment in support of the item.

Motion: Director Horvath, West Hollywood
Second: Director Ashton, Downey
Vote: Item 7 was approved by a roll call vote.

8. Approve Executive Director Salary Adjustment

Board Chair Mahmud provided a brief introduction of the item, stating that the Executive Committee, at its March 18, 2020 meeting, conducted its annual performance review of the Executive Director. At its May 7, 2020 meeting, amid significant economic uncertainty regarding the effects of the COVID-19 pandemic, Chair Mahmud stated that the Board reviewed the Executive Director's performance in Closed Session. At its October 21, 2020 meeting, the Executive Committee once again reviewed the Executive Director's performance in the context of CPA's recent financial and operational outcomes. Chair Mahmud explained that the proposal before the Board was a 10% increase of the Executive Director's present salary, retroactive to April 2020, with the understanding that the Executive Director will forego his contractual opportunity to seek another salary adjustment in 2021. Chair Mahmud noted that even with the proposed salary increase, the Executive Director is the lowest compensated leader among the seven largest Community Choice Aggregators organized as Joint Powers Authorities in California.

Motion: Director McKeown, Santa Monica
Second: Vice Chair Parks, Ventura County
Vote: Item 8 was approved by a roll call vote.

9. Presentation on Fiscal Year 2019-2020 Financial Statements and Budget to Actual Report

David McNeil, Chief Financial Officer, reported that in May 2020, the Finance Committee selected Baker Tilly to perform an audit of CPA's FY 2019-2020 Financial Statements and as a result, the auditor found no material issues with CPA's reporting or internal controls and issued an unqualified or "clean" audit opinion. Mr. McNeil stated that the agency met its financial objectives in FY 2019-20 and entered the current fiscal year in sound financial health and increased its' net position by \$30.6 million and added \$27 million to the recently created Fiscal Stabilization Fund. Mr. McNeil reviewed in detail CPA's balance sheet as of June

30, 2020, and financial indicators, which demonstrate that CPA reduced its leverage and increased its' liquidity. Mr. McNeil provided a detailed overview of the base budget and the actual budget and noted that electricity revenue was up due to lower customer opt-outs and proceeds from a settlement with Southern California Edison (SCE). Mr. McNeil stated that the cost of energy exceeded the base budget due to higher loads as a result of lower opt-outs and discussed the operating income which was within 2% of the base budget target.

Chair Mahmud asked when staff anticipates CPA will reach investment grade, to which Mr. McNeil clarified that once a credit rating agency is selected, staff will have a better idea of timing. Director Gold, Chair of the Finance Committee, commented that the auditors provided a thorough report of their findings and commended management for excellent financial results.

10. CPA Power Response Pilot Program Update

Tyler Aguirre, Customer Programs Manager, reviewed program history and goals, explaining that demand response allows customers to be active participants in the management of the electric grid by reducing or shifting electricity usage during peak periods and highlighted some of the program goals including working with customers to maximize existing assets and help CPA understand the market. Ms. Aguirre reviewed the benefits of the program, specifically that it reduces wholesale energy purchases, creates opportunities for wholesale market revenues from aggregated customer reductions, and enhances grid reliability. The pilot program was arranged in three technology pillars that addressed different customer segments but focused on existing customer technology: EV Charging, Solar + Storage, and Smart Thermostat. Ms. Aguirre reviewed residential and commercial marketing and enrollment statistics and some lessons learned, noting that customer acquisition requires a different approach, especially in the commercial sector and that CPA should work in partnership with trade allies already in the market space to enhance customer acquisition. Lastly, Ms. Aguirre discussed next steps for the program, including scaling the program with a scheduled Request for Proposals (RFP) in 2021, and noted that CPA will retain a high level of program implementation oversight that is critical to its success.

Director Zuckerman asked if the program includes installation or feed-in tariff incentives, and Ms. Aguirre clarified that there is an enrollment incentive for signing up and a participation incentive based on how much a customer is willing to reduce their demand during peak events. Director Sahli-Wells commented that the California Green Business Network might provide a more targeted commercial customer base.

Chair Mahmud noted that SCE's Air Conditioning Plan received negative press when participating customers' AC's did not turn back on after high peak events and asked how the Ecobee application worked to prevent something similar from happening to customers. Ms. Aguirre clarified that the Ecobee app allows customers to control their thermostats and override notifications during demand response events. Chair Mahmud also inquired about other CCA's programs, and Ms. Aguirre explained that other CCA's have faced similar challenges engaging commercial customers, and CPA staff is learning from those challenges and will incorporate feedback into the future of the program.

CLOSED SESSION

11. PUBLIC EMPLOYMENT- LABOR NEGOTIATION (Government Code Section 54957.6)

CPA Designated Representatives: Chair Diana Mahmud, Vice Chair
Sheila Kuehl, and Vice Chair Linda Parks
Unrepresented Employee: Ted Bardacke, Executive Director

This item was pulled from the agenda.

MANAGEMENT UPDATE

Ted Bardacke, Executive Director, briefly discussed the 2019 Power Content Label (PCL) customer communication and noted that in 2020, the PCL will undergo further formatting changes, adding GHG emission intensities. In response to Director Zuckerman's questions about the PCL, Mr. Bardacke clarified that the PCL must follow the statutory format and SCE's PCL will also show their three rates.

Mr. Bardacke reviewed the financial impact of the COVID-19 pandemic and the root cause analysis released by the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), and the California Independent System Operator (CAISO). Lastly, Mr. Bardacke announced that Sierra Madre and Malibu changed their default rate from Clean Power to 100% Green Power; and that the CPUC approved CPA's Community Solar Program, "Power Share," with Commissioner Guzman Aceves thanking CPA for its' role in promulgating the program.

Vice Chair Kuehl asked where there might be an opportunity to affect the recommended solutions of the root cause analysis. Mr. Bardacke noted that CPA is already ahead of the curve with its early battery storage activities but will continue to play a leadership role by pushing forward changes in regulation and policy relating to demand response programs. Director Hersman noted that Manhattan Beach will be considering a change in default rate to 100% Green Power; Director Capoccia added that customers' ability to opt-out of CPA rates helped reduce resistance to changing a default rate in Sierra Madre; Director Ellison encouraged other cities to seize the opportunity to switch to 100% Green Power and congratulated CPA for its tremendous impact in the transition to renewable energy; and Director Ramirez echoed those comments.

In response to Director Zuckerman's questions regarding SCE data transfers, Mr. Bardacke clarified that data latency remains a challenge that is being addressed with SCE.

COMMITTEE CHAIR UPDATES

Director Horvath, Chair of the Legislative & Regulatory Committee, reported that the Committee approved to recommend a 2021 Legislative & Regulatory Policy Platform to the Board.

Director Gold, Chair of the Finance Committee, reported that the Committee discussed the audit and financial results of the agency.

Director McKeown, Chair of the Energy Committee, reported that the Committee reviewed the 2020 Clean Energy RFO and discussed the root cause analysis.

BOARD MEMBER COMMENTS

Director Horvath of Redondo Beach congratulated Board Members who won reelection and commented that the Southern California Gas company has visited some cities in an effort to share their Balanced Energy proposal and encouraged Board Members to be cautious. Director Zuckerman echoed Director Horvath's comments.

REPORT FROM THE CHAIR

Board Chair Mahmud congratulated Board Members who won reelection and thanked departing Board Members Sahli-Wells, Peak, Hersman, Johnston, Capoccia, and Ramirez, for all their work on the CPA Board of Directors.

ADJOURN

Chair Mahmud adjourned the meeting at 4:10 p.m.