

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, March 4, 2021 2:00 p.m.

The Board of Directors 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

Chair Diana Mahmud called the meeting to order at 2:00 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	Mary Sue Maurer	Director	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson			Absent
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens	Ramie Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Steve Uhring	Alternate	Remote
15	Manhattan Beach	Hildy Stern	Director	Remote
16	Moorpark			Absent
17	Ojai	William Weirick	Alternate	Remote
18	Oxnard			Absent
19	Paramount	Vilma Cuellar Stallings	Director	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	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City			Absent
27	Thousand Oaks	Bob Engler	Director	Remote
28	Ventura City	Joe Yahner	Alternate	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Brad Halpern	Alternate	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

Harvey Eder provided public comment.

CONSENT AGENDA

1. Approve Minutes from February 4, 2021 Board of Directors Meeting
2. Receive and File Q2 Financial Report
3. Receive and File Q4 Risk Management Team Report
4. Approve Amendments to the Net Energy Metering (NEM) Policy Effective May 1, 2021
5. Approve Amendment to the Non-Energy Public Contracting Policy
6. Approve Two (2) New Appointments to Fill Vacancies on the Community Advisory Committee Representing Ventura County Areas
7. Receive and File Community Advisory Committee Monthly Report

Motion: Director Parkhurst, Sierra Madre

Second: Director Calaycay, Claremont

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

REGULAR AGENDA

8. Approve a Support Position on Senate Bill (SB) 612 in the 2021/2022 Legislative Session

Gina Goodhill, Policy Director, provided a summary of the impact of the Power Charge Indifference Adjustment (PCIA) on CPA customers. Ms. Goodhill explained that millions of utility customers have transitioned from Investor-Owned

Utilities (IOUs) electric service to Community Choice Aggregators (CCAs), and customers continue to bear cost responsibility with IOU customers for legacy resources purchased on their behalf. However, only IOU customers currently have the right to access the benefits of these resources, such as renewable energy, GHG free energy, and resource adequacy. A working group, including CalCCA and Southern California Edison (SCE), filed a consensus proposal with the CPUC in February 2020 that would require utilities to optimize their energy portfolios by more actively managing contracts and increase transparency in the PCIA process to save costs for all customers. This joint proposal has not been given any procedural consideration in over a year. Ms. Goodhill noted that SB 612 would provide CCA customers an equal right to receive legacy products that were procured on their behalf in proportion to their load share. Ms. Goodhill added that the bill would also require the CPUC to recognize the value of GHG-free energy and any new products; require IOUs to transparently solicit interest from legacy resource contract holders to reduce costs from these contracts and require IOUs to offer remaining excess legacy resource products to the wholesale market in an annual solicitation. Lastly, the bill could help CCAs lower procurement costs overall and improve transparency for all customers.

In response to Director Zuckerman's question regarding retroactive benefits of the bill, Ms. Goodhill clarified that it did not provide retroactive benefits, which highlights the significance of passing this legislation as soon as possible. Director Horvath, West Hollywood, commented that the Legislative & Regulatory Committee highly recommended the support position on the bill and noted that it does not only financially benefit CPA, but also helps to leverage local control and protect cities. Director McKeown noted that CPA has not been able to include legacy resources as part of its procurement mandates, and this bill will allow for that to happen. Director Maurer added that the City of Calabasas has invited a CPUC representative and will use the opportunity to communicate the importance of SB 612 and asked about opposition to the bill; Ms. Goodhill explained that there is currently no opposition. Director Zuckerman asked if legal action was an option if remedy was not possible through legislative and regulatory efforts. Matt Langer, Chief Operating Officer said that CPA has not been able to identify a legal avenue to achieve a similar outcome. Director McKeown asked for a list of co-authors, and Ms. Goodhill clarified that additional co-authors have signed on to support the bill and an updated list can be shared with Board members; Chair Mahmud added that Senator Allen has signed on as a co-author.

Harvey Eder provided public comment.

Motion: Director McKeown, Santa Monica
Second: Director Horvath, Redondo Beach
Vote: Item 8 was approved by a roll call vote.

9. Approve Proposed Salary Grades and Ranges for CPA Employees

Monique Edwards-Greer, Director of Technology, Data, and People, presented the item, noting that CPA has conducted a salary and benefits benchmark study in collaboration with three other Community Choice Aggregators (CCAs), intending to establish a competitive compensation structure to attract and retain talent and

accommodate career development for existing staff, while also establishing internal policies and guidelines for ongoing administration. Dr. Edwards-Greer noted that it was important that salary ranges be adaptable to a growing organization while recognizing highly specialized positions with broad job responsibilities. Dr. Edwards-Greer explained that the four participating CCAs and the consultant, Mercer, established 27 benchmark jobs, evaluated compensation, explored short-term incentives to understand total cash compensation (TCC), and evaluated CPA's benefits package. The study included compensation data from the participating CCAs, general industry, energy utility, and public sector data for the establishment of base salary and TCC. The study found that CPA's pay is approximately 6% below the CCA perspective median, with base salary within 10% of market median against three supplemental perspectives: general industry, utilities/energy, and public sector. The TCC is less competitive against the market, and the benefits package is competitive, except when compared to public sector organizations that offer rich benefits to make up for a lack of incentive pay. In aggregate, Dr. Edwards-Greer stated that CPA has a strong foundation to build on and there are opportunities to align with the market and enhance the competitiveness of the overall benefits package. Dr. Edwards-Greer reviewed the gap analysis in detail for each perspective, provided an analysis of the benefits valuations, emphasizing that CPA ranked 4% above the market median with most benefits ranking competitively, except for short-term disability. Dr. Edwards-Greer noted that the Executive Committee provided input on methodology to establish salary ranges in addition to base salary, including the establishment of ranges between the 50th and 75th percentile of benchmarks; inclusion of TCC benchmarks into the salary ranges; non-executive jobs should use a combination of appropriate industry benchmarks; establishment of salary ranges should not automatically translate into a significant increase in per employee salary costs in FY 2021/22. The final salary ranges were developed with Executive Committee feedback in mind and includes the following phases: build minimum salary entry points with expected pay progression; assign each job to a grade based on the target market pay; make internal equity adjustments based on internal considerations. Dr. Edwards-Greer reviewed the proposed salary grades and ranges, and their approval will not by themselves cause a significant increase in staffing costs, but rather provide guidance to salary administration and decisions moving forward. Lastly, Dr. Edwards-Greer stated that approved grades and ranges will guide CPA in employee evaluations, recruitment efforts, and in further developing job architecture.

Director Parkhurst expressed support for the item. Chair Mahmud added that she and Directors Santangelo and Gold participated in development of the salary grades. She noted that CPA is the largest CCA in the country and with only 35 employees, will be meeting its clean energy portfolio requirements ten years in advance of applicable law. Chair Mahmud noted that though salary ranges are larger than Board members are accustomed to seeing as public agency policymakers; considering the very detailed and technical responsibilities of CPA's employees, attractive salary ranges are necessary. Director Horvath thanked staff for their work in helping CPA to be of great impact to the communities it serves but also to the broader industry and expressed support for providing not only competitive salary ranges but also career development opportunities. Vice Chair Kuehl expressed appreciation for the input of the Executive Committee and the research conducted to incorporate a balance of monetary compensation and

benefits. Vice Chair Kuehl pointed out that a key consideration in building a salary structure was the specialized nature of some of the positions at CPA and the need to compete and appreciated the consideration of the spread of the lowest and highest parts of the salary structure in comparison to the spreads found in the private sector. Vice Chair Parks echoed appreciation for staff and cautioned that salary ranges be sensitive to budget pressures and that CPA continue to operate in a fiscally conservative manner. Director McKeown stated strong support for the proposed salary ranges, noting that it reflects consideration for social justice; reflects maturation of the organization; and noted that the staffing budget is much less than it is in a municipal budget, with most of CPA's money going towards energy procurement and customer programs.

Motion: Director McKeown, Santa Monica
Second: Director Gold, Beverly Hills
Vote: Item 9 was approved by a roll call vote.

10. Arrearage Management Plan Presentation

The Arrearage Management Program (AMP) was presented by Sherita Coffelt, Director of External Affairs. The statewide moratorium on electricity disconnections expires on June 30, 2021, and CPA will participate in AMP to support customers in need of help to pay down past-due balances and allow CPA to recover money owed to it by customers with past due bills. Under AMP, eligible customers who make on-time payments of their current bill (including both CPA and SCE charges), can eliminate one-twelfth of their past due balances. After 12 on-time payments, up to \$8,000 of past-due balances would be forgiven. CPA would be reimbursed for this past due amount by SCE, who would, in turn, get cost recovery through the Public Purpose Program funds. As of mid-February, CPA has approximately 13,000 customers owing over \$5.9 million to CPA who qualify for AMP. CPA will be promoting AMP with the objectives of collecting at least \$1 million annually through AMP; support Power Share Program enrollment; connect customers to bill assistance programs and build CPA's awareness in the communities it serves. Ms. Coffelt noted that a CPA-branded bill assistance campaign will launch in March and targeted outreach will begin in June and staff will develop a webpage, FAQs, social media, and press releases.

Chair Mahmud added AMP can provide much-needed assistance to residents in CPA's communities and that CPA's active marketing of the program is another service for the community above and beyond what is being provided by SCE.

11. Open Election of One (1) Ventura County At-Large Position on the Executive Committee

Chair Mahmud announced the nomination of Director Santangelo, City of Camarillo.

Motion: Director Luevanos, Simi Valley
Second: Vice Chair Parks, Ventura County
Vote: Regular Directors representing Ventura County jurisdictions unanimously elected Director Susan Santangelo, City of Camarillo, to the at-large position on the Executive Committee, representing Ventura County for a term ending on June 30, 2022.

MANAGEMENT REPORT

Ted Bardacke, Executive Director, discussed in detail the 2021 rates and budget schedule, which will end in June with the adoption of final rates and budget for fiscal year 2021/22, and noted that a comprehensive review of costs and revenues will be conducted throughout April and May regardless of SCE rate adjustments. While CPA will be able to adopt rates to meet costs and budgets, this will come without full certainty regarding CPA's competitive targets for the rest of the year. Mr. Bardacke added that last year's heat waves, the Texas energy crisis, and the shrinking amount of capacity for reliability services, will significantly increase CPA's costs. Mr. Bardacke explained that the adoption of a rate setting approach refers to the priorities the Board wants to consider when setting rates will provide guidance and direction for staff and that guidance will translate into formal adoption of rates in June for the coming fiscal year.

Director Ashton asked if there is more time to allow for further insight into SCE's rates. Mr. Bardacke said staff will know more as June approaches, however the CPUC may delay action on SCE rates and that CPA must establish a budget in June with realistic rates that cover costs. Vice Chair Kuehl asked about CPA's budget adoption process and any opportunities to change the budget so as to not approach rate setting with SCE in mind, but rather CPA's own needs. Mr. Bardacke noted that 92% of the budget is for cost of power and there is not a lot of opportunity to change the budget mid-year. However, there is some flexibility in the annual budget amendment to recalibrate for the cost of energy; and flexibility in adjusting the contribution to reserves and customer programs. Mr. Bardacke added that CPA staff has begun work on restructuring CPA's rate setting approach, but a new approach would not be fully implemented this year.

Director Lee asked for more context on the PCIA and a brief description of the regulatory atmosphere affecting CPA and overall climate change goals. Mr. Bardacke explained that statewide there is an effort to be more aggressive in clean energy goals, transportation and building electrification, and the massive turnover in facilities that provide reliability will require investment in new clean energy resources, in addition to investments in the grid that will affect all customers. Mr. Langer briefly explained that the PCIA went up 27%, with a couple of short-term drivers being the inequity of the PCIA structure; the rising cost of resource adequacy; and the undercollection of the PCIA in 2020 as a result of a cap, for which CPA successfully negotiated a longer amortization of the balance. Director Lee inquired as to other actions Board members can take at the state level beyond SB 612 that would minimize the impact on rate increases. Mr. Bardacke responded that though there is a concern for rising rates, there no indication that the legislature will address the long-term structural issues that cause rate increases.

Mr. Bardacke discussed SCE's upcoming replacement of its billing system through its Customer Service Re-Platform Project, and Board members should contact staff should there be customer billing issues.

COMMITTEE CHAIR UPDATES

Director Horvath, West Hollywood, announced the upcoming CPA Lobby Day that will provide an opportunity to engage with state legislators and invited Board members to participate in training sessions to prepare.

Director McKeown reported progress on the 2020 Clean Energy RFO and noted that staff will begin to negotiate contracts that will eventually come to the Board for approval.

BOARD MEMBER COMMENTS

Director Horvath, Redondo Beach, invited Board members to attend a South Bay Council of Governments event to discuss intersections between a variety of sectors and how those affect local municipalities.

REPORT FROM THE CHAIR

Board Chair Mahmud thanked Board members that have signed up to participate in CPA's Lobby Day and thanked staff for the successful Board Reception and for the well-prepared six-minute informative video that showcases CPA's work.

ADJOURN

Chair Mahmud adjourned the meeting at 4:07 p.m.