



MEETING of the Community Advisory Committee of the Clean Power Alliance of Southern California

Thursday, May 20, 2021

1:00 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 Community Advisory Committee will conduct this meeting remotely.

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Dial: (669) 900-9128 Meeting ID: 954 2147 4545

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 at 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.

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Clean Power Alliance Community Advisory Committee
May 20, 2021

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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 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 Policy No. 8 – Public Comment for additional information.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. [Approve Minutes from April 22, 2021 Community Advisory Committee Meeting](#)
2. [Update on the CAC 2020/2021 Adopted Work Plan](#)
3. [Fiscal Year 2021/2022 Draft Budget Presentation](#)

REGULAR AGENDA

4. [Oral Update from the Executive Director on CPA Operations](#)
5. [Power Share Program Outreach Update](#)
6. [2021 Rates Communication Strategy](#)

COMMITTEE MEMBER COMMENTS

ITEMS FOR FUTURE AGENDAS

ADJOURN – NEXT MEETING ON JUNE 17, 2021

Public Records: *Public records that relate to any item on the open session agenda for a regular 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. The public records are available for inspection online at www.cleanpoweralliance.org/agendas.*

MINUTES

MEETING of the Community Advisory Committee of the
Clean Power Alliance of Southern California

Thursday, April 22, 2021

1:00 p.m.

The Community Advisory Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

CALL TO ORDER AND ROLL CALL

Chair Haake called the meeting to order at 1:02 p.m. and Christian Cruz, Community Outreach Manager, conducted roll call.

East Ventura/West LA County	Angus Simmons (Vice-Chair)	Remote
East Ventura/West LA County	Jennifer Burke	Absent
East Ventura/West LA County	Debbie West	Remote
San Gabriel Valley	Richard Tom	Remote
San Gabriel Valley	Kim Luu	Remote
West/Unincorporated Ventura County	Lucas Zucker	Absent
West/Unincorporated Ventura County	Vern Novstrup	Remote
South Bay	David Lesser	Remote
South Bay	Emmitt Hayes	Remote
Gateway Cities	Jaime Lopez	Remote
Gateway Cities	Genaro Bugarin	Remote
Westside	Cris Gutierrez	Remote
Westside	David Haake (Chair)	Remote
Unincorporated Los Angeles County	Neil Fromer	Remote
Unincorporated Los Angeles County	Kristie Hernandez	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

1. Approve Minutes from March 18, 2021 Community Advisory Committee Meeting
2. Update on the CAC 2020/2021 Adopted Work Plan

Motion: Committee Member Tom, San Gabriel Valley
Second: Committee Member Fromer, Unincorporated Los Angeles County
Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

3. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, discussed Senate Bill (SB) 612 advocacy efforts: its' first hearing will take place at the Senate Energy, Utilities, and Communications Committee where Mr. Bardacke will be CalCCA's witness testifying in support of the bill; and requested CAC members' participation in a social media campaign in support of the bill. CPA was awarded the Policy Leadership Award by the U.S. Green Building Council for ongoing work in supporting equity in the delivery of clean energy.

In response to Committee Member Lesser's comments, Mr. Bardacke stated that organizations such as CPA can use the federal government's interest in renewable energy and potential financial incentives, to develop renewable energy and excel in environmental leadership. Sherita Coffelt, Director of External Affairs, added that CPA messaging will center on its story and impact in the communities it serves; and all of CPA's language and activities on social media will continue to elevate its image. Committee Member Fromer asked about SCE's position on SB 612; commented that it is difficult to have a cohesive strategic vision for the future of Southern California with Southern California Edison (SCE). Mr. Bardacke explained that SCE recently took an oppose position on the bill, citing procedural concerns, mainly that the issue of legacy resources should be addressed in the jurisdiction of the California Public Utilities Commission (CPUC). Mr. Bardacke opined that the legislature is a good place to address customer fairness issues and the relationship with SCE is multi-faceted, from fundamental operations to broader long-term policy visions where there is more alignment.

4. Election of a CAC Vice Chair Officer Position

Mr. Cruz announced the nomination of Committee Member Hernandez, Unincorporated Los Angeles County, for the Vice Chair position.

Motion: Committee Member Lesser, South Bay
Second: Committee Member Tom, San Gabriel Valley
Vote: Committee Member Kristie Hernandez was elected unanimously.

5. 2021 Rate Setting Options

Mr. Bardacke provided a summary of the item, emphasizing that in June 2021, electricity rates for FY 2021/22 will be presented to the Board for consideration in conjunction with the proposed FY 2021/22 budget. Mr. Bardacke reviewed a number of factors that have placed upward pressure on CPA's costs include Resource Adequacy (RA) and energy market prices, bad debt expense, and congestion revenue rights (CRR) market values. Due to these market factors, the organization must set rates to cover its current cost forecast. In April, the Board of Directors reduced the renewable energy content in the Lean and Clean power products for 2021-2022. Mr. Bardacke emphasized that SCE set its rates based on a forecast that took place in the Fall of 2020, which may drive SCE to raise rates in the first quarter of 2022 to make up the difference; reviewed "on-peak" pricing; and discussed forward pricing, noting that the market is particularly concerned with this coming summer. Mr. Bardacke discussed the four initial scenarios introduced to the Board and reviewed the feedback received, including strong support for CARE customer protection; significant opposition to weighting increases toward commercial customers; concern for 100% Green double-digit premium; and requests for compromise scenarios, but no consensus on the Average Percentage Change (APC) vs. Cost-of-Service (COS). Mr. Bardacke summarized the scenario development process in response to the feedback, noting that the load forecast and cost projections were updated; the residential subsidy scenario was eliminated; a new COS-informed scenario was developed that incorporated CARE customer protection with moderate increases on Lean/Clean customers and a hybrid scenario was also developed. Rate premiums in all scenarios are based on estimates of future SCE rate changes and CPA could change rates later in the year in response. Mr. Bardacke reviewed scenario one in detail, APC with CARE subsidy. In this scenario, CARE customer rates are held at current levels and the increase is spread equally across most products and customer groups. It is also the simplest approach to communicate to customers; however, it does not address imbalances in the COS. Scenario two involves a COS approach with a CARE and a 100% Green Target, where CARE customer rates are held at current levels and all other rates go up between 0.4% and 1.4% compared to the previous COS without a CARE subsidy. 100% Green residential still had room to move up to approximately 9% of the target; staff adjusted those rates up to help moderate Lean/Clean increases. Scenario three takes a hybrid approach where CPA would adopt APC for the summer months and transition to COS-informed in October. In summer months when cost pressures are most acute across all rates, the APC approaches those pressures equally; and in October, the COS approach will decrease 100% Green to within the 9% target. This transition would make it a gradual process that would allow for cities' default changes to proceed on schedule and allow for tweaks to rates if needed based on SCE rates and summer financial results. Mr. Bardacke concluded with a summary of the Executive Committee's feedback, particularly its ultimate endorsement of a modified COS approach, due to concern that the hybrid scenario implied two rate increases and the initial increase and eventual decrease of the 100% Green rate product could be ineffective and difficult to communicate; and that SCE rates should ultimately be a reference point rather than a target for CPA.

Responding to Vice Chair Simmons and Committee Member Lopez, Mr. Bardacke clarified the following: SCE's rates will be affected partly by their cost projections

and recouping any unmet costs from previous years. Several residential customers have been piloted into a Time-of-Use (TOU) program, while the TOU is built into commercial accounts; the full transition of residential customers to TOU rates in February 2022 will be accompanied by an educational campaign. The COS analysis reviewed what it costs to serve customers versus what those customers could bring in in revenue, and those numbers are reflected in the resulting scenarios. With regard to SCE rates, their delivery charges encompass two-thirds of the customer's electricity bill and transmission about one-third of it. Responding to Committee Member Lopez's question about balancing commercial and residential customers when considering profitability, Mr. Bardacke explained that commercial customers tend to monitor their costs and bills more closely and CPA must scrutinize their higher proclivity to opt-outs; notably, the highest opt-out rates are among commercial customers in the 100% Green cities. Not mitigating commercial customers' costs can end up hurting residential customers in the follow-on. Committee Member Fromer echoed support for educational campaigns to customers and expressed support for an approach that emphasizes socio-economic fairness where 100% Green jurisdictions may have to temporarily bear some of the additional costs while, protecting CARE customers. Committee Member Tom echoed support for CARE customer protection and eventually transitioning to a COS approach and agreed with the Executive Committee's recommendation. Committee Member Lesser noted support for scenario two (COS) and emphasized previous comments relating to unintended consequences, pointing out that raising costs for commercial customers can ultimately negatively impact other types of customers. Committee Member Gutierrez expressed support for scenario two and requested further direction on educational outreach to customers and how CAC members can participate in that aspect of the implementation process. Committee Member Novstrup noted that CARE customer rates should not stay stagnant for too long to avoid a severe increase in the future that can hurt them; some of the feedback in his community indicates that customers do not understand their bills; and commercial customers should be on a separate pricing structure. Mr. Bardacke clarified that some commercial customers are on the Peak Management Pricing program where they receive lower rates throughout the year but must reduce their load when asked to do so by CPA or get charged extra.

Chair Haake echoed support for scenario two, noting that it might be easier to communicate and defend the rate-setting process if needed; thanked all members for their comments.

6. Fiscal Year 2021/2022 Budget Priorities

Mr. Bardacke reviewed key budget priorities for the upcoming fiscal year, including: containing operating expenses at current levels, properly resourcing the management of energy costs and risk, continuing to reduce consultant costs by investing in staff and technology, and using operational cost savings to increase spending on customer programs and communications, particularly where there is potential for return on investment. Energy market risk is increasing, and CPA is mitigating that risk through long-term renewable and storage projects. In-sourcing has reduced projected spending; the amended Calpine contract provides room for investments in customer programs and community engagement to improve

customer experience and increase access to assistance programs. Ms. Coffelt discussed upcoming projects to increase brand awareness and loyalty, activities to support customer assistance programs with high ROI, and program marketing support.

Committee Member Gutierrez encouraged staff to develop strategic partnerships to advance branding. Additionally, as part of communications and outreach, Committee Member Bugarin echoed support for Committee Member Novstrup's comment to encourage targeted outreach to customers that have voiced concern about CPA, as well as highlight customers who have shown leadership in moving up to 100% Green power product and cultivate those relationships. Ms. Coffelt thanked the CAC for their feedback and noted several external affairs activities that are in keeping with the feedback.

COMMITTEE MEMBER COMMENTS

Committee Member Gutierrez requested that the member agency dashboard be more easily accessible. Committee Member Bugarin asked for guidance on CAC member participation on social media.

ITEMS FOR FUTURE AGENDAS

None.

ADJOURN

Chair Haake adjourned the meeting at 3:00 p.m.

Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Community Advisory Committee (CAC)

From: Christian Cruz, Community Outreach Manager

Approved by: Ted Bardacke, Executive Director

Subject: Update on 2020/2021 Adopted Work Plan

Date: May 20, 2021

RECOMMENDATION

Receive and file.

DISCUSSION

Legislative Update

Since February, CPA in conjunction with CalCCA has been working to garner support for SB 612 (Portantino). This bill would ensure fair and equal access to the benefits of the resources that all customers pay for, as well as require the California Public Utilities Commission (CPUC) to recognize the value of GHG-free energy in legacy contracts. CPA staff requested that CAC members activate their networks to obtain letters of support for the bill as it made its way through the legislature.

CAC members were actively engaged in obtaining letters of support and publicizing support for the bill on social media. The efforts of the CAC, CPA, and CalCCA helped in obtaining over 90 letters of support from cities, counties, elected leaders, renewable energy providers, community groups, and individuals. This support helped convince The Senate Energy, Utilities and Communications Committee on April 26th to approve SB 612 (Portantino), by a 11-1 vote, to advance SB 612 to the Senate Appropriations Committee.

CAC 2021 Retreat

Beginning in June 2020, at the request of CAC members, staff conducted a series of three visioning sessions with the CAC Chair and Vice Chairs, aimed at setting CAC priorities and expectations for 2020-2021. CAC members shared individual and regional perspectives reflecting the priorities of their respective communities. Key priorities that emerged from these sessions included:

- Timely CAC engagement on key items coming before the Board to provide value and input.
- More coordinated interaction with customers and stakeholders across a broader cross-section of CPA's communities.
- Additional training and educational tools for CAC members.

Staff synthesized input into a workplan framework adopted by the CAC in September 2020. The CAC requested that after the first year, a retreat for CAC members should be held to revisit the workplan, allow interaction with each sub-region representative, discuss current local programs and upcoming programs. Staff proposes a CAC retreat be held on Thursday, September 16, 2021. Based on discussions with the CAC Chair and Vice Chair, staff developed a draft agenda (attached) for review and input from the CAC members. Please provide thoughts and feedback to the Community Outreach Manager, Christian Cruz, by Friday, June 4th.

NEXT STEPS

In the next couple of months, staff will review key items such as, CPA's 2020 Clean Energy RFO update, legislative update, and finalize discussions on the CAC retreat.

ATTACHMENTS

- 1) [Adopted CAC Workplan \(for reference only\)](#)
- 2) [SB 612 Fact Sheet and Support List](#)
- 3) [Draft 2021 CAC Retreat Agenda](#)

Clean Power Alliance of Southern California Community Advisory Committee 2020-21 Workplan

Adopted September 17, 2020

Clean Power Alliance (CPA) believes in a clean energy future that is local, where communities are empowered, and customers are given a choice about the source of their energy. We are Southern California's locally operated electricity provider across Los Angeles and Ventura counties, offering clean renewable energy at competitive rates.

In furtherance of its mission and goals, CPA's Joint Powers Agreement establishes a Community Advisory Committee (CAC) to provide a venue for ongoing community support and engagement in the policy direction of the organization.

The CAC is comprised of a total of 15 members representing customers or key stakeholders residing or working in seven (7) geographical regions comprising CPA's service territory, as follows:

- A. Three (3) members from the East Ventura/West Los Angeles County Region.
- B. Two (2) members from the West/Unincorporated Ventura County.
- C. Two (2) members from the Westside region in Los Angeles County.
- D. Two (2) members from the South Bay region in Los Angeles County.
- E. Two (2) members from the Gateway Cities region in Los Angeles County.
- F. Two (2) members from the San Gabriel Valley region in Los Angeles County.
- G. Two (2) members from the Unincorporated Los Angeles County.

In 2020, the CAC undertook a visioning process to identify priority issues and activities for 2020-2021. This process resulted in development of the 2020-2021 CAC work plan. The work plan is intended to guide CAC member activities over the coming year and serve as a tool for CAC, CPA staff, and CPA Board communication, collaboration, and impact assessment. It will also inform the development of more detailed individual CAC member and region-specific objectives and work plans for this time period. The work plan organizes CAC-related activities into three categories: 1) CPA Commitments to Support the CAC; 2) CAC Member Commitments; and 3) Opportunities for Expanded CAC Engagement; and outlines planned activities and timelines for each.

1. CPA Commitments to Support the CAC

- Present key CPA Board items to the CAC for review and input in advance of Board decision making, including:
 - Long-term clean energy/storage requests for offers (RFOs)
 - Rate setting
 - Legislative and regulatory platforms
 - Annual budget and budget amendments
 - Local program design and evaluation
 - Workforce development
- Support CAC chair, co-chairs, and individual members in development of individual and region-specific objectives and work plans
- Support the convening of CAC working groups as needed to define 2021 objectives and activities for priority topics/initiatives identified in the CAC work plan

- Develop and deliver targeted educational materials and trainings for CAC members including an orientation manual and video tutorials on CPA and energy topics
- Develop CAC master list of community/stakeholder groups and contacts with input from CAC members
- Facilitate communication and alignment between the CAC and the Board of Directors.

2. CAC Member Commitments

- Solicit stakeholder input as needed and provide input and feedback to the CPA Board on key policy and planning topics, including:
 - Long-term clean energy/storage requests for offers (RFOs)
 - Legislative and regulatory platforms
 - Rate setting
 - Annual budget and budget amendments
 - Local program design and evaluation
 - Workforce development
- Work with CAC co-chairs and CPA staff to develop individual member and region-specific objectives and work plans
- Participate in CPA-organized outreach activities in their respective region (e.g., Earth Day events)
- Build relationships with community leaders and organizations in impacted and hard to reach communities
- Follow CPA on social media and engage as needed/appropriate to raise awareness of CPA in community and region
- Respond to community questions/comments and alert CPA staff to community commentary that may warrant staff engagement
- Engage in CAC trainings and review of CAC materials
- Work with staff to identify community stakeholders in all regions and provide contact lists for development of master CAC list
- Convene a working group on community outreach/education to identify objectives and activities for 2021
- Participate in annual CAC retreat to establish 2021-2022 goals and priorities.

3. Opportunities for Expanded CAC Engagement

Beyond the minimum and ongoing commitments listed in the sections above, CAC members identified the following priorities for deeper engagement in 2020-2021:

- Education on CPA, energy, and climate issues in partnership with K-12 institutions and youth organizations
- Addressing community resilience needs and opportunities around demand response
- Developing a list of current green energy jobs and promoting them through various platforms.

CAC co-chairs and CPA staff will work with CAC members to convene working group(s) as needed starting in Q4 2020 to develop specific objectives and work plans for each of the priority areas identified above and bring recommendations back to the full CAC for review. Potential activities to be detailed in the workplans may include:

- Pursue deeper and/or more frequent engagement with Board on key topics:
 - Provide regular (quarterly, semi-annual or annual) reports to Board members in their region
 - Help organize meetings with community stakeholders and/or elected officials in their region to solicit input on specific topics or issues

- Research and develop recommendations to the Board on key items of interest (e.g., metrics on workforce development or program impact, legislation, CPUC hearings)
- Pursue deeper and/or broader community engagement
 - Recruit and partner with educational institutions, community organizations, interns or volunteers on specific projects or campaigns (e.g., an “opt up” social media campaign, a series of local program enrollment events)
 - Actively post about CPA on social media and write op-eds or letters to the editors
 - Work with CPA staff to develop and communicate key metrics on CPA programs and impacts

The CAC will review and modify this work plan as needed based on evolving CPA needs, community priorities, and Board recommendations and requests.

SB 612 (Portantino) Ratepayer Equity

PROBLEM

There are electricity policies in California that were put into place long ago that no longer reflect current market realities. One policy area that requires immediate attention due to ratepayer impacts concerns legacy energy resources.

Over the last decade, more than 11 million investor-owned utility (IOU) customers have transitioned from IOU electric service to Community Choice Aggregators (CCAs), local government-owned utilities choosing to purchase electricity on behalf of their communities.

As part of this transition, CCA customers must share in the cost responsibility with IOU customers for the electricity supply contracts entered into by IOUs prior to their departure for CCA service.

While CCA customers must pay their fair share of the contracts, they do not have fair access to the full range of beneficial resources these contracts provide as those benefits are retained by the IOU for their customers.

As a result, CCA customers, unlike IOU customers, must pay more than they would have otherwise, for the resources to meet compliance requirements. There is no good policy rationale for this inequitable treatment of CCA customers versus their IOU counterparts.

BACKGROUND

Early state mandated procurement of renewable energy by IOUs resulted in California's rapid transition to renewable energy. As renewable resources have grown to scale, both prices and market value for renewable energy have declined, leaving a significant portion of the IOU initial renewable contracts underwater. These contracts, often referred to as "legacy contracts" have produced billions of dollars of above-market costs that are recovered from all ratepayers.

While these resources produce high costs, they also produce valuable products such as renewable energy, greenhouse gas free energy, and resource adequacy, products needed by all energy providers to meet their clean energy goals and remain in compliance with reliability requirements. However, under the current structure, these products are retained by the IOU for its own compliance purposes.

SUMMARY

This bill ensures fair and equal access to the benefits of legacy contracts resources for all customers and ensures that IOU portfolios are managed to maximize value and reduce unnecessary costs for all customers. Specifically, this bill:

- 1) Provides customers equal access to the legacy products they are paying for in proportion to what they are paying.
- 2) Requires the CPUC to recognize the value of GHG-free energy in the same way renewable energy or RA products are recognized.

SUPPORT

California Community Choice Association
California Choice Energy Authority
Central Coast Community Energy
Clean Power Alliance
Clean Power SF
Desert Community Energy
East Bay Community Energy
MCE
Peninsula Clean Energy Authority
Pioneer Community Energy
Pico Rivera Innovative Municipal Energy
Redwood Coast Energy Authority
San Jacinto Power
San Jose Clean Energy
San Diego Community Power
Silicon Valley Clean Energy

Office of Senator Anthony J. Portantino
SB 612– Fact Sheet

Contact: Ben Edelstein– (916) 651-4025 or Ben.Edelstein@sen.ca.gov

Sonoma Clean Power Authority
Valley Clean Energy

City of Agoura Hills
City of Arcadia
City of Auburn
City of Baldwin Park
City of Berkeley
City of Beverly Hills
City of Buena Park
City of Camarillo
City of Campbell
City of Carlsbad
City of Carson
City of Chula Vista
City of Claremont
City of Daly City
City of Daville
City of Davis
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City of Dublin
City of Encinitas
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City of Fremont
City of Half Moon Bay
City of Hayward
City of Imperial Beach
City of La Mesa
City of Moorpark
City of Mountain View
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City of Rocklin
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City of San Carlos
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City of San Rafael
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City of Saratoga
City of South Pasadena
City of Thousand Oaks
City of Walnut Creek
City of West Hollywood

City of Winters
City of Woodland
Town of Colma
Town of Fairfax
Town of Loomis

County of Butte
County of Contra Costa
County of El Dorado
County of Los Angeles
County of Marin
County of Placer
County of San Diego
County of San Mateo
County of Santa Clara
County of Ventura
County of Yolo

League of California Cities
Local Government Commission
San Francisco Public Utilities Commission
Ventura Council of Governments

Councilmember Bill Baber, City of La Mesa
Mayor Libby Schaaf, City of Oakland
Mayor London Breed, City of San Francisco
Mayor Sam Liccardo, City of San Jose
Mayor Sasha Renee Perez, City of Alhambra
Mayor Sue Higgins, City of Oakley
Supervisor Brad Wagenknecht, County of Napa

Climate Action Campaign
Climate Action Santa Monica
eBay, Inc.
EDP Renewables
Elders Climate Action, NorCal Chapter
Elders Climate Action, SoCal Chapter
Green Ideals
San Jose Community Energy Advocates
Silicon Valley Leadership Group
Sustainable Silicon Valley
TerraGen
The Climate Center
Tosdal APC

Version: 5/14/2021

Office of Senator Anthony J. Portantino
SB 612– Fact Sheet

Contact: Ben Edelstein– (916) 651-4025 or Ben.Edelstein@sen.ca.gov



Community Advisory Committee

2021 Retreat

Thursday, September 16, 2021 | 1:00 PM - 4:00 PM

-
- 1:00 PM **Log On**

 - 1:05 PM **Welcoming Remarks** (15 min)
Executive Director Ted Bardacke, CPA Board Chair Diana Mahmud, CAC Chair David Haake

 - 1: 20 PM **Local Programs for a Clean Energy Future: Lessons Learned and Upcoming 2021-2022 Programs** (60 min)

 - 2:20PM **Break Out Session: Leveraging Networks, Empowering CAC Members, and the Next Generation of CPA Programs** (20 min)

 - 2:40 PM **Report Out** (10 min)

 - 2:50 PM **Break**

 - 3:00 PM **Workplan: Key Accomplishments, Takeaways, and Adjustments** (60 min)

 - 4:00 PM **Closing Remarks**

Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Community Advisory Committee

From: Ted Bardacke, Executive Director
David McNeil, Chief Financial Officer

Subject: FY 2021-2022 Draft Budget Presentation

Date: May 20, 2021

RECOMMENDATION

Receive and file presentation.

ATTACHMENT

- 1) [FY 2021-2022 Draft Budget Presentation \(Information Item\)](#)



Item 3

FY 21/22 Draft Budget Informational Presentation

FY 2021/22 Budget - Key Takeaways

- Rising energy costs are offset by increasing revenue arising from retail rate increases consistent with the rate setting approach approved by the Board on May 6, 2021. Rising energy costs are not unique to CPA and are impacting load serving entities across the west
- Budgeted net operating expenses are set to decline year over year even as CPA makes key investments in staff, customer programs, communications, and data and systems
- CPA is budgeting a \$28 million increase in the net position in FY 2021/22 which would increase Reserves (net position plus Fiscal Stabilization Fund balance) to \$113 million by June 30, 2022, consistent with the Board approved Reserve Policy

Net Energy Revenue

	A	B	C	D	E
		FY 2020/21	FY 2021/22	Budget	Budget
		Amended	Budget	Difference (\$)	Difference
		Budget	Budget		(%)
1	Revenue - Electricity net	808,235,431	893,509,212	85,273,781	11%
2	Other revenue	566,000	1,868,000	1,302,000	230%
3	TOTAL REVENUE	818,408,466	895,377,212	76,968,746	9%
4	TOTAL ENERGY COSTS	765,217,390	834,281,512	69,064,122	9%
5	NET ENERGY REVENUE	53,191,076	61,095,700	7,904,624	15%

- Electricity revenues reflect a base case load forecast that includes a 2% opt out rate assumption and the ratemaking approach approved by the Board in May
- Rate differentials for some Lean and Clean residential and small business customers may increase between 0.2% and 0.3% compared to May Board meeting forecast to offset the impacts of continued rising energy forward prices and revenue decrease from potential customer opt outs
- Budgeted energy cost increase (9% YoY) reflect higher energy and resource adequacy costs and incorporates costs savings from power content changes approved by Board in April

Net Energy Revenue – Bad Debt

- For Budgeting purposes, the bad debt expense assumption is reduced from 1.25% of revenue in FY 2020/21 to 0.5% of revenue in FY 2021/22
- The reduced bad debt assumption is based on:
 - Resumption of disconnections and late payment fees scheduled on July 1, 2021
 - Implementation of state and CPUC programs, including the Arrearage Management Plan, Rental Relief Program, and recently announced \$2 billion in state funding to provide utility bill relief, including to CCA customers
 - Overall economic recovery
 - Hiring a collection agent to assist CPA with the collection of accounts no longer being collected by SCE
- Staff plan to present a collections strategy and draft policy to the Executive and Finance Committees in June

FY 2021/22 Operating Income and Reserves

A	B	C	D	E
	FY 2020/21	FY 2021/22	Budget	Budget
	Amended	Budget	Difference (\$)	Difference
	Budget	Budget		(%)
OPERATING INCOME	21,009,076	28,473,700	7,464,624	36%
NON OPERATING REVENUE (EXPENSE)	(224,000)	(299,000)	(75,000)	
CHANGE IN NET POSITION	20,785,076	28,174,700	7,389,624	36%
NET POSITION BEGINNING OF PERIOD	46,585,635	67,370,711	20,785,076	45%
NET POSITION END OF PERIOD	67,370,711	95,545,412	28,174,700	42%
FISCAL STABILIZATION FUND	17,392,965	17,392,965	-	0%
RESERVES END OF PERIOD (Net Position + FSF)	84,763,676	112,938,377	28,174,700	100%

- CPA projects a \$28 million increase to the net position in FY 2021/22, increasing the budgeted net position from \$67.3 million as of June 30, 2021, to \$95.5 million as of June 30, 2022
- Reserves are budgeted to increase from \$84.7 million to \$112.9 million over the period.
- The Fiscal Stabilization Fund is budgeted to remain unchanged at \$17.39 million over the period

Key operating budget priorities for FY 2021/22

- **Contain Costs**

- Contain budgeted net operating expenses to current levels adjusted for inflation (less than 3% increase) and 50% reduction in capital outlay

- **Staffing**

- Build out mid and lower levels of the organization to build for the future, manage new energy resources, ensure critical coverage during staff absences, reduce burnout and turnover, and free up senior management time for critical tasks
- Properly resource the management of energy costs and risk and build IT capacity to develop and leverage the data warehouse and enhance data security

- **Invest in Communications and Customer programs, particularly where there is potential ROI and community benefits**

- Use and leverage external funding
- Invest in programs like AMP and Power Response that help customers and CPA
- Build brand awareness and support customer program acquisition

Containing Costs

Net Operating Expenses	FY 2020/21	FY 2021/22	Diff	
Operating Expenses	32,182,000	32,622,000	440,000	1%
Other Revenue (AMP and CPUC)	(566,000)	(1,868,000)	(1,302,000)	230%
Net Operating Expenses	31,616,000	30,754,000	(862,000)	-2.7%

- Net Operating Expenses (the difference between operating expenses and offsetting program revenue) are currently budgeted to fall 2.7%. Reductions in year over year capital expenditures (\$777,000) will further reduce year over year expenditures
- Budgeted CPUC funding (\$1.46 million) will offset staffing, legal, and communications costs associated with the Power Share/Community Solar program
- Budgeted AMP revenues (\$160,000) represent income from the CPUC backed AMP program and will offset an equal amount of communications costs dedicated to promoting the program. Total AMP program revenues are expected to be much higher
- Revenue for the workforce development program (\$250,000 NextEra) will offset workforce development costs

FY 2021/22 Operating Expense Highlights

A	B	C	D	E	F	
	FY 2020/21			Budget	% of	
	Amended	FY 2021/22	Budget	Difference	Total	
	Budget	Budget	Difference (\$)	(%)	Cost	
OPERATING EXPENSES						
6	Staffing	7,791,000	9,893,000	2,102,000	27%	1.1%
7	Technical services	2,752,000	1,184,000	(1,568,000)	-57%	0.1%
8	Legal services	1,849,000	1,237,000	(612,000)	-33%	0.1%
9	Other services	1,003,000	1,612,000	609,000	61%	0.2%
10	Communications and marketing services	525,000	1,505,000	980,000	187%	0.2%
11	Customer notices and mailing services	865,000	797,000	(68,000)	-8%	0.1%
12	Billing data management services	11,881,000	10,374,000	(1,507,000)	-13%	1.2%
13	Service fees - SCE	2,315,000	2,016,000	(299,000)	-13%	0.2%
14	Customer programs	1,360,000	1,872,000	512,000	38%	0.2%
16	General and administration	1,325,000	1,584,000	259,000	20%	0.2%
17	Occupancy	516,000	548,000	32,000	6%	0.1%
18	TOTAL OPERATING EXPENSES	32,182,000	32,622,000	440,000	1%	3.8%

- Operating expenses reflect budget priorities including investments in staffing, communications, and customer programs (rows 6, 10, 14).
- \$13.2 million, or 40% of operating expenses (rows 11-13), are fixed by regulatory or contract obligation
- Reductions in technical services and legal expenses reflect insourcing and efficiency gains in key functions (rows 7, 8). Lower data management costs reflect new contract with Calpine (row 12).

Customer Programs Detail

FY 2020/21 Budget	FY 2021/22 Budget	Budget Difference (\$)	Budget Difference (%)	% of Total Cost
1,360,000	1,872,000	512,000	38%	0.2%

- Customer programs expenses includes customer incentives and third-party program implementation costs only.
- Additional costs to support customer programs are included in staffing, legal, communications, technical services budget line items
- Total spending on customer programs, inclusive of other line items, is as follows:

	FY 2021/22 Total Program Budget	% of Total
Reimbursable		
Power Share/Community Solar (CPUC)	668,257	21%
Electrification Workforce Development (NextEra)	250,000	8%
Leverage State Resources		
Electric Vehicle Charger Incentives (contract to Board in May)	408,300	13%
Strategic with long-term ROI or community benefits potential		
Power Response/Demand Response	1,313,500	41%
Power Ready/Backup Power (RFO and second phase support)	235,000	7%
Building Electrification Code Incentives (Program Development)	150,000	5%
Low Carbon Fuel Standard credits for fleets & EV charger operators (Program Development)	150,000	5%
Total	3,175,057	100%

Communications - Detail

	FY 2020/21	FY 2021/22	Diff (\$)
Communications and outreach	40,000	668,400	628,400
Communications consultants	125,000	580,500	455,500
Sponsorships	85,000	47,000	(38,000)
Website	480	50,800	50,320
Communications - misc expense:	29,200	95,700	66,500
Special Events	45,600	12,500	(33,100)
CBO Grant	152,000	50,000	(102,000)
Total before offsetting revenue	477,280	1,353,250	875,970
AMP Revenue		(160,000)	
CPUC Funding (Community Solar)		(506,000)	
Total with offsetting revenue	477,280	687,250	209,970

Communications Expenses will support the following activities:

- Brand Awareness and loyalty
 - Website and design standards update
 - Event and organizational sponsorships
 - Increased use of email for customer communications
- AMP and customer assistance programs with high ROI potential
- Program Marketing Support
 - Power Share (reimbursable) and Power Response
 - Power Ready Events
 - TOU Transition

Staffing Overview

FY 2021/22 Staffing Cost Detail

Base Cost - Salary and Benefits	7,800,048	79%
COLA (3%)	234,001	2%
Merit Increase (5%)	390,002	4%
New Positions	1,468,638	15%
Total	<u>9,892,690</u>	100%

- Entry and Junior level (P/T 1-3) hiring across the organization to build internal and industry capacity, properly staff key functions, and reduce risks caused by staff turnover/leave
- Continue to implement Data and Systems Strategic Plan by building team with senior (M3 and/or P/T4) and junior level (P/T2) staff with added emphasis on reducing cybersecurity risks
- Dual focus on retention and recruitment in a highly competitive market
- Conservative estimates on timing of staff hiring throughout the year keeps difference between budgeted staffing costs and annualized costs to less than \$400k
- Staffing costs remain at industry-leading 1.1% of total costs

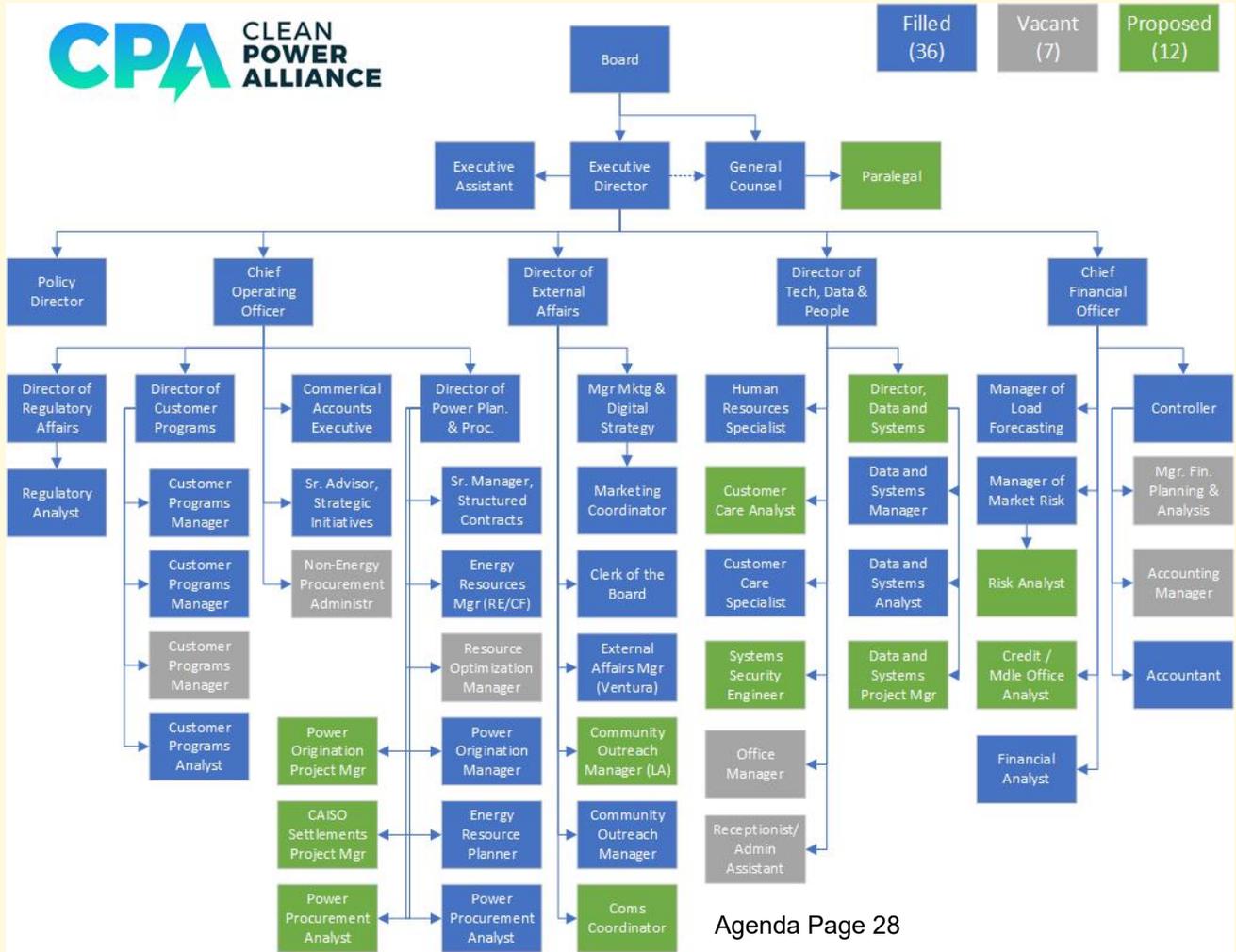
(1) Placeholder for all-staff COLA implemented in January 2022 based on Bureau of Labor Statistics Annual CPI for LA Metro

(2) Budgeted amount for performance-based increases awarded at the discretion of ED and upon supervisor recommendation

Staffing – Org Chart with Proposed New Positions



Filled (36) Vacant (7) Proposed (12)



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Community Advisory Committee

From: Ted Bardacke, Executive Director

Subject: Oral Update from the Executive Director on CPA Operations

Date: May 20, 2021

The Executive Director will provide an oral report on CPA operations.

Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Community Advisory Committee

From: Jack Clark, Director of Customer Programs

Approved by: Ted Bardacke, Executive Director

Subject: Power Share Program

Date: May 20, 2021

RECOMMENDATION

Review and provide input.

ATTACHMENT

- 1) [Power Share Program Community Solar RFO Outreach Presentation](#)



Item 5

Power Share Program

Community Solar RFO Outreach Update

May 20, 2021

CPA Power Share Overview

- CPUC and CPA Board have approved two programs:
 - Disadvantaged Communities Green Tariff (DAC-GT)
 - Community Solar Green Tariff (CSGT)
- The 100% renewable energy will come from qualified generating facilities located in under-resourced communities in Southern California.
- Capacity for the two programs combined, is capped at about 15 MW, which will serve approximately 6,800 customers when fully subscribed.
- CPA has procured existing, qualified 100% renewable energy resources in 2021 to serve customers who sign up.
- In parallel, CPA has launched the Power Share Request for Offers (RFO), to secure long-term PPAs for new Community Solar local projects that meet DAC-GT and CSGT requirements into the future.

Community Solar (CSGT) Program Overview

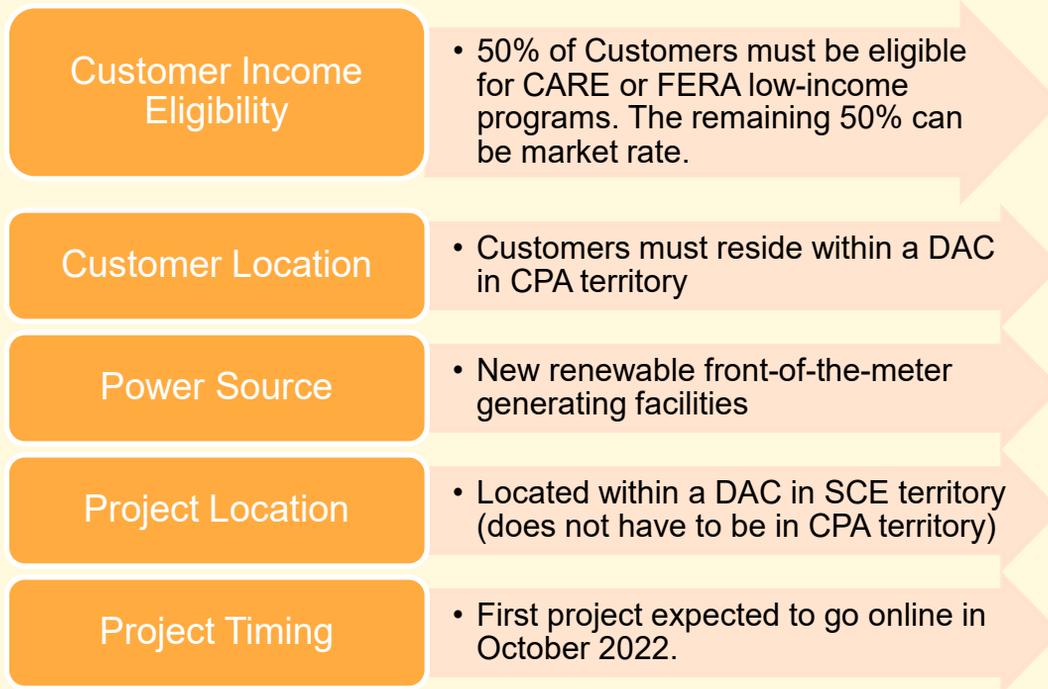
- Eligible customers can get renewable electricity produced by a CS-GT project for up to 100% of their electric usage
- The Project must be physically located within an eligible DAC and located within 5 miles of the benefitting customers' census tracts
- The maximum size of a Project is 3 MW (no minimum). The total allocation is 3.13 MW
- 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

Initial RFO results:

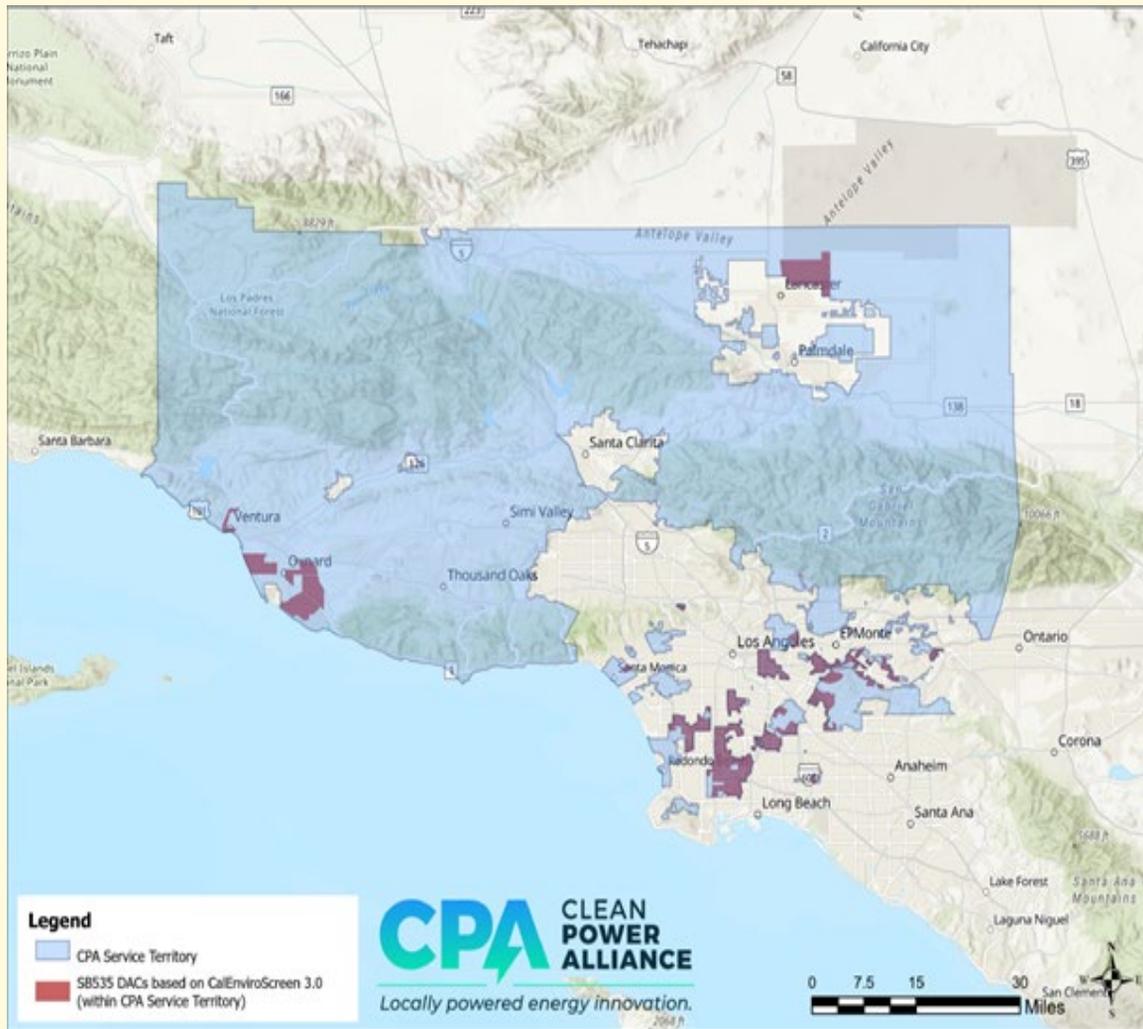
- Only two CSGT projects bid (~800 kW)
- Both shortlisted - same project team
- Lesson Learned – unique nature of program requires CPA to play unique role in pre project development



Community Solar Program Requirements



Disadvantaged communities (DACs) are defined by CalEPA as the top 25 percent of census tracts based on income and pollution burden factors.



Ways to get involved

Project Developer

- Develop new renewable resources.
- Sell energy to CPA; CPA purchases it on behalf of customers.
- CPA holds a Request for Offer (RFO) process at least once per year. Developers may bid projects into the RFO to be considered for selection.
- The next Power Share RFO will be Fall 2021.

Community Sponsor

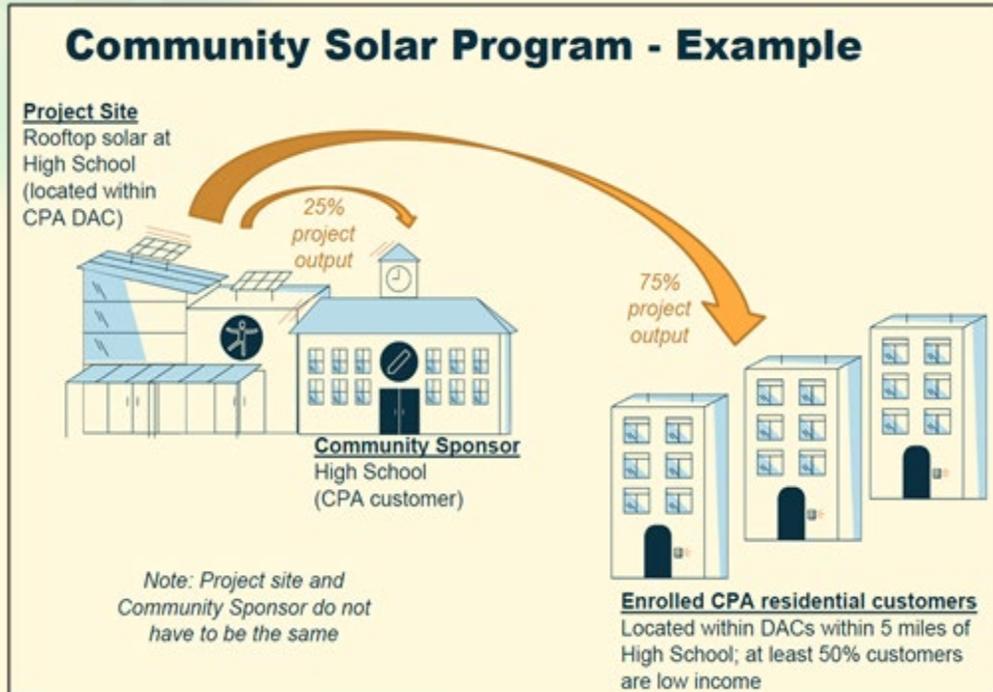
- Must be local government entity or non-profit CBO.
- Champions project in the community.
- Helps to recruit and sign up participants.
- Leads local job training and workforce development efforts.
- May receive clean energy and a 20% bill discount if eligible (must be a CPA customer).
- Can partner with a Developer to identify, evaluate, and develop projects.

Project Host Sites

- Physical location on which the solar array is located.
- May be rooftop, carport, ground-mount or other configuration.
- May be a Community Sponsor if qualified (school, city building, etc.).
- Will work with the developer to plan and construct a project.

Ways to get involved

Example of where the project site is also the community sponsor:



CS-GT Procurement Outreach Strategy

Targeted marketing:

- CPA current contacts (developers, organizations who registered for the last RFO webinar)
- Newly researched contacts (organizations that operate within DACs)
- Utilize Member Agencies to contact organizations in their communities.
- Two distinct outreach channels and tailored messaging:
 - Developers
 - Host Sites/Community Sponsors

CS-GT Procurement Outreach Strategy continued...

Provide Pairing Resource (facilitate partnerships):

- Obtain permission to share information with other parties.
- Provide a link on the RFO site to access info of interested parties.
- Parties must take initiative and enter into their own agreements.

Focused RFO:

- The RFO will solicit offers from Developers for a specific project.
- Offers will contain details of the Developer, Site Host and Community sponsor and their roles (all information will be consolidated into a single response).

Getting the word out on Community Solar

- **Stakeholder Outreach** - Community sponsors, member agencies, CBO grantees, and Community Advisory Committee members will be provided a tool kit of materials to use in outreach efforts.
- **Outreach Training** - CPA will provide training to community sponsors to enable them to support and facilitate customer enrollment. CPA will also support community sponsor outreach by making presentations and participating in tabling at community events (when able).
- **Marketing Materials** - CPA will develop multilingual print and digital marketing materials and will conduct targeted marketing and outreach efforts via online advertising and direct mail and email to eligible customers.

Power Share Rates and Customer Discount

- The 20% Power Share discount will be applied to the customer's **total bill**, including CPA generation charges and SCE delivery and PCIA charges.
- The CPUC will reimburse CPA for the 20% bill discount.
- The 20% Power Share discount will be applied to the customer's already discounted CARE or FERA rate, for a total bill discount of approximately 35% – 45%.



How can the CAC get involved?

- Identifying community leaders and trusted advisors and/or community-based organizations that have strong connections to low-income communities. These community leaders can be school organizations, faith community leaders, environmental organizations, education leaders.
- Populate your organizational contacts in our [contact spreadsheet](#) from the email sent out on Thursday, 5/13. Providing the name, organization, and contact information will help to make our engagement efforts successful.
- Facilitate contact and relationships with CBOs. This is a great opportunity to participate in community engagement activities with CPA.

Staff Report – Agenda Item 6

To: Clean Power Alliance (CPA) Community Advisory Committee
From: Sherita Coffelt, Director of External Affairs
Subject: Rates Communication Strategy
Date: May 20, 2021

RECOMMENDATION

Review and provide input.

ATTACHMENT

- 1) [Rates Communication Strategy Presentation](#)



Item 6

Rates Communication Strategy

May 20, 2021

Agenda

- Purpose of Today's Presentation
- Situation Overview
- Feedback
- Communication Objectives
- Messaging Approach
- Cost of Service Talking Points
- Next Steps

Purpose for Presentation

- Awareness
 - As representatives of the community, we want CAC to know what steps we are taking to keep our customers engaged and informed.
- Input
 - CAC has insight into your communities. We want that insight and feedback on our objectives, messaging, strategies and tactical execution.
- Support & Advocacy
 - We want CAC to be supportive, informed, and equipped to serve as CPA ambassadors.

Situation Overview

- Due to reduced supply and some market unrest as we enter the summer months, CPA's energy costs are projected to increase by approximately \$100 million next budget year.
- Board taking action to maintain fiscal stability so we can continue to provide clean energy at competitive rates, as well as the economic benefits, jobs and equitable workforce development that our communities need and deserve.
 - At the April 1, Board Meeting – Saved \$15 million by approving the purchase of zero-emissions hydroelectricity to replace more expensive renewable energy sources.
 - At the May 6 board meeting, after months of deliberation, CPA's Board approved a rate-setting approach that will keep the agency on a long-term path to financial stability while protecting our low-income customers.

Communications Strategy

Outreach Objectives:

- Retain CPA customers (Reduce opt-outs; encourage opt-downs to avoid opt-outs if necessary)
- Differentiate CPA through transparency and advanced notification re: rate changes
- Communicate full story on CPA's values to its communities (Community investment, program opportunities, GHG reductions, job creation, and competitive rates)

Strategies:

- Transparency and opportunity for engagement regarding energy costs and rate changes
- Concurrent campaigns on bill assistance and how to save money and reduce emissions by by saving electricity

Messaging Approach

Transparency

- Advertised on bills during April and May

Listen to feedback

- People care about reliability, environmental impact and cost in that order
- People want to know how they can save money

Tell the CPA story

- Economic development
- Community investment
- Environmental impact
- Percentage of total bill
- Low-income support and DEI efforts

Promote Bill Assistance Options

- Power Share
- AMP
- CARE/FERA
- COVID-19 Housing

Messaging on energy efficiency and ways to reduce usage (lower bills and emissions)

Cost of Service Talking Points

- The agency will begin transitioning to a *Cost of Service* approach which ensures that all customers pay for the energy that CPA purchases on their behalf.
- This will result in electricity bill increases of between 1% and 4% for all customers except CARE/FERA and medical baseline customers, who will not see an increase.
 - The action to protect CPA's low-income customers from rate increases amounts to a \$10 million benefit for those in need within the communities we serve. It also means that nearly 30 percent of CPA's residential customers will not experience a rate increase.
- Because CPA charges account for only 1/3 of the customer's bill, the average bill would increase by approximately \$2 to \$7 a month for residential customers.
- The final rates and budget for next year will be considered for approval and implementation at the June 3 meeting of the CPA Board of Directors. If approved, they will go into effect on July 1, 2021.

Timeline

Date(s)	Outreach Activity
April – June	Bill message promoting opportunity to provide feedback and cleanpoweralliance.org
April – June	Webpage with information on 2021-2022 budget priorities, rates and CPA community investment as well as survey for feedback
April 8 and May 13	Newsletter article requesting feedback
May and June	Update website content, calculator, move in mailers and all collateral material re: new rates and power source content; notify subset customers
July	Continue Bill Assistance Campaign; Launch save electricity, money and the Earth campaign

Next Steps

- Board Meeting on June 3 will trigger additional outreach activities.