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

Wednesday, May 19, 2021

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.

Click here to view a Live Stream of the Meeting on YouTube
*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:
https://zoom.us/j/97637846396
or
Dial: (669) 900-9128 Meeting ID: 976 3784 6396

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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Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at clerk@cleanpoweralliance.org or (213) 713-5995. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

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 April 21, 2021 Executive Committee Meeting

REGULAR AGENDA

2. Oral Update from the Executive Director on CPA Operations
3. Review Draft FY 2021/22 Budget
4. Review Draft Agenda for June 3, 2021 Board of Directors Meeting

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING JUNE 16, 2021

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.*

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MINUTES

MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, April 21, 2021 1:30 p.m.

The Executive 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 Diana Mahmud called the meeting to order at 1:31 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Beverly Hills	Julian Gold	Committee Member	Remote
Camarillo	Susan Santangelo	Committee Member	Remote
Los Angeles County	Sheila Kuehl	Vice Chair	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 March 17, 2021 Committee Meeting

Motion: Committee Member McKeown, Santa Monica
Second: Committee Member Zuckerman, Rolling Hills Estates
Vote: Item 1 was approved by a roll call vote, with clerical corrections.

REGULAR AGENDA

2. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, discussed 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 reported that half of CPA's member agencies have already submitted letters of support. 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, particularly in offering one hundred percent clean energy at no additional cost to CARE customers who are defaulted in at the 100% Green product.

Vice Chair Parks thanked Mr. Bardacke and Committee Member Lopez for the legislative advocacy and staff confirmed that a press release announcing the award will be issued.

3. 2021 Rate Setting Approach Options

Mr. Bardacke provided a review of the rate-setting approach process. At the May Board meeting, staff will request formal adoption of a rate-setting approach that meets CPA's FY 2021/22 revenue requirement. Mr. Bardacke reviewed 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 Board 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.

Committee Member Zuckerman asked about the Reserve Fund contributions and the customer response to recent SCE increases. Mr. Bardacke noted that $24 million is the adjusted contribution for FY 2020/21 based on an amended budget; staff expects CPA to contribute $30 million in the next FY; there has not been any significant change in customer behavior since the recent SCE rate increases.

Mr. Bardacke discussed expected comparisons of rates as of summer 2021. In response to Vice Chair Parks questions regarding the comparisons, Mr. Bardacke clarified that SCE's CARE customer figure could be slightly higher because they serve inland regions; and, especially in the COS scenario, there is a notable compression between Clean and 100% Green rate products.

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. Vice Chair Parks asked several questions regarding the CARE subsidy, specifically how 100% Green customers shouldered the subsidy in relation to the two other product customers. In response, Mr. Bardacke confirmed that the 100% Green product has the least number of CARE customers and those communities at that default are generally of higher income, with some exceptions; clarified that for the CARE subsidy all three rates are shouldering the cost equally. Chair Mahmud added that 100% Green product customers may be shouldering a greater percentage because they are also covering the delta between what would otherwise be Lean or Clean and the 100% renewable. Matt Langer, Chief Operating Officer, clarified that in ratemaking, staff treats subsidies separately; there is one subsidy to provide the 100% Green CARE customers with green energy at the Clean product rate which is already built-in; and a second subsidy to maintain all CARE customers at their current levels which applied an equal rate increase to all customers in all products.

Vice Chair Kuehl asked for further context of the rate comparisons as of summer 2021. Mr. Bardacke responded that the percentages presented were indicative of how much more a customer would be paying in percentage terms than if they were on SCE's base rate; namely, the figures do not indicate the increase, but rather the bill comparison in percentages.

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. The impact of keeping CARE customers at their current rates help Lean and Clean in particular, with 34% of customers in those communities not receiving a rate increase (via CARE).

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. Customer communication could be challenging with the hybrid scenario, but manageable. Mr. Bardacke stated that regardless of the adopted rate-setting approach, CPA will face a challenging rate competitiveness environment in the second half of 2021; the hybrid option may be desirable if there is no consensus on the APC or the COS; and staff requests a recommendation to the Board.

In response to Committee Member Lopez's questions, Mr. Bardacke clarified that this will mark the first time that the rate setting approach to Lean and Clean customers are out of the targets, but there is a more knowable risk of increasing opt-outs in the 100% Green cities. Mr. Langer contextualized further, noting that CPA has taken every reasonable cost reduction and will still need to raise rates to address the approximately $90 million shortfall in revenues requirement for the year. The rate-setting approach determines how the increase is spread out. Vice Chair Kuehl commented that residential customers may not be aware of SCE's base rates and even expect rate increases as the seasons change; expressed

inclination to support for the hybrid scenario that allows for a two-step rate increase process that also protects 100% Green cities. Additionally, Vice Chair Kuehl inquired as to the reasons for the diminution of the 100% Green rate in the hybrid scenario as it does not incentivize customers to opt-up to 100% Green. Mr. Bardacke clarified that the decrease below the 9% target aligns with its COS. Committee Member McKeown noted that though SCE is paying more for power this coming summer, as is CPA, SCE is capitalized enough to be able to delay passing the increase onto their customers; under the APC approach, customers will eventually know that their rates are no longer within the targets and shares some concern that a rate increase will not go unnoticed in the summer under the APC approach. Committee Member Gold recognized that the hybrid approach gets CPA closer to COS rates without disrupting business operations; observed that COS rates allow CPA to become proactive rather than reactive to SCE; the complexity of SCE electricity bills can deter customers from differentiating CPA/SCE increases; and suggested a one dollar increase to CARE customers that can raise approximately $3 million and allow CPA to rework scenarios. Committee Member Santangelo agreed in that the COS strategy will eventually separate CPA from SCE comparisons; noted concern with the hybrid approach, specifically that Lean and Clean products increase when switching from APC to COS, and the 100% Green decreases, which can appear to be two rate increases to Lean and Clean customers. Vice Chair Parks echoed concern for the optics of the increase of Lean and Clean and the decrease of 100% Green in the transition from APC to COS; added that maintaining the 100% Green in the target even if only a small percentage, keeps CPA's promise to its customers regarding the rate product differentiations; and CPA should continue to encourage communities to default to 100% Green. Committee Member Lopez agreed with previous comments about encouraging communities to default to 100% Green and protecting that default decision. Mr. Langer responded that CPA wants to avoid messaging that assumes preference for one customer class over another; rather the COS approach offers a coherent message to customers where CPA charges for the costs it incurs to procure the product each customer consumes and that it is coincidental that 100% Green cost of service falls within the target range this year. Chair Mahmud added that since CPA first projected cost comparisons to SCE's base rate, the cost of renewables has decreased more rapidly, whereas thermal energy has likely increased because the demand is higher to address reliability; however, it is good news that the cost of renewables is getting closer to that of thermal energy. Chair Mahmud agreed that customers do expect bill increases during the summer and if SCE increases transmission and delivery charges, CPA increases will be harder to spot; a transition to COS can also help to encourage customers to default to 100% Green as it would only be marginally more expensive. Vice Chair Parks agreed that dirtier energy is becoming more expensive which can encourage customers to choose cleaner energy. Committee Member Horvath agreed with the perception that most customers are not aware of the difference in service and the charges on their bills; and highlighted that a transition to COS is inevitable, as CPA is responsible for maintaining its commitment to its communities' environmental goals and to protecting low-income customers. Committee Member Zuckerman agreed and stated preference for transitioning to COS at once rather than phasing, and letting customers choose to opt-out if they need to. Committee Member McKeown reiterated that though he previously accepted the idea that 100% Green communities pay a bit more than their share, he has concern for the temporary summer increase proposed in the hybrid scenario; but pointed out that although there were rate comparison promises, the organization should continue to work

towards a bigger promise of transitioning the region off fossil fuel and onto 100% renewable energy.

Vice Chair Kuehl indicated that the COS model may be easier to explain to customers and expressed support for COS if there is a consensus. After further discussion, the Executive Committee reached a consensus on the Cost-of-Service-based approach. Committee Member McKeown voiced willingness to consider a scenario where 100% Green customers pay slightly more to help ease the burden of the other classes. Mr. Bardacke conceded that a small premium is built into the current COS approach and Committee Member McKeown reasoned that the slight increase is in the interest of the viability of CPA that will eventually move all communities to renewable energy.

4. Review Fiscal Year 2021-2022 Budget Priorities

Mr. Bardacke provided a summary of CPA's budget process, where key priorities are to contain net operating expenses to current levels and a 50% reduction in capital outlay; management of energy costs and risk; reduce use of consultants by investing in staff and technology; and use savings to increase customer programs and communications where there is potential return on investments (ROI). Mr. Bardacke reviewed the budget timeline and elaborated on the organizational priorities, noting that staffing, investing in data and systems, impactful customer programs and meeting financial targets are crucial. 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. Mr. Bardacke discussed upcoming projects to increase brand awareness and loyalty, activities to support customer assistance programs with high ROI, and program marketing support. Customer programs were split into three categories of funding including: reimbursable programs, such as Power Share; state funded; and strategic with long-term ROI or community benefits potential. Mr. Bardacke highlighted considerations for staffing, emphasizing on mid and junior level hiring across the organization to build internal capacity and support; a continued focus on retention; and budget considerations for current staff, cost of living adjustments (COLA), merit increases, and full year impacts from hiring; all while maintaining staffing costs at industry-leading 1% - 1.2% of total revenue. CPA will bring on more energy storage in the next six months than what is currently on the entire state's energy grid overall and will need the staff to manage the market transformation. CPA is heavily investing in technology and will need to acquire the staff to use and maintain the technology. Investments in communications and customer programs can build brand loyalty, mitigate potential opt-outs during a time of cost pressure, bring additional operating efficiencies, and manage cost volatility in the medium and long-term.

Vice Chair Kuehl complimented the addition of middle-level staff which also allows the organization to diversify and grow talented staff; and encouraged a balanced approached to the return of staff to the office. In response to Committee Member Zuckerman's question regarding the 8% increase for staff, Mr. Bardacke responded that the COLA is based off an objective index but the figure in the budget is a placeholder; and merit increases are available to staff but not guaranteed.

5. Review Draft Agenda for May 6, 2021 Board of Directors Meeting

The Executive Committee reviewed the agenda and provided feedback and suggestions on item placement.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Mahmud adjourned the meeting at 3:37 p.m.

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Staff Report – Agenda Item 2

To:	Clean Power Alliance (CPA) Executive Committee
From:	Ted Bardacke, Executive Director
Subject:	Oral Update from the Executive Director on CPA Operations
Date:	May 19, 2021

The Executive Director will provide an oral report, including an update on the following items:

- Summer Reliability Preparations (Attachment 1)

California ISO

News Release

For immediate release | **May 12, 2021** **Media Email | ISOMedia@caiso.com**

For more information, contact:
Anne Gonzales | agonzales@caiso.com
Vonette Fontaine | vfontaine@caiso.com

California ISO Summer Assessment reaffirms that grid is better positioned for this summer, but reliability risks remain

FOLSOM, Calif. – The California Independent System Operator (ISO) expects electricity supply conditions for the upcoming summer to be in better shape than last year, but the power grid is still susceptible to stress during extreme heat waves that extend across the West, according to the ISO's summer outlook released today.

The 2021 Summer Loads and Resources Assessment projects the energy grid will have more capacity to meet demand in 2021 than it did in 2020, a critical element for averting rotating power outages, such as those that occurred last August.

The additional capacity is the result of resource procurement ordered by the state. A series of market redesigns and policy changes in the ISO's system taken since September 2020 along with improved communication and coordination protocols has improved overall preparedness for this summer.

However, if heat events similar to those that gripped the western states region last summer occur, imported energy from other states could be limited, and the power grid will be at risk of supply shortages and possible emergency conditions, the assessment finds.

"The ISO and its partners in the state and throughout the western region are focused on being as prepared as we can for the summer heat," said Elliot Mainzer, president and CEO of the ISO. "New resources are coming online by summer, and we have taken the lessons learned from last year to make modifications to our market and operations. This makes us cautiously optimistic that there will be enough electricity to meet demand this summer.

"But there are remaining risks to reliability, such as an extreme prolonged heat wave affecting wide swaths of the West, or serious wildfires," he continued. "In partnership with utilities and other service providers across the state, we will be providing Californians with advance notice of stressed grid conditions along with specific actions they can take to help reduce demand for power. We can all play a constructive role in helping transition to a low-carbon grid in a reliable and cost-effective manner."

California ISO

The ISO's annual Summer Assessment evaluates the expected supply and demand, to help prepare for the hot weather months of June through September.

This year's outlook includes roughly 2,000 megawatts (MW) of additional, readily available resources coming online to serve ISO net peak demand compared to this time last year, including battery storage that is expected to absorb excess renewable energy in the middle of the day, and inject it back into the grid after sunset when solar generation goes offline. The state and ISO are continuing to pursue other opportunities to add an additional 1,000 to 1,500 MW of new resources to the system by summer.

The 2021 forecasted peak demands are about the same as last year under normal weather conditions. However, extreme heat events are becoming more likely, as the assessment points out. By incorporating last August's historical heat wave into the assessment, it pushes weather previously regarded as extreme into what is now considered more normal ranges.

California hydroelectric energy supplies will also be significantly lower than normal, with the state weathering a second consecutive year of below normal precipitation. Snowpack water content peaked at 60 percent of normal, similar to last year's conditions, and reservoir levels have decreased to 70 percent of normal.

Imports will play a substantial role in this summer's power grid reliability. The assessment measured the likelihood of energy deficiencies and system emergencies, finding that at typical import levels based on historical data, there is a low probability of grid stress.

But results based on analyses of more limited import levels associated with a widespread heat event showed that the probability of having to rely on measures to reduce load during emergency conditions, including rotating power outages, increases significantly during high demand conditions.

Conservation will be pivotal to cushioning the grid when it needs it the most, typically during hot summer evenings when demand remains high for air conditioning use and solar production is going offline. In coordination with the California Public Utilities Commission (CPUC), the ISO will issue Flex Alerts -- voluntary calls to consumers to cut down on electricity use from 4 – 9 p.m. – when system conditions are forecast to be tight. The state and the ISO are planning to launch a refreshed Flex Alert campaign in June to alert residents earlier of a potential supply shortage and spread the conservation message more widely.

Grid stability will also be improved through expanded communications and coordination among utilities and stakeholders in the state and across the West. The ISO and its partners will continue to seek out and use extraordinary measures during emergencies, in an effort to avoid rotating outages.

For more information on all the actions and developments in advance of summer, visit our 2021 Summer Readiness webpage on caiso.com.

California ISO

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California ISO Media Email | ISOMedia@caiso.com

250 Outcropping Way | Folsom, California 95630 | www.caiso.com

The California Independent System Operator (ISO) is a nonprofit public benefit corporation dedicated, with its partners, to continuous improvement and secure operation of a reliable grid operated for the benefit of consumers. It provides comprehensive grid planning, open and nondiscriminatory access to one of the largest networks of high-voltage transmission power lines in the world, and operates a $9 billion competitive electricity market. Recognizing the importance of the global climate challenge, the ISO is at the forefront of integrating renewable power and advanced technologies that will help provide a sustainable energy future efficiently and cleanly.

The Western Energy Imbalance Market (EIM) Governing Body is the governing authority designed by regional stakeholders with delegated authority from the ISO Board of Governors to resolve rules specific to participation in the Western EIM.

Summer 2021 Reliability Preparations

Over several consecutive days in mid-August 2020, a historic heat storm across the western United States caused energy supply shortages that led to rotating power outages on August 14 and 15 across California. Unfortunately, what had previously been a "once every 30 years" heat event is likely to become much more common, as climate change fuels hotter temperatures and more weather extremes. As a result, the grid will continue to be stressed under these extreme conditions.

As the fifth largest load serving entity in the State, CPA takes seriously its responsibility to provide reliable power for its customers and the grid, including procuring additional resources to meet California's electricity demand in summer 2021. CPA is actively coordinating with the California Public Utilities Commission, California Independent System Operator, and the California Energy Commission on statewide preparation and taking specific actions to prepare for extreme weather events and mitigate the risk of outages for its customer base. Key efforts include the following:

Bringing Batteries Online

To increase grid reliability, CPA is bringing 250 megawatts of battery storage online this summer and early fall. This is more than double what CPA is required to procure by the CPUC. CPA is voluntarily procuring these extra resources specifically to increase reliability and is taking a hands-on approach to working with its developers to make sure that despite the effects from COVID-19 on project construction timelines, delays are minimized.

What's Needed: Some projects may experience construction delays. All project partners, from permitting authorities to operational integrators are being encouraged to prioritize these key reliability projects.

Meeting Resource Adequacy Requirements

CPA is on-track to meet its resource adequacy (RA) requirements and is taking proactive measures to ensure that the resources it is relying on will perform as expected. These measures include buying RA far in advance of CPA's requirements to the extent possible and maintaining close communications with its suppliers.

What's Needed: The new RA import rules that went into effect on January 1st, 2021 has made the RA market very tight for all participants. This means that the RA rules are difficult to meet, which could decrease reliability. The State needs to take action to amend these rules and make it less burdensome for import suppliers so that import capacity can more easily count for RA.

Using Demand Response to Curtail Customer Usage During Peak Events

CPA's Peak Management Pricing (PMP) program, launched in 2019, provides bill credits for commercial customers to encourage curtailment during peak demand days. Under CPA's PMP program, events are five hours in duration, 4-9pm on weekdays, with a maximum of 12 events a year, a similar format to the Critical Peak Pricing program offered by the Investor-Owned Utilities. CPA's commercial account liaisons are actively working to educate municipal and large commercial customers about this program, and CPA has launched a marketing campaign to increase enrollment.

What's Needed: Data Transparency. CPA does not receive customer advanced metering infrastructure data until the customer's billing cycle closes, which makes event performance evaluations very challenging. More timely access to data would allow CPA to adjust events in order to respond to customer participation.

Expanding a Demand Response Pilot Into a Program

CPA's Power Response pilot program, launched in 2020, is a Distributed Energy Resources (DER) focused demand response program, comprised of three technology types targeting different customer segments, and designed to leverage existing customer equipment. CPA recently released a Request for Proposals (RFP) for an implementation provider to scale the program, and this program is expected to enroll 6 MW of capacity over 2 years. Currently customers have three ways to participate: through shedding EV charging load during events, through discharging onsite batteries during events, or through reducing A/C load (manually or remotely) during events. This program is open to commercial, residential, and municipal customers, with different aspects of the program designed for different customer classes.

What's Needed: Data Transparency. CPA has limited data on the clean energy technology that customers use. This includes technology types (e.g., battery storage, EV charging, or smart thermostats), vendors, associated capacities, and information about customers that participate in unbundled Southern California Edison (SCE) demand response programs. Additionally, open communication and earlier coordination with SCE regarding planned programs for unbundled customers would help CPA avoid duplicative programs.

Grid Emergency Communication Plan

When a statewide Flex Alert is called by the CAISO, CPA will amplify the message by directly encouraging its customers to reduce their energy use. For customers enrolled in one of CPA's demand response programs, CPA will call an event, as detailed above. For all other customers, CPA will target them through social media posts (Facebook, Twitter, Linkedin), website updates, and through email when possible. This summer, CPA expects to add text messaging to its

customer communication toolkit. CPA works closely with its 32 member agencies and SCE to ensure the communication is coordinated.

What's Needed: Advanced warning of possible grid events from CAISO will allow CPA to communicate with customers more effectively.

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Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

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

Subject: Draft FY 2021-2022 Budget

Date: May 19, 2021

RECOMMENDATION

Review and provide input.

ATTACHMENTS

1) Draft FY 2021-2022 Budget Presentation
2) Draft FY 2021-2022 Budget

CLEAN POWER ALLIANCE

Locally powered energy innovation.

Item 3
Draft FY 21/22 Budget

May 19, 2021

FY 2021/22 Budget Process & Schedule

- ✓ January-April 2021 (Staff) – FY 2021/22 Goal Setting, Departmental Budgeting, Rate Design Planning, Energy Cost Projections & Consolidated Budget Planning (ongoing)
- ✓ April 21, 2021 (Executive) – Budget Priorities
- ✓ April 28, 2021 (Finance) – FY 2021/22 Budget Priorities & Draft Operating Expense Budget + FY 2020/21 Budget Amendment
- ✓ May 6, 2021 (Board) – Budget Priorities + FY 2020/21 Budget Amendment
- → **May 19, 2021 (Executive) – Draft FY 2021/22 Budget**
- May 26, 2021 (Finance) – Proposed FY 2021/22 Budget
- June 3, 2021 (Board) – Proposed FY 2021/22 Budget

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 FY 2020/21 Amended Budget	C FY 2021/22 Budget	D Budget Difference ($)	E Budget Difference (%)
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 FY 2020/21 Amended Budget	C FY 2021/22 Budget	D Budget Difference ($)	E Budget Difference (%)
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 Amended Budget	FY 2021/22 Budget	Budget Difference ($)	Budget Difference (%)	% of Total 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 expenses	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	9,892,690	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

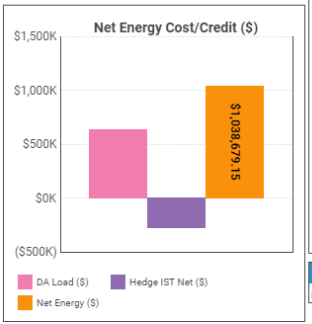
(2) Budgeted amount for performance-based increases awarded at the discretion of ED and upon supervisor recommendation

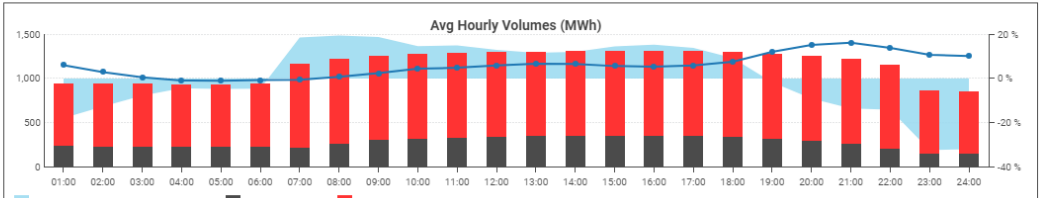
Staffing – Procurement, Finance, Risk Management

CAISO End of Day Report [redacted]

	MWh
Load	27,438
IST	20,800
Gen	6,651
Net Position	13
Gen + IST	27,451
DA % Hedged	100 %

	$
DA Load Cost	$628,984
Hedge IST CAISO Credit	$423,779
IST Counterparty Cost	$697,158
Hedge IST Net Cost/(Credit)	($273,379)
Gen CAISO Credit	$130,081
Gen Contract Cost	$266,397
Net Energy Cost/(Credit)	$1,038,679





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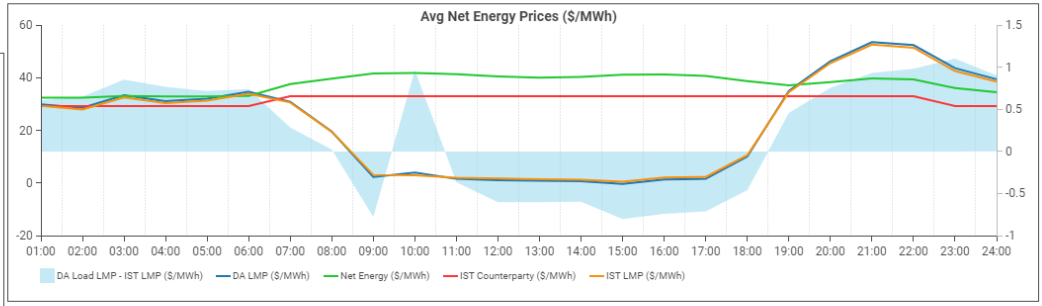
L	1,148	1,070	1,010	973	972	978	982	1,015	1,057	1,109	1,118	1,146	1,164	1,162	1,138	1,130	1,144	1,187	1,298	1,377	1,403	1,343	1,265	1,250
I	700	700	700	700	700	700	950	950	950	950	950	950	950	950	950	950	950	950	950	950	950	950	700	700
G	240	233	231	229	225	231	213	261	303	320	334	343	348	351	351	351	352	346	324	300	261	202	154	148
N	-208	-136	-79	-44	-47	-47	181	197	197	161	165	147	134	139	164	172	157	108	-24	-127	-192	-191	-411	-402



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DA LMP	29.89	28.58	33.34	31.06	32.00	34.63	30.86	19.49	2.29	3.91	1.57	1.05	0.85	0.63	-0.34	1.32	1.55	10.07	34.95	46.28	53.48	52.38	43.60	39.38

	$/MWh
[redacted]	

Average Price ($/MWh)	Daily	HLH	LLH
[redacted]			

Staffing – Procurement, Finance, Risk Management

California ISO
Shaping a Renewed Future

Market Invoice

Date: 04-May-2021
Page: 1 of 16

[redacted]

Charge Code	Description	Current	Previous	Net
CC6694	Regulation Down Obligation Settlement	80,122.35	82,290.92	(2,168.57)
CC6696	Regulation Down Neutrality Allocation	(7,606.75)	(7,913.44)	306.69
Ancillary Services Regulation Down Charge Group Total		**$72,515.60**	**$74,377.48**	**($1,861.88)**
CC7070	Flexible Ramp Forecast Movement Settlement	4.41	4.41	0.00
CC7071	Daily Flexible Ramp Up Uncertainty Capacity Settlement	0.00	0.00	0.00
CC7076	Flexible Ramp Forecast Movement Allocation	(765.20)	(739.87)	(25.33)
CC7077	Daily Flexible Ramp Up Uncertainty Award Allocation	15,012.08	2,207.54	12,804.54
CC7081	Daily Flexible Ramp Down Uncertainty Capacity Settlement	0.00	0.00	0.00
CC7087	Daily Flexible Ramp Down Uncertainty Award Allocation	3,351.60	3,358.55	(6.95)
Flex Ramp Charge Group Total		**$17,602.89**	**$4,830.63**	**$12,772.26**
CC7256	Regulation Up Mileage Cost Allocation	0.00	0.00	0.00
CC7266	Regulation Down Mileage Cost Allocation	22.42	22.91	(0.48)
Regulation Mileage Charge Group Total		**$22.42**	**$22.91**	**($0.48)**

Staffing – Procurement, Finance, Risk Management

Invoice Date	Operating Month	CAISO Version	GL Code	Charge Name	Charge Code	Sum of Amount
[redacted]	[redacted]	9B	50170 - Chg/Cr Day Ahead Energy			$6,912,079.32
		9B	50175 - Chg/Cr RT Imbalance Instr			$1,450.36
		9B	50180 - Chg/Cred RT Imbalance Uni			-$342,911.90
		9B	50185 - Chg/Cred InterSC Trades			-$4,758,373.85
		9B	50190 - Chg/Cred Grid Mgmt			$72,283.25
		9B	50195 - Chg/Cred Congestion			$111,126.64
		9B	50196 - Chg/Cred Other Charges			$45,041.77
		9B	50198 - CRR Settlement			-$11,844.57
		9B	50199 - FMM Imbalance Energy Inst			$19.38
		70B	50170 - Chg/Cr Day Ahead Energy			$0.00
		70B	50175 - Chg/Cr RT Imbalance Instr			$0.00
		70B	50180 - Chg/Cred RT Imbalance Uni			-$217,596.77
		70B	50185 - Chg/Cred InterSC Trades			$0.00
		70B	50190 - Chg/Cred Grid Mgmt			-$1,351.50
		70B	50195 - Chg/Cred Congestion			$269.35
		70B	50196 - Chg/Cred Other Charges			$140,245.09
		70B	50198 - CRR Settlement			$3,028.96
		70B	50199 - FMM Imbalance Energy Inst			$0.00
Grand Total						$1,953,465.53

New Hires

- 3 Procurement – All P/T2
  - Settlements
  - Contract Management
  - Origination
- 2 Finance, Risk Management – All P/T2
  - Modelling/Contract Validation
  - Credit/Middle Office Administration

Staffing – Data/Systems

- Each CPA operational group – Procurement, Finance, Programs, External Affairs, Strategic Accounts, Customer Care – relies heavily on customer and market data

- Over the past fiscal year, CPA began implementing its Data and Systems Strategic Plan by hiring 2 people who have built the foundation of CPA's Data Warehouse and triaged key needs of internal functional groups

- This coming fiscal year Data and Systems Strategic Plan focus is on building up Data/Systems division with a focus on data that is organized and development of systems and applications that allow for functional groups to use that data for both internal and customer benefit

- As CPA controls and accesses more data internally, and interfaces directly with more customers, cybersecurity risks increase

New Hires

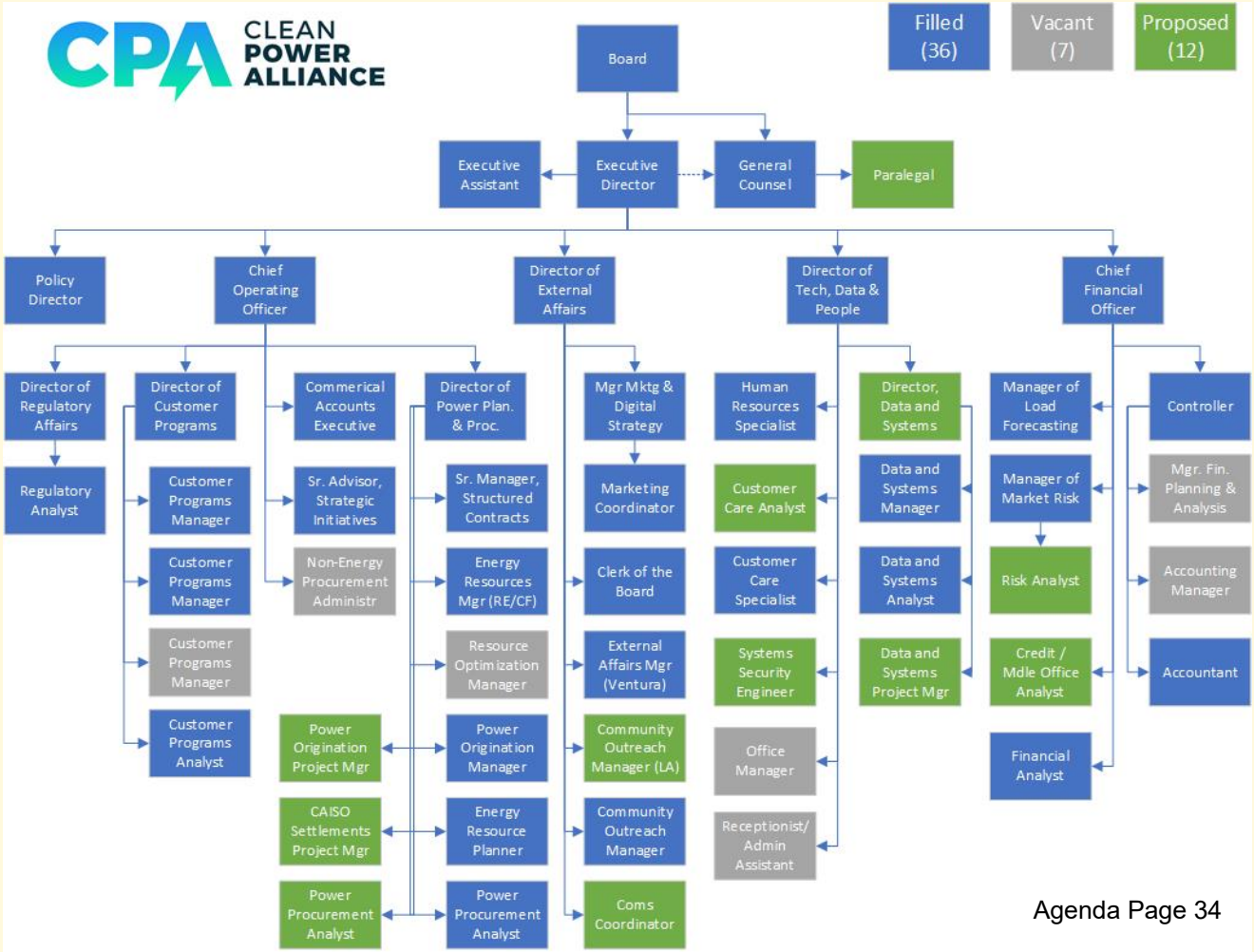
- 3 Data/Systems
  - Director, Data and Systems (M3)
  - Data and Systems Project Manager (P/T2)
  - Security Engineer (P/T4)
    - CPA will do an external comprehensive cybersecurity audit to assess full risk palate, develop work plan and determine staffing need prior to making this Security Engineer hire

Staffing – Support for Key External and Internal Functions

New Hires – (All P/T1 and P/T2)

- 1 Legal (Paralegal) – Continue to in-source routine legal review and contract admin support
- 2 External Affairs
  - Communications Coordinator – Significant project, budget, consultant management
  - LA County Community Relations – Increase Member Agency Services, Community Engagement, Program Promotion, Customer Acquisition
- 1 Customer Care Analyst – Business Customer focus with cross support for Strategic Accounts and Commercial Customer Programs

Staffing – Org Chart with Proposed New Positions



Staffing – What's Next?

Beyond FY 2021/22

- Procurement, Finance, Data/Systems likely to need one additional staff in each division
- Customer Programs
  - Will need one additional entry level support
  - Future growth is dependent on desired level of and funding for program expansion – programs are labor intensive; more programs will translate into more staff needs
- Regulatory/Policy
  - Will likely need one additional junior level staff
  - Future growth is dependent on strategic decision on how much to engage on "non-core business" at CPUC/CEC/CARB and with the legislature
- External Affairs
  - Future growth is dependent on strategic decision on the balance between internal staff resources and reliance on external agencies
  - This year, heavy reliance on external agencies is due to a number of one-off projects such as brand refresh, new website, and new program launches

FY 2021/22 Budget - Summary

- 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

Thank you. Questions?

CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA
Fiscal Year 2021/2022 Budget
Draft

	FY 2020/21 Amended Budget	FY 2021/22 Budget	Budget Difference ($)	Budget Difference (%)
Revenue - Electricity net	808,235,431	893,509,212	85,273,781	11%
Other revenue	566,000	1,868,000	1,302,000	230%
TOTAL REVENUE	**818,408,466**	**895,377,212**	**76,968,746**	9%
TOTAL ENERGY COSTS	**765,217,390**	**834,281,512**	**69,064,122**	9%
NET ENERGY REVENUE	**53,191,076**	**61,095,700**	**7,904,624**	15%
OPERATING EXPENSES				
Staffing	7,791,000	9,893,000	2,102,000	27%
Technical services	2,752,000	1,184,000	(1,568,000)	-57%
Legal services	1,849,000	1,237,000	(612,000)	-33%
Other services	1,003,000	1,612,000	609,000	61%
Communications and marketing services	525,000	1,505,000	980,000	187%
Customer notices and mailing services	865,000	797,000	(68,000)	-8%
Billing data management services	11,881,000	10,374,000	(1,507,000)	-13%
Service fees - SCE	2,315,000	2,016,000	(299,000)	-13%
Customer programs	1,360,000	1,872,000	512,000	38%
General and administration	1,325,000	1,584,000	259,000	20%
Occupancy	516,000	548,000	32,000	6%
TOTAL OPERATING EXPENSES	**32,182,000**	**32,622,000**	**440,000**	1%
OPERATING INCOME	**21,009,076**	**28,473,700**	**7,464,624**	36%
Finance and interest expense	298,000	287,000	(11,000)	-4%
Depreciation	176,000	156,000	(20,000)	-11%
TOTAL NON OPERATING EXPENSES	474,000	443,000	(31,000)	-7%
Interest Income	250,000	144,000	(106,000)	-42%
TOTAL NON OPERATING REVENUE	250,000	144,000	(106,000)	-42%
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%
Other Uses				
Capital Outlay	1,074,000	297,000	(777,000)	-72%
Depreciation	(176,000)	(156,000)	20,000	-11%
CHANGE IN FUND BALANCE	29,258,000	28,033,700	(1,224,300)	-4%

Note: Funds may not sum precisely due to rounding

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 June 3, 2021 Board of Directors Meeting
Date:	May 19, 2021

Staff will provide an overview of the proposed agenda items for the June 3, 2021 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 May Board meeting.

Legislative Bill Positions

Staff will propose policy positions for additional bills in the 2021/2022 Legislative Session. These bills would focus on resiliency and demand response.

Digital Marketing, Website, Social Media, and As-Needed External Affairs Services Contract

While CPA has become the largest CCA and 5th largest electricity in the state, and the top provider of 100% Green Power in the entire country, the organization has relatively low brand awareness. According to a digital survey conducted by staff prior to the Power Share launch, less than 50% of respondents in English, Spanish, and Mandarin were aware of CPA. By comparison, SCE's awareness with these same respondents was over 80%.

During the next year, CPA is planning to launch several new customer programs, bring five new clean energy facilities online, promote bill assistance programs such as Power

Share, AMP, and CARE/FERA, implement new rates, support rate default changes, transition to TOU rates, redesign the website and refresh the current brand. With the proper investment in marketing and communications, the programs and activities listed above will elevate CPA's brand in a way that allows the organization to be more successful in its efforts to retain customers, increase participation in CPA's customer programs, and potentially attract new members.

To support the CPA External Affairs team in executing a comprehensive marketing and communications plan to support the brand and the agency initiatives, staff will propose executing contracts for one or more marketing firms, with an emphasis on those specializing in digital platforms. CPA received six responses to a recent RFP, staff is currently conducting interviews, and will present a recommendation at the June board meeting.

REGULAR AGENDA

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

2020 Clean Energy RFO Power Purchase Agreements (PPAs)

In October 2020, CPA launched its 2020 Clean Energy RFO targeting procurement of 1.5-2.0 million MWh of annual renewable energy. CPA received a robust response to the RFO from 105 conforming offers for renewable, renewable plus storage, and standalone storage long-term contracts. The Energy Planning & Resources Committee approved a shortlist of projects to proceed with power purchase agreement (PPA) negotiations during its January 27th meeting. CPA is currently in exclusive negotiations with nine projects.

Per CPA's Energy Risk Management Policy, any power purchase transactions greater than five years require approval by the Board. At the May Board meeting, one of the shortlisted contracts, Heber South, was approved. Staff may bring up to four of the remaining short-listed projects to the June Board meeting for consideration, including a mix of geothermal and solar plus storage technologies. These projects will help fulfill CPA's long-term contracting compliance obligation, lower CPA's renewable energy costs,

diversify CPA's clean energy portfolio, and expand the overall supply of renewable energy and storage capacity in California.

Approve 2021 CPA Rates

At the May 6, 2021 Board Meeting a ratemaking approach for 2021 rates was adopted. This approach was a modified Cost of Service-based approach that will base rates on the costs to serve Lean, Clean, and 100% Green customers, freeze CARE/FERA/Medical Baseline customer rates at their current levels, and target the bill premium for 100% Green residential customers at no more than 9% above Southern California Edison's projected base rates after their expected summer 2021 rate change.

At the June meeting, Staff will present detailed rates to the Board for approval based on this modified Cost of Service-based approach. Due to continually rising market prices for this coming summer and the need to provision for potentially reduced revenue from opt-outs due to the new rates, rate comparisons presented to the Board at the May meeting for Lean and Clean may be adjusted upwards by between 0.1% and 0.3%. Further details on this item will be included in the presentation to the Executive Committee on the Draft FY 2021/22 Budget.

Approve Fiscal Year 2021/22 Budget

Staff will provide a separate presentation of the Draft FY 2021/22 Budget for Executive Committee review.

Quarterly Communications Report

The Director of External Affairs will provide an update on communications and outreach activities for the previous quarter, including accomplishments, metrics, survey results as well as a lookahead for the next quarter. Subsequently, this reporting will be presented to the Board on the consent agenda following the end of each quarter of the calendar year.

ATTACHMENT

1) Draft June 3, 2021 Board Meeting Agenda

Return to Agenda

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

Thursday, June 3, 2021

2:00 p.m.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from May 6, 2021 Board of Directors Meeting
2. Approve 2021/2022 Legislative Bill Positions
3. Approve Digital Marketing, Website, Social Media and As-Needed External Affairs Services Contract
4. Receive and File Q1 Calendar Year RMT Report
5. Receive and File Q3 Fiscal Year Financial Report
6. Receive and File Community Advisory Committee Report

REGULAR AGENDA

Action Items

7. Approve 2020 Clean Energy RFO Power Purchase Agreements (PPA)
8. Approve 2021 CPA Rates
9. Approve Fiscal Year 2021/22 Budget

Information Items

10. Quarterly Communications Report

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON JULY 1, 2021

END OF DOCUMENT