



**MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, June 16, 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/96087342540>

or

Dial: (669) 900-9128 Meeting ID: 960 8734 2540

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.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments during the meeting via email to: clerk@cleanpoweralliance.org.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

Clean Power Alliance Executive Committee Meeting
June 16, 2021

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 May 19, 2021 Executive Committee Meeting](#)

REGULAR AGENDA

2. [Oral Update from the Executive Director on CPA Operations](#)
3. [Review Draft Agenda for July 1, 2021 Board of Directors Meeting](#)

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING JULY 21, 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.*

MINUTES

MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, May 19, 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 1:33 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	Robyn Eason	Alternate 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 April 21, 2021 Committee Meeting

Motion: Committee Member McKeown, Santa Monica
Second: Committee Member Gold, Beverly Hills
Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, discussed summer reliability preparations throughout the state, stated that CPA is focusing on bringing more batteries online to meet its resource adequacy (RA) requirements, as well as gearing up for Peak Management Pricing and Power Response events. Mr. Bardacke also noted that some new battery projects are facing delays due to global supply chain challenges; this is not unique to CPA.

In response to Committee Member Zuckerman's question, Mr. Bardacke noted that supply delays will not affect RA requirements. Chair Mahmud inquired as to the untimely access to customer meter data and the challenges with the billing system. Mr. Bardacke responded that the issue of reliability raised in Southern California Edison's (SCE) General Rate Case has given momentum to the timely access to data; while the billing system has faced several challenges on the back end, including atypical customer communications, there have been very few opt-outs.

3. Review Draft Fiscal Year 2021/2022 Budget

David McNeil, Chief Financial Officer, and Mr. Bardacke provided a summary of CPA's budget process, where key considerations include, energy costs offset by increases in revenue arising from anticipated retail rate increases, and budgeted expenses set to decline as a result of investments in staffing, customer programs, communications, and data & systems. The draft budget includes a \$28 million increase in the net position which would increase reserves to \$113 million by the end of the fiscal year. Mr. McNeil reviewed sections of the proposed budget that reflect CPA's base case load forecast, opt-out assumptions associated with rate changes, and the Board-approved rate making approach. Mr. McNeil highlighted that when opt-out impacts are factored into the budget, the differentials for Lean and Clean products need to be slightly adjusted; about .40 cents for residential and .60 cents for small business customers. CPA has reduced bad debt assumptions, mainly because as disconnections resume, customers will begin making payments; additionally, more funding and bill relief programs will provide further relief to customers. The \$28 million increase in the net position includes adjustments to rates, which is shy of the \$30 million annual target in net position; CPA plans to make additional adjustments and increase differentials for Lean and Clean residential and small business customers to get closer to the \$30 million target. Mr. McNeil discussed operating budget priorities, which are to contain costs; reduce capital outlay by 50%; build out the middle to lower levels of the organization; properly resource management of energy costs; invest in customer programs and communications. Operating expenses reflect the budget priorities previously presented and about 40% of expenses are fixed by regulatory or contractual obligations. Mr. Bardacke reviewed reimbursable, state-funded, and strategic customer programs. The communications budget is aimed at increasing brand awareness and loyalty, increase activities to support customer assistance programs with high ROI, and program marketing support. Mr. Bardacke noted that mid and junior level hiring across the organization will build internal capacity and support; the budget includes cost of living adjustments (COLA) and merit increases. CPA will add staff to the procurement, finance, and risk management

teams and Mr. Bardacke described some of the operations needing further support to reduce cost and risk. As CPA increases its use of data, dedicated staff to manage cybersecurity risks are needed. There is also a need for support in key external and internal CPA functions. Future staffing growth is dependent on customer programs and CPA's regulatory focus and expansion.

Committee Member McKeown asked how the 50% reduction in capital outlay will impact customers, staff, and the Board. Vice Chair Kuehl asked how the current budget reflects early discussion about customer incentives for customers. Mr. Bardacke explained that the capital outlay arises primarily from potential office expenses and investment in the new website; noted that the budget reflects the priorities listed in the local programs strategic plan. Committee Member Gold asked for further context on the reduction of bad debt and the expectation for repayment of bad debt as it relates to accounts receivables. Mr. McNeil noted that two different methodologies are used for budgeting and accounting for bad debt; Mr. Bardacke added that the Governor budgeted \$2 billion for utility bill relief and the legislature will determine how most funds will be distributed. In response to Vice Chair Parks and Committee Member Zuckerman's questions, staff noted that CPA prefers to hit the \$30 million target but is sensitive to the rate adjustments needed to achieve the target; building reserves and bringing new resources online over time will help to manage volatility. Chair Mahmud posed questions regarding bad debt planning, collections activities, state funding for debt relief, and the timeline for investment-grade credit rating. Mr. McNeil explained that CPA's conservative approach to bad debt is consistent with pre-COVID economic conditions, with the caveat that the agency did not have a substantial history as a fully enrolled CCA. CPA will be introducing a collections policy to pursue collections when SCE stops collecting on CPA's behalf, noting that SCE will continue to collect on its portion of the bill. Mr. Bardacke stated that all indications suggest customers will not have to apply for bill relief, rather, bill relief will be provided as a write-off by the utilities based on eligibility and direct payment will be made to the utility that wrote off the debt. Mr. McNeil pointed out that the budget is in line with the current timeline for achieving an investment-grade credit rating and staff will begin to engage with credit agencies in the first quarter of 2022. Committee Members Gold and Zuckerman expressed support for the 0.1-0.2 percentage adjustments in the Lean and Clean rate products which get CPA closer to the \$30 million target, translates to .40 cents for residential, and .60 cents for small business customers and do not result in large differences in customer bills but can have a great impact in CPA operations.

4. Review Draft Agenda for June 3 2021 Board of Directors Meeting

Mr. Bardacke reviewed the Board agenda, including progress on power purchase agreements and a new quarterly communications report.

Vice Chair Parks requested a staff presentation to the Ventura County Board of Supervisors on the status of online facilities serving CPA customers; asked for an update on Assembly Bill (AB) 1139. Mr. Bardacke explained CPA has not taken a position on the bill since it does not directly affect CPA; however, it does affect customers and the direction of net energy metering overall. A proceeding at the California Public Utilities Commission (CPUC) would determine if customers are accredited for generation by their rooftop solar systems at the retail or wholesale rate, which would be a dramatic reduction; and whether the Investor Owned

Utilities (IOUs), can institute a fixed charge for grid operations and maintenance. AB 1139 would force the CPUC to decide but also places parameters on how that decision should be framed. Vice Chair Parks noted that costs overall will mean customers will have to pay more because of SCE. Mr. Bardacke informed the Executive Committee that a presentation on Net Energy Metering policy will be made to the full Board on July 1.

COMMITTEE MEMBER COMMENTS

Chair Mahmud noted that it seems to be appropriate for CPA to promote Power Share, the demand response program, given SCE's promotion of its critical care program, and requested that the External Affairs team create and share a flyer that Committee Members can post on their city's website and share at their own Council Meetings.

ADJOURN

Chair Mahmud adjourned the meeting at 3:08 p.m.

DRAFT

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: June 16, 2021

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

- Summer operational priorities
- Return to office plans

Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Executive Director

Subject: Review Draft Agenda for July 1, 2021 Board of Directors Meeting

Date: June 16, 2021

Staff will provide an overview of the proposed agenda items for the July 1, 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 July Board meeting.

Energy Risk Management Policy Amendments

In its annual review of CPA's Energy Risk Management Policy (ERMP), staff will seek approval of revisions to the ERMP that reflect CPA's operating history and market conditions, including:

- Clarify the RFO Review Team process for long-term Power Purchase Agreements (PPAs) to allow for wider variety of procurement types (e.g. Power Share and Power Ready procurement).
- Changes that reflect CPA's latest risk management systems and processes
- Incorporating impacts of long-term contracts in hedging limits
- Increasing the maximum counterparty credit limit to reflect market conditions

This item will be discussed in detail at the June 23 meeting of the Energy Committee.

The ERMP requires CPA representatives, including the Board, to sign, on an annual basis and/or upon any revision, an acknowledgement of their responsibilities, duties, obligations, and compliance under the ERMP. In tandem with the amendment to the ERMP, staff will request the Board complete their annual acknowledgement forms in July, which will be emailed to the Directors in subsequent communication from the Clerk of the Board.

Expansion Feasibility Contract Amendment

In May 2021 CPA executed a Task Order with MRW, under the Executive Director's signing authority, to conduct a pre-feasibility study on the financial impact of having a new prospective member city join CPA. Pre-feasibility studies allow CPA to make a preliminary impact assessment of prospective new member agencies prior to undertaking the effort and expense of a full feasibility study, which requires a commitment of funds by the prospective agency and may require action by the prospective agency's governing body. The proposed Task Order Amendment will expand MRW's pre-feasibility analysis to include four additional prospective cities who have either expressed interest in CPA and/or are good placeholders for other cities throughout the region. The Task Order Amendment will also allow for additional pre-feasibility and full feasibility studies to be conducted in 2022. The Task Order Amendment will increase the total value of MRW contracts within a 12-month period above the level of the Executive Director's signing authority, thereby requiring Board approval.

Printing and Mailing Services Contract

CPA sends several types of notices to customers throughout the year, some of which require printing and mailing services. Every new customer that moves into CPA service territory and establishes electric utility service receives two mandatory Move-in Mailers, within 30 days of the start of their electricity service and the second notice arrives between 30 and 60 days after the start of their electricity service. Per CPUC and CEC requirements, annual mailers must be also sent to all customers to inform them about CPA's energy content and rates. Additionally, CPA uses printing and mailing services to market customer programs and sends notices to various types of customers regarding program and/or account changes several times throughout the year.

The vast majority of printing and mailing services are currently provided on a pass-through basis via CPA's billing and data manager contract with Calpine, with small contracts directly with CPA and signed under the Executive Director's authority covering the rest of printing and mailing services. Under the recent Calpine contract amendment approved by the Board in April 2021, CPA agreed to transition administration of all mailing and print services in-house by September 1, 2021. On May 7, 2021, staff released an RFP for printing and mailing services and intends to award either a contract to one Proposer for both printing and mailing or a contract to two Proposers for printing and mailing services separately. Staff is in the process of reviewing proposals; pending successful contract negotiations, the proposed contract may appear on the July Board agenda.

REGULAR AGENDA

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

Collections Policy

CPA currently relies on SCE to collect on past due accounts. After a period of time and depending on customer type and status, SCE ceases to collect on CPA's behalf and returns remaining past due charges to CPA for further action. CPA does not currently have a policy governing the handling of these and other similar charges. Staff plan to present a Collections Policy to the Board for approval that would govern the collection of past due funds from CPA customers, in particular the collection of funds that are no longer being collected by SCE by a third-party collection agent or agents. Staff is exploring contract options with a third-party collection agent or agents but need to have a policy governing those collection activities prior to entering into any such contracts.

This item will be discussed in detail at the June 23 meeting of the Finance Committee.

Power Ready Program Progress Report

Staff will provide an informational presentation at the July meeting updating the Board on the Power Ready program. The Power Ready program allows each interested CPA

member agency the opportunity to install, at no cost to the member agency, a solar and battery storage backup power system at a facility that provides a critical community or municipal function in times of a power outage or grid instability. The batteries will be used by CPA in times of normal operations to avoid wholesale energy costs while during outages, member agencies will use the batteries for to power critical loads.

CPA is planning to launch a Request for Offers (RFO) in fall 2021 to select a single developer with whom CPA enter into long-term PPA; this developer will construct and maintain the solar and storage systems. Through this structure, member agencies' electricity bills will stay at or below what they would otherwise be paying CPA, which will finance the systems and pay for the PPA costs through energy procurement savings generated by the solar and storage systems.

In 2020, CPA engaged engineering consultant EcoMotion to assist CPA and member agencies with program design and the evaluation of potential sites. Since January, CPA's programs team and EcoMotion have been engaged with member agency staff to identify a priority site in each jurisdiction to serve as a program host site and develop conceptual system sizing/siting at each site. Currently, 26 of CPA's 32 member agencies have been able to identify a suitable site for participation in the program and EcoMotion is conducting site visits in June and July to verify physical aspects of site suitability.

In order to contract with a developer for site work, ongoing maintenance, and ultimately provision of power and battery storage services, CPA will need to execute a separate Memorandum of Understanding (MOU) with each member agency that will govern that particular project. These MOUs will need to be executed prior to the release of the RFO, so that the bidding developers and CPA can be certain of overall project parameters and to achieve best possible pricing. A main objective of the Power Ready progress report is to apprise Board members that the MOU is likely to come to their respective city council's for review and approval in the next few months and to prepare Board members to discuss the project with their colleagues and member agency staff.

Net Energy Metering 3.0 Policy Update

A proceeding at the California Public Utilities Commission (CPUC) is underway to develop a new Net Energy Metering (NEM) rate structure for the Investor Owned Utilities (IOUs). CPA staff will provide an informational presentation to the Board on the different proposals being considered with the objective of discussing the principles that could guide our engagement in the regulatory proceeding, the broader policy conversations with stakeholders, and ultimately any changes to CPA's own NEM policy that could arise if and when a new NEM rate structure for the IOUs is approved by the CPUC.

Since NEM was first implemented in 1995, the incentives have propelled fantastic growth in the number of residential and commercial rooftop solar installations, creating thousands of local jobs. Under NEM, rooftop solar customers receive compensation for the energy they generate and export, which create bill savings that allow customers to recoup the investments they have made in rooftop solar. In recent years, the incentives built into NEM rate structures have come under scrutiny. Currently, NEM customers are incentivized by load serving entities who pay retail rates for rooftop solar generation. However, going forward, these incentives could be more efficiently distributed to a wider customer base by targeting investments in resources, such as storage, that better meet the evolving needs of the California electricity system.

In addition, based on a recent study commissioned by the CPUC, the NEM incentives are disproportionately utilized by higher-income households and communities; as such, a redesign to target more of the incentives at lower income households and communities may be warranted.

CPA staff have tentatively developed high-level principles to inform our conversations with stakeholders on a new NEM rate structure. First, the new NEM tariff needs to incentivize rooftop solar adoption in low-income households and communities in CPA service territory, so those communities would be able to increase their adoption of local clean energy solutions. Second, the new NEM tariff should send the right economic signals to incentivize storage adoption, so customers are properly compensated for exporting their excess energy at the hours that are critical for grid reliability and where

GHG emissions are highest. CPA staff will elaborate on these principles, and present proposals that have been put forth by other stakeholders at the CPUC that could achieve the goals embedded in the principles. Additionally, this presentation will assist Board members in communications they may get from constituents regarding NEM as various proposals move through the CPUC process.

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, and a lookahead for the next quarter. This reporting will be subsequently presented to the Board on the consent agenda following the end of each quarter of the calendar year.

ATTACHMENT

- 1) [Draft July 1, 2021 Board Meeting Agenda](#)

[Return to Agenda](#)

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

Thursday, July 1, 2021

2:00 p.m.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from May 19, 2021 Board of Directors Meeting
2. Adopt Resolution to Approve Energy Risk Management Policy (ERMP) Amendments
3. Approve Expansion Feasibility Contract Amendment
4. Approve Printing and Mailing Services Contract

REGULAR AGENDA

Action Items

5. Approve Collections Policy

Information Items

6. Power Ready Program Progress Report
7. Net Energy Metering 3.0 Policy Update
8. Quarterly Communications Report

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON SEPTEMBER 2, 2021