



REGULAR MEETING of the Energy Planning & Resources Committee

of the Clean Power Alliance of Southern California

Wednesday, July 28, 2021

12:15 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 Energy Planning & Resources 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/93530657960>

or

UPDATED Dial: (346) 248-7799 Meeting ID: 935 3065 7960

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 to 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 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 Energy Planning & Resources Committee
July 28, 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. 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 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 & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from May 26 and June 23, 2021 Energy Committee Meetings
2. Receive and File May and June 2021 Risk Management Team Reports

REGULAR AGENDA

3. Review the California Public Utilities Commission Diablo Canyon Decision & Proposed CPA Request for Offers (RFO)

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING AUGUST 25, 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. Those documents are available for inspection online at www.cleanpoweralliance.org/agendas.

MINUTES

REGULAR MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, May 26, 2021, 12:15 p.m.

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

CALL TO ORDER & ROLL CALL

Committee Chair McKeown called the meeting to order at 12:15 p.m. and Clerk of the Board, Gabriela Monzon, conducted roll call.

ROLL CALL			
Alhambra	Jeffrey Maloney	Committee Member	Remote
Arcadia	Tom Tait	Committee Member	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Santa Monica	Kevin McKeown	Chair	Remote
Sierra Madre	Robert Parkhurst	Committee Member	Remote
Thousand Oaks	Helen Cox	Committee Member	Absent
Ventura County	Carmen Ramirez	Committee Member	Remote

All votes are unanimous, unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from April 28, 2021, Energy Committee Meeting
2. Receive and File April 2021 Risk Management Team Reports

Motion: Committee Member Tait, Arcadia

Second: Committee Member Ramirez, Ventura County

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

REGULAR AGENDA

3. Receive 2020 Request for Offers (RFO) Status Update and Approve Replacement of One 2020 Clean Energy RFO Shortlisted Project as Recommended by the Review Team

Natasha Keefer, Director of Power Planning & Procurement, provided an overview of CPA's current long-term portfolio; there are 15 long-term contracts to date with renewable and storage resources for terms of 10-20 years for a total of 1,344.5

MW of renewables and 715 MW of storage. Five projects are currently online and serving CPA's load, with the remaining MWs coming online in 2021-2023. CPA has two RFOs underway: the 2020 Disadvantaged Communities (DAC) RFO, also known as Power Share, and the 2020 Clean Energy RFO. The DAC RFO is comprised of the DAC Green Tariff and the Community Solar Green Tariff. The objective is to secure supply for the CPA Power Share program and enable enrollment, with three projects in exclusive negotiations. The 2020 Clean Energy RFO will secure 1.5 to 2.0 million MWh of annual renewable generation supply to meet SB 350 compliance in 2021-2024 and portfolio diversification; eight of the 13 shortlisted projects entered into exclusive negotiations. CPA's current portfolio is largely solar; therefore, resource diversity will be an important consideration in selection, including alternative technologies and storage, which is a critical resource during peak reliability hours.

Erik Nielsen, Sr. Manager of Structured Contracts, discussed the proposed substitution of the Red Bluff renewable energy complex, developed by Clearway. A portion of the Red Bluff project, Victory, is no longer available and Clearway has offered replacement MWs from its Dagget 2 solar + storage project. Dagget 2 was not previously offered to CPA because Clearway was marketing the project elsewhere. Mr. Nielsen reviewed a comparison of Victory and Dagget 2 and concluded that the latter ranks higher than the original offer on both quantitative and qualitative criteria, with an earlier online date. CPA expects to exceed its compliance target by 1.8% in the 2021/24 compliance period with Dagget 2; removing it would only result in a 1.2% exceedance and provides a 0.6% buffer to account for unexpected project delays impacting compliance. If approved as a replacement, CPA will proceed with negotiations for Dagget 2, in addition to wrapping up three other contracts.

In response to Committee Member Parkhurst, Ms. Keefer clarified that the PPA's for Board consideration in June are from the Energy Committee's previously approved 13 shortlisted projects. Chair McKeown noted that the Biden administration has now allowed offshore wind in the State of California and CPA can contribute greatly but wondered how CPA expected to get into that market. Ms. Keefer explained that California has been interested in the development of offshore wind, and CPA's Integrated Resource Plan includes offshore wind starting in 2030.

Chair McKeown commented that Clearway's offer to replace a project no longer available, reflects well on CPA as a respected organization by its vendors. Committee Member Ramirez noted that CPA is in a very competitive position due to its customer base, leadership, and management; asked if CPA must outbid others for projects and if contracts can still fall through after Board approval. Ms. Keefer explained that as the largest CCA, CPA has established itself as a credible counterparty and a commercially reasonable organization with a large demand making CPA an important customer to its developers. However, there are some disadvantages in that it is now competing in a highly aggressive market against other CCAs and corporate buyers that have aggressive environmental goals. There are also a lot of solicitations occurring at the same time and CPA does not yet have a credit rating which negatively impacts its leverage. With regard to contracting, staff screens reputable developers that already have interconnection agreements, site control, and permitting. PPAs include numerous provisions to ensure CPA is protected and developers meet their contractual requirements; delays are more likely than project failures. In response to Committee Member

Kulcsar's question, Ms. Keefer explained that CPA will allow Clearway to make this replacement, noting that Clearway is not planning to market the replaced project elsewhere; clarified that the long-standing relationship with Clearway allows for some leeway but does not open the door for other developers to do this. Chair McKeown echoed some initial skepticism but after careful review, the RFO Review Team recommended the replacement project with full confidence.

Motion: Committee Member Maloney, Alhambra
Second: Committee Member Parkhurst, Sierra Madre
Vote: Item 3 was approved by a roll call vote.

COMMITTEE MEMBER COMMENTS

Committee Member Ramirez requested further analysis of the Western Community Energy (WCE) bankruptcy. Ted Bardacke, Executive Director, offered further details on the circumstances surrounding the bankruptcy, noting that WCE's high number of low-income customers were highly impacted by COVID-19 thereby increasing their bad debt, the 2020 heat events, as well as some poorly executed risk management decisions, and relatively low reserves, all affected WCE's operations.

Responding to Committee Member Parkhurst's question about oil companies participating in the energy market, Mr. Bardacke explained that there are not enough projects in California for all companies to achieve their environmental goals. The industry in California will either have to go out of state for projects or make more project sites available in-state.

ADJOURN

Chair McKeown adjourned the meeting at 1:08 p.m.

MINUTES

REGULAR MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, June 23, 2021, 12:15 p.m.

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

CALL TO ORDER & ROLL CALL

Committee Chair Robert Parkhurst called the meeting to order at 12:15 p.m. and Clerk of the Board, Gabriela Monzon, conducted roll call.

ROLL CALL			
Alhambra	Jeffrey Maloney	Committee Member	Absent
Arcadia	Tom Tait	Committee Member	Absent
Carson	Reata Kulcsar	Committee Member	Remote
Sierra Madre	Robert Parkhurst	Committee Member	Remote
Thousand Oaks	Helen Cox	Committee Member	Remote
Ventura County	Carmen Ramirez	Committee Member	Absent

A quorum of the Committee was not present.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from May 26, 2021, Energy Committee Meeting
2. Receive and File May 2021 Risk Management Team Report

Vote: Due to a lack of quorum, no vote was conducted.

REGULAR AGENDA

3. Review and Recommend Approval of Proposed Energy Risk Management Policy (ERMP) Amendments to the Board of Directors

Vote: Due to a lack of quorum, no vote was conducted.

ADJOURN

Due to a lack of quorum, Chair Parkhurst adjourned the meeting at 12:20 p.m.

Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Energy Committee

From: Natasha Keefer, Vice President, Power Supply

Approved by: Ted Bardacke, Executive Director

Subject: Risk Management Team Report

Date: July 28, 2021

May 2021 RMT REPORT

Key Actions

- Discussed anticipated heat events in June 2021 and potential risk mitigation strategies.
- Reviewed short-term and long-term energy position and approved energy hedge solicitations for 2021 – 2023.
- Reviewed 2021-2024 renewable and carbon free positions and approved a solicitation for carbon free purchases.
- Reviewed 2021-2025 Resource Adequacy positions and discussed the Southern California Edison's Central Procurement Entity Local RA RFO.

Policy Compliance

The following policy deviations were reported:

Policy Deviation	Required Action
Due to elevated forward power prices, several of CPA's counterparties have credit exposures that exceed their designated credit limits.	CPA will follow up with counterparties to request actions to minimize credit exceedances, or pause additional purchases from counterparties until credit limit exceedances have been resolved.

June 2021 RMT REPORT**Key Actions**

- Discussed load forecast and opt-outs assumptions related to July 1 rate changes.
- Reviewed short-term and long-term energy position and approved energy hedge solicitations for 2021 – 2024.
- Reviewed 2021-2024 renewable and carbon free positions and approved sales transactions.
- Reviewed 2021-2025 Resource Adequacy positions and discussed potential capacity purchases by CAISO for Q3 2021.

Policy Compliance

The following policy deviations were reported:

Policy Deviation	Required Action
Due to elevated forward power prices, several of CPA's counterparties have credit exposures that exceed their designated credit limits.	Counterparties have taken action to minimize credit exceedances to the extent possible and CPA has paused additional purchases from some counterparties until credit limit exceedances have been reduced.

ATTACHMENT

None.

Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Energy Committee

From: Natasha Keefer, Vice President, Power Supply

Approved by: Ted Bardacke, Executive Director

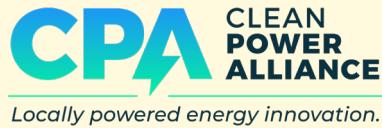
Subject: CPUC Diablo Canyon Decision & Proposed CPA RFO

Date: July 28, 2021

The Vice President of Power Supply will provide a presentation on the item.

ATTACHMENT

- 1) [CPUC Diablo Canyon Decision & Proposed CPA RFO Presentation](#)



Item 3

CPUC Diablo Canyon Decision & Proposed CPA RFO

July 28, 2021

Diablo Canyon Decision Overview

- On June 24, 2021, the CPUC issued its Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026)*, referred to in this presentation as the “Diablo Canyon Decision”
- The decision orders load serving entities (LSEs), including CPA, to procure 11,500 MW of new capacity statewide to come online between 2023-2026
- The capacity is intended to replace the capacity retiring from the Diablo Canyon Power Plant as well as several once-through-cooling (OTC) thermal power plants
- While CPA’s previously executed contracts for new build resources will qualify towards the procurement mandate, CPA will still need to procure additional types of resources to fully comply; CPA is expecting to release a Reliability Request for Offers (RFO) in September to seek offers for eligible projects

*D.21-06-035 under Rulemaking 20-05-003

Eligible Resources for Compliance

- Under the decision, CPA is required to procure a total of 679 MW of new reliable capacity between 2023-2026
 - The types of resources required to come online by year is described further in the next slide
- Eligible resources are those that have been contracted for and will be coming online after June 30, 2020
- All contracts eligible for compliance must have a minimum term of 10 years
- Resources will count towards compliance based on the CPUC's Resource Adequacy (RA) accounting methodology for this decision, which will be finalized by August 31, 2021

CPA Procurement Requirements (In RA MW, Incremental)

Resource Type	2023	2024	2025	2026	Total
Any new resource type	118	354	89		561
Long-Lead Time (LLT) Resources²					
Long-duration storage				59	59
Firm, zero-emitting generation				59	59
Total	118	354	89	118	679

LLT Resources are further defined on the next slide

Definition of Long-Lead Time (LLT) Resources

- **Long-duration storage:** able to deliver at a maximum capacity for at least eight hours from a single resource
 - A conventional 4-hour battery could count toward compliance at a 50% proportion
- **Firm, zero-emitting generation resources:** generation capacity that has no on-site emissions or is eligible under the requirements of the RPS program and has at least an 80% capacity factor. The resources must not be use limited or weather dependent. No storage projects shall qualify under this provision
- LSEs must submit evidence of a good faith effort* by February 1, 2023 to procure LLT resources; the CPUC will decide after the milestone filing whether to allow an extension up to June 1, 2028 for the LLT resources to come online, or whether to order backstop procurement

*Good faith effort is evidenced by at least two of the following: solicitation, bids in a solicitation, executed contract, site control, interconnection agreement, notice to proceed

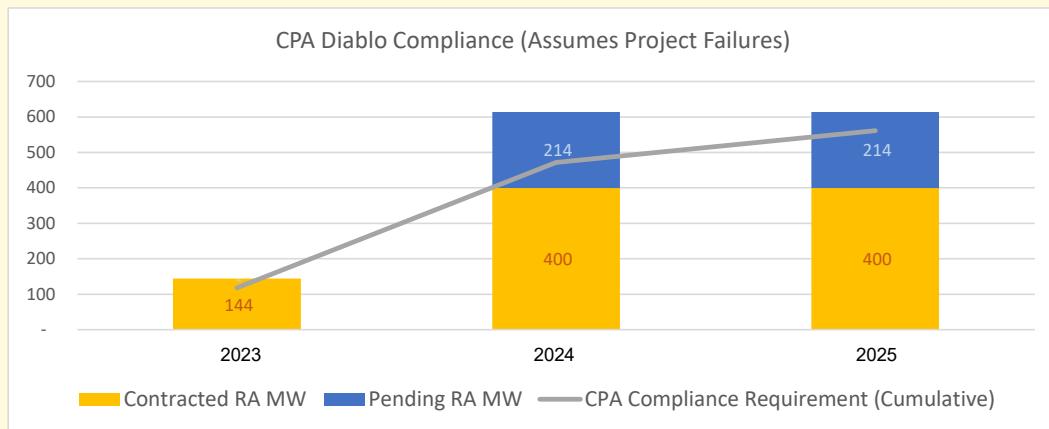
CPA's Compliance Assessment

- To date, CPA has contracted for over 2,400 MW of renewable and storage resources to meet its long-term contracting requirements under SB350*
 - Two additional PPAs from the 2020 Clean Energy RFO are pending negotiation and are included in the position; if these projects drop out, additional procurement will be necessary
- Many of CPA's contracts are eligible for Diablo Canyon Decision compliance, but must be adjusted for RA accounting
 - CPA has used an internal estimate of RA accounting based on current regulatory standards
- CPA's compliance position incorporates the risk of project delays or failure

*SB350 requires that 65% of Renewables Portfolio Standard (RPS)-compliance related renewable energy supply be sourced via from long-term contracts beginning in the 2021-2024 compliance period

Diablo Canyon Compliance Position (2023-2025)

- Assuming conservative project failure rates and successful PPA negotiations, CPA will not require any additional resources in the 2023-2025 timeframe
 - Final target procurement volumes to be determined after CPUC accounting methodology is finalized and current PPA negotiations are complete



	Aug-23	Aug-24	Aug-25
CPA Requirement (Cumulative)	118	472	561
Contracted RA MW (Cumulative)	144	400	400
Pending RA MW (Cumulative)	0	214	214
CPA Compliance Position (-Short/+Long)	26	142	53

2026 LLT Resources Compliance Position

- In addition to the 2023-2025 NQC requirement, CPA is required to procure 118 MW of 2026 LLT Resources
 - 59 MW of long-duration storage (8-hour battery equivalent)
 - 59 MW of new baseload renewables
- Assuming current projections, a portion of CPA's long position for 2023-2025 will account towards the long-duration storage requirement



Pending current PPA negotiations and final accounting methodology, CPA's Reliability RFO will target procurement of LLT Resources

Next Steps: Proposed RFO

- In September, CPA is seeking to launch a 2021 Reliability RFO to address outstanding compliance
- Target volumes will ensure compliance is met; final volumes may be adjusted based on the CPUC accounting methodology
- No additional “voluntary” procurement above compliance requirements will be done in 2021; additional procurement targets will be assessed in 2022 in conjunction with CPA’s 2022 integrated resources planning (IRP) process
 - A key procurement driver will be CPA’s long-term product content strategy
 - The 2022 IRP process will include the latest planning assumptions
 - CPA may secure additional renewable resources via a PCIA allocation from SCE

2021 Reliability RFO Schedule

Schedule may be subject to change

Date	Action
Early September	Launch 2021 Reliability RFO
Late October	Bids Due
Early January	RFO Review Team reviews offers
Late January	Energy Committee Shortlist Consideration
January–February	Exclusivity Agreements Due
February – July	PPA Negotiations
May–August	Board Consideration of PPAs

- Pending any changes to the RFO schedule, an RFO Review Team is expected to meet in mid-December or early January, with Energy Committee approval of the shortlist targeted by January 2022

Other Upcoming CPA Solicitations

Schedule may be subject to change

Sep 2021

Late 2021

Mid-late 2022

1

2

3

4

1. Launch 2021
Reliability RFO

3. Launch Power
Ready RFO

2. Launch 2021
Power Share RFO

4. Launch 2022
Clean Energy RFO