

MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, October 28, 2020, 12:15 p.m.

MINUTES

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			
Arcadia	Tom Tait	Committee Member	Absent
Carson	Reata Kulcsar	Committee Member	Remote
Malibu	Skylar Peak	Committee Member	Absent
Oxnard	Carmen Ramirez	Committee Member	Remote
Santa Monica	Kevin McKeown	Committee Chair	Remote
Sierra Madre	John Capoccia	Committee Member	Remote
Thousand Oaks	Helen Cox	Committee Member	Absent

All votes are unanimous, unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from September 23, 2020 Energy Committee Meeting
2. Receive and File September 2020 Risk Management Team Report

Motion: Committee Member Ramirez, Oxnard

Second: Committee Member Kulcsar, Carson

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

REGULAR AGENDA

3. Disadvantaged Community Programs Request for Offers (RFO) Update

Natasha Keefer, Director of Power Planning and Procurement, explained that in 2018, the California Public Utilities Commission (CPUC) created the Disadvantaged Community (DAC) Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs that promote development of Renewable Portfolio Standards (RPS) -eligible projects located in disadvantaged communities and fund a 20% discount to eligible low-income DAC customers. The CPUC reimburses CPA for above-market program costs and CPA is awaiting CPUC approval to launch the programs. Ms. Keefer reviewed the DAC-GT program in detail, stating that customer enrollment will begin at program launch because CPA has already procured interim resources for 2020 and 2021 to launch the program immediately; and once fully subscribed, the program is expected to serve approximately 5,300 customers. Ms. Keefer also reviewed the CS-GT program, noting that it will allow eligible customers to receive a portion of the renewable energy output of a local project. These projects must have a maximum size of 3MW and be located within an eligible DAC. Additionally, Ms. Keefer explained that the role of the Community Sponsor is to catalyze community participation in the program and described some of the sponsor eligibility requirements to receive the CS-GT 20% rate discount. Ms. Keefer drew a comparison of both DAC programs and discussed customer income/location eligibility, energy mix, enrollment caps, location/size, and generation types. Ms. Keefer discussed the timeline for launch of the DAC-GT RFO, and staff expects to procure eligible projects over multiple RFOs until program caps are met. CPA staff will include a Community Solar Request for Information (RFI) to gather information on interested developers, community sponsors, or site hosts, and will recommend a shortlist for Energy Committee consideration. Lastly, Ms. Keefer explained that once approved by the Board, executed Power Purchase Agreements from the RFO must be submitted for CPUC approval in order to qualify for cost recovery.

Committee Member Ramirez commented that marketing and outreach should be broad and integral to launching the program. In response to Committee Member Kulcsar's question regarding the relationship between developers and Community Sponsors, staff clarified that all projects are in Front-of-the-Meter, the RFO submittal period will be slightly longer considering the complexity of the RFO, at which time CPA will provide resources and education to communities and potential sponsors; developers will be required to secure site control for the duration of the Power Purchase Agreement with CPA.

Chair McKeown inquired as to what an appropriate community sponsor would look like and what are the benefits of being one. Staff clarified that in addition to cost reduction, community sponsors can expect lease payments for assets currently not generating anything. Committee Member Capoccia

asked about the profitability threshold for the programs and staff stated that above-market costs, marketing, outreach, and two full time CPA positions will be funded by the CPUC.

Committee Member Ramirez expressed frustration with the complexity of the programs and Mr. Langer noted that although there are intricate regulatory requirements, these are designed to ultimately position these projects for success.

4. Rotating Outages Root Cause Analysis Presentation

Matt Langer, Chief Operating Officer, provided an overview of the root cause analysis released by the CPUC, California Energy Commission (CEC), and the California Independent System Operator (CAISO), in response to the rotating outages and associated grid stress that occurred throughout the state in mid-August. Mr. Langer noted that three main causes were identified in the analysis: the first was a climate change induced extreme heat storm across the western United States. The CEC determined that the long duration and geographic breadth of the heat storm was a 1-in-35year weather event and Mr. Langer noted that current resource planning targets are not appropriately calibrated for the full effects of changing weather patterns. The second identified cause was resource planning targets that have traditionally focused on the system peak hours, that failed to meet demand in the early evening hours, called the “net peak.” All resources, except for solar, delivered less energy in real time than they had capacity contracted for in the Resource Adequacy (RA) market. The third root cause was identified in the market design and industry practices and how those collectively caused problems in managing the grid in real-time. Mr. Langer stated that Load Serving Entities (LSEs) were under-scheduled by 7% during the net peak on August 15th. Mr. Langer explained that the near-term actions recommended by the CPUC, CEC, and the CAISO, revolved around updating resource reliability, market practices, and facilitating generation and storage project completion in the state. Lastly, Mr. Langer pointed out some opportunities and challenges, most notably, reform in the RA program, facilitation of permitting and interconnection of projects, regulatory urgency to address demand response, and enhance market practices, which may unduly penalize CPA.

In response to Committee Member Kulcsar’s request, Mr. Bardacke noted that the Board report will include a distinction between power outages and rotating outages in the forthcoming management update.

Committee Member Ramirez asked about the impact of flex alerts and customer response to those. Staff noted that demand response was a success in the state and performed above expectations. Chair McKeown asked how CPA can protect customers from unfair burdens resulting from regulatory actions. Mr. Langer clarified that CPA and CalCCA are active at the CPUC and CAISO on ways to restructure the RA market that addresses system peak and create a pathway to sustainable decarbonization.

COMMITTEE MEMBER COMMENTS

Committee Member Ramirez reported that webinars held by Stanford Precourt Institute for Energy provide good insight into the decarbonization action plans of large corporations.

ADJOURN

Chair McKeown adjourned the meeting at 1:30 p.m.