

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, December 3, 2020, 2:00 p.m.

The Board of Directors 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 2:01 p.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Cedric Hicks Reata Kulcsar	Alternate Alternate	Remote
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Meghan Sahli-Wells	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens	Ramie Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Skylar Peak Christine Shen	Director Alternate	Remote
15	Manhattan Beach	Hildy Stern	Alternate	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Remote
19	Paramount	Vilma Cuellar Stallings	Director	Remote
20	Redondo Beach	Christian Horvath	Director	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Kevin McKeown	Director	Remote
23	Sierra Madre	John Capoccia	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City			Absent
27	Thousand Oaks	Bob Engler	Director	Remote
28	Ventura City	Joe Yahner	Alternate	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from November 5, 2020 Board of Directors Meeting
2. Approve Proposed 2021 Legislative & Regulatory Policy Platform
3. Receive and File Quarter 3 2020 Risk Management Team Report
4. Receive and File Community Advisory Committee Monthly Report

Motion: Director McKeown, Santa Monica

Second: Director Monteiro, Hawthorne

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

REGULAR AGENDA

5. Adopt Resolution No. 20-12-012 Approving the Power Share Tariff and Rates, Formerly Referred to as the Disadvantaged Communities Green Tariff Program (DAC-GT)

Karen Schmidt, Senior Advisor for Strategy, provided a background of the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs, which the California Public Utilities Commission (CPUC) approved on November 5, 2020. Both programs will be marketed to customers as “Power Share” and will provide eligible low-income customers in disadvantaged communities with 100% renewable energy projects at a 20% discount on their total electric bill. Ms. Schmidt explained that the Community Solar program will require a longer timeline to develop and reviewed only the DAC-GT program, which must

meet requirements related to customer eligibility and energy supply. Participating customers must be eligible for low-income programs and must reside within a DAC in CPA territory. The Power Share tariff details program eligibility criteria, methodology for application of the 20% discount, and terms and conditions for customer participation. Ms. Schmidt described the marketing and outreach channels to be used, targeted digital advertising, and member agency/community-based organization partnerships. Ms. Schmidt reviewed the customer discount in detail and explained that the discount will apply to the total bill amount and the CPUC will reimburse CPA for the bill discount and be applied to customers' already discounted CARE/FERA rate for a total bill discount of approximately 35-45%. Lastly, Ms. Schmidt stated that the Power Share discount will need to be adjusted each time Southern California Edison (SCE) changes transmission, delivery, and other rates, in addition to any time CPA changes generation rates.

Director Monteiro inquired as to the potential benefits of conducting targeted marketing to customers already on the Lean Power rate to transition to 100% Green rate and receive the discount. Director Ramirez expressed concern for the complexity of the application process and its impact on the Spanish speaking community. Director Luevanos asked how the customers' jurisdiction default rate impacts their ability to apply for the discount and if the 20% discount can be cheaper at the 100% Green rate, as this may impact low-income communities' participation.

In response to these questions, Ms. Schmidt explained that staff will conduct outreach to customers who meet program requirements and are not already on 100% Green rate. Ms. Schmidt explained that in addition to applying through the website or the customer service center, staff will work with Community-Based Organizations (CBOs) to facilitate the enrollment process. Lastly, Ms. Schmidt explained that customers will be switched to the Power Share rate when they enroll in the program and the energy supply will be similar to the 100% Green rate, resulting in substantial discounts.

Motion: Director Monteiro, Hawthorne

Second: Director Lopez, Agoura Hills

Vote: Item 5 was approved by a roll call with a revision to the tariff as presented.

6. Direct Staff to Pursue One of Two Options for Workforce Development Investment from Funds Available via the Mohave County Wind Farm Power Purchase Agreement

Rebecca Ferdman, External Affairs Advisor, provided an overview of the investment options put forth by staff, noting that the recommended options were informed by the findings of the legislative report, "Putting California on the High Road," commissioned by the state, which emphasized the idea of greening existing jobs rather than trying to create new green-specific jobs. The report identified blue-collar work both skilled and unskilled and jobs across the construction industry as the most critical towards a transition to the clean energy economy. Ms. Ferdman reviewed a landscape analysis which described some considerations for the evaluation of workforce development investment opportunities, including gaps in workforce representation; relevance to CPA's mission; readiness for implementation; and how investments will support pathways to family-sustaining

jobs for workers. Ms. Ferdman noted that staff compiled findings from the landscape analysis and the input from Community Advisory Committee (CAC) members to shape two investment options that: maximize impact by minimizing funding recipients and partner with trusted high-capacity administrative organizations. Ms. Ferdman explained that option one was to invest in programs that will diversify access to the existing green jobs pipeline by providing education, skills, and resources to target populations entering the workforce, and option two involved greening existing jobs by providing training and resources that will give workers the skills necessary to facilitate building and transportation electrification.

Matt Peterson, Daniel Ferguson, Carol Peralta, Shawn Porter, and Joe Sullivan provided public comment in support of CPA's efforts to pursue workforce development investments.

Director Santangelo asked how funding will be tracked for both Los Angeles and Ventura Counties. Ted Bardacke, Executive Director, explained that partnerships will be developed such that there will be coverage for the entire service territory, recognizing however that infrastructure is different in each county, so they may not be the same programs.

Vice Chair Kuehl commented in support of option two, noting that Los Angeles County is already working on greening existing jobs. Director Horvath echoed support for option two to ensure that CPA is focusing on opportunities immediately available that make a direct impact. Director Torres added that the Voyager Scholarship Program and Measure J already address some of the education and resources that target populations entering the workforce and option two seems most beneficial for broader regional impact. Directors Monteiro and Ramirez agreed that option two would provide faster results and existing partnerships can propel the process. Director Sahli-Wells noted that option two closely aligns with both Culver City's goals and supports a just transition. Vice Chair Parks noted that option two would allow for a faster transition to a green economy and provide already skilled workers with training to support building electrification and allow for new and continued partnerships with the public sector. Director McKeown noted that option two is at the core of CPA's mission and added that there are some sectors already providing pathways for option one. Director Luevanos expressed support for option one as it promotes green and union jobs and provides a pathway for high school students to participate in the green economy.

Motion: Director McKeown, Santa Monica
Second: Director Horvath, Redondo Beach
Vote: By a roll call vote, the Board directed staff to pursue option two.

7. Receive Fiscal Year (FY) Q1 Review and Enhanced Financial Reporting Presentation

David McNeil, Chief Financial Officer, provided a review of the FY Quarter 1 results, stating that CPA recorded a net income of \$8.2 million in September 2020, increasing year-to-date net income to \$13.2 million; results were \$11 million or 46% below budget. CPA repaid its loan to the County of Los Angeles in September 2020 and had \$76.8 million in cash and cash equivalents. Mr. McNeil provided an overview of CPA's balance sheet as of September 30, 2020, in

detail, CPA's income statement, and financial indicators such as working capital and liquidity, which demonstrate a positive financial trajectory and improving financial strength overall.

Director Gold, Chair of the Finance Committee, added that the Committee previously requested more robust reporting of CPA's financial performance and thanked staff for providing detailed financial reports. Vice Chair Kuehl asked how CPA will be able to recover from the costly impacts of the summer months. Mr. McNeil noted that there are contingencies built into the budget to prepare for that and staff does not expect more volatility after the first fiscal quarter.

In response to Director Zuckerman's question, Natasha Keefer, Director of Power Planning & Procurement, explained that the one-month deviation noted in the financial results was from the monthly hedge targets, but the deviation was resolved in the following month and had no impact to the first-quarter results. Director Zuckerman asked if the Power Charge Indifference Adjustment (PCIA) fee will be addressed with a rate increase and Mr. McNeil explained that the pending SCE rates will inform the direction that CPA takes.

In response to Chair Mahmud's request for clarification on the use of margin as it relates to financial indicators, Mr. McNeil explained that the gross margin refers to the difference between revenues and cost of energy as a percentage of revenues themselves and the net margin is the contribution to the net position. Chair Mahmud commented that the highest net margin was in the fourth quarter of 2019 but the second highest was in the second quarter of 2019 and indicates that Mr. McNeil's projections regarding recovery in the coming year seem to be accurate.

MANAGEMENT UPDATE

Ted Bardacke, Executive Director, explained that CPA reached a settlement agreement with SCE regarding a three-year extended amortization period beginning in 2021 for approximately \$57 million of 2020 PCIA charges that have not been collected from CPA customers due to a cap in this year's PCIA level. Mr. Bardacke congratulated the Cities of Agoura Hills and Manhattan Beach for changing their default rate to 100% Green. Mr. Bardacke also noted that there is enough funding through the end of the year for the COVID-19 bill credit program and in the coming year, staff will evaluate different programs to assist customers in paying down bill debts. Lastly, Mr. Bardacke introduced Sherita Coffelt as the new Director of External Affairs and thanked Karen Schmidt for her time managing the External Affairs department, who has accepted a new role as the Senior Advisor for Strategy, focusing on expansion and other special projects.

COMMITTEE CHAIR UPDATES

All Committee Chairs thanked departing Board Members for their contributions in the start-up phase of the organization and their work advancing CPA's mission.

BOARD MEMBER COMMENTS

Director Ellison shared that Ojai recently passed an all-electric reach code that goes beyond the state minimums for building electrification. Director Capoccia expressed gratitude for the opportunity to serve on CPA and strongly encouraged all Board Members to ensure their communities transition to the 100% Green default rate. Vice Chair Parks thanked Directors Sahli-Wells, Peak, and Capoccia

for their leadership in launching CPA. Director Sahli-Wells thanked everyone for their well wishes and expressed hope for CPA's role in creating opportunities for clean energy. Director Ramirez thanked Director Sahli-Wells for her leadership at CPA and other organizations. Director Santangelo announced that the Camarillo City Council is considering a default rate change to 100% Green and asked for support from Board Members. Vice Chair Kuehl expressed gratitude towards all departing Board Members and the especially cordial relationships and positive tone Chair Mahmud has established for the Board.

REPORT FROM THE CHAIR

Board Chair Mahmud thanked departing Board Member Sahli-Wells, who formerly chaired the ad-hoc Communications Committee; Board Members Peak, Capoccia, and Ramirez who served on the Energy Committee; and Board Members Hersman, Johnston, and Weir for their service on the Board. Chair Mahmud expressed gratitude for the collegiate relationship of the Board and is hopeful for the effective role CPA plays in improving the environment for its communities.

ADJOURN

Chair Mahmud adjourned the meeting at 4:10 p.m.