

MEETING of the Community Advisory Committee of the
 Clean Power Alliance of Southern California
 Thursday, November 19, 2020
 1:00 p.m.

MINUTES

The Community Advisory Committee conducted this meeting in accordance with California Governor Newsom’s Executive Order N-29-20 and COVID-19 pandemic protocols.

WELCOME AND ROLL CALL

Chair David Haake called the meeting to order at 1:00 p.m. and the Board Clerk conducted roll call.

East Ventura/West LA County	Angus Simmons (Vice-Chair)	Remote
East Ventura/West LA County	Lilian Teran Mendoza	Absent
East Ventura/West LA County	Jennifer Burke	Remote
San Gabriel Valley	Richard Tom	Remote
San Gabriel Valley	Robert Parkhurst (Vice-Chair)	Remote
West/Unincorporated Ventura County	Lucas Zucker	Absent
West/Unincorporated Ventura County	Steven Nash	Absent
South Bay	David Lesser	Remote
South Bay	Emmitt Hayes	Remote
Gateway Cities	Jaime Lopez	Remote
Gateway Cities	Genaro Bugarin	Remote
Westside	Cris Gutierrez	Remote
Westside	David Haake (Chair)	Remote
Unincorporated Los Angeles County	Neil Fromer	Remote
Unincorporated Los Angeles County	Kristie Hernandez	Remote

GENERAL PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

1. Approve Minutes from October 22, 2020 Community Advisory Committee Meeting

Motion: Vice Chair Parkhurst, San Gabriel Valley

Second: Committee Member Gutierrez, Westside

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

Chair Haake welcomed new Committee Member Jaime Lopez to the CAC.

REGULAR AGENDA

Ted Bardacke, Executive Director, announced that the Cities of Malibu, Sierra Madre, Agoura Hills, and Manhattan Beach recently decided to switch over to CPA's 100% Green default rate and thanked Committee Member Lesser for his involvement in helping to make that happen in Manhattan Beach. Mr. Bardacke congratulated Vice Chair Parkhurst for his election to the Sierra Madre City Council.

2. Fiscal Year 2019-2020 Financial Statements Update

David McNeil, Chief Financial Officer, provided a summary of financial results, which indicate CPA is in sound financial health and able to meet its fiscal year (FY) 2019-20 financial objectives. Mr. McNeil discussed CPA's operating revenues and emphasized CPA's \$30.6 million increase in the net position and the establishment of the Fiscal Stabilization Fund. Mr. McNeil noted that CPA paid off its bank debt, thereby reducing financial leverage and interest expenses, and finished the year within budget limits. Mr. McNeil reviewed CPA's balance sheet components, select financial indicators, and concluded with a review of the budget to actual analysis.

In response to Vice Chair Parkhurst's question regarding market settlement receivables, Mr. McNeil explained that in June 2019, CPA scheduled generation into the grid that exceeded the cost of the load, and as a result the California Independent System Operator (CAISO) owed CPA money that was included in the market settlement receivables line item. Chair Haake asked for more details on CPA's financial goals, spot loans, and how liquidity benefits the organization. Mr. McNeil noted that CPA's goal is to continue to accumulate reserves by adding to the net position for the next several years; maintain strong relationships with stakeholders such as lenders, short-term energy suppliers, and institutional investors in renewable energy and storage projects; and explained that spot loans were needed in a situation where CPA has to draw energy from the grid.

In response to questions from Committee Member Bugarin regarding the spot market and mitigation from unexpected weather conditions, staff explained that strategies include the optionality in CPA's portfolio with energy storage and demand response programs and that the Energy Risk Management Policy (ERMP) and hedging strategies help to minimize exposure to spot pricing in the CAISO markets. Committee Member Lesser asked how the 100% Green default rate change impacts demand and CPA's financial strategy. Staff noted that the

transition to 100% Green may exert some upward pressure in the energy cost structure but also generated more revenue and that the the lead time for default rate changes provides staff with the time to plan energy procurement accordingly.

3. 2020 Clean Energy Request for Offers (RFOs) Update

Erik Nielsen, Structured Contracts Manager, provided an overview of the current contracting status of CPA's long-term portfolio, noting that solar plus storage and solar comprise about 75% of the portfolio, heavily weighted towards generation. Mr. Nielsen summarized the 2019 RFOs, highlighting that the Clean Energy RFO resulted in 1.7 million Megawatt-hours (MWh) of contracted generation and the Reliability RFO resulted in 200 Megawatts of battery storage capacity in 2021. Mr. Nielsen also reviewed Senate Bill (SB) 350, noting that CPA's open position relative to the state mandate will be addressed in the next round of procurement. Mr. Nielsen stated that CPA's portfolio diversity is critical and resource diversity will be an important consideration in the selection process. Lastly, Mr. Nielsen discussed the 2020 Clean Energy RFO procurement goals and evaluation criteria, particularly the target of 1.5 – 2 million MWh of generation in the 2021-2025 period to comply with SB350, and briefly reviewed other local procurement efforts to procure new-build projects in disadvantaged communities, local solar + storage for critical facilities, and energy/capacity purchases from aggregated customers.

Committee Member Lesser asked about the availability of capacity to support additional storage to which Mr. Nielsen noted that CPA needs to support the building of new capacity by entering new contracts because there is currently not enough capacity. In response to Committee Member Burke's questions about energy storage locations and the effects of COVID-19 on project development, Mr. Nielsen explained that storage facilities are located throughout California, with stand-alone storage facilities more easily located in urban areas; and noted that the impact of COVID-19 remains to be seen but only one counterparty has notified CPA of its inability to perform due to concerns over the pandemic. Vice Chair Simmons asked if CPA is protected from fluctuations in the energy market once it has closed procurement compliance gaps. Mr. Nielsen clarified that CPA still uses short-term contracts to fill load gaps not met by long-term contracts and continues to maintain portfolio diversity by balancing an appropriate ratio of long- and short-term contracts.

4. 2021 Proposed Legislative & Regulatory Platform Update

Gina Goodhill, Policy Director, provided an oral report, noting that the proposed legislative and regulatory platform allows Board Members and staff to take nimble actions on behalf of CPA. Ms. Goodhill stated that the proposed changes reflect a new emphasis on electrification for both vehicles and buildings, addresses specific constituencies that must be part of the equitable transition to clean energy resources, and focuses on specific policies to promote reliability. Lastly, Ms. Goodhill reviewed the specific redline changes to address these new emphases, highlighting CPA's commitment to increase reliability, explicitly identifying groups

CPA wants to diversify contracting with; and further CPA's commitment that minority communities of color be prioritized in the work CPA does and the legislative positions it advocates for.

Chair Haake thanked staff for including the CAC in its development of the platform. Committee Member Gutierrez asked how current procurement contracting policies compare to supplier diversity commitments. Ms. Goodhill explained that staff is evaluating how contracting activities should be changed to reflect new requirements and CPA's commitment to supplier diversity, and staff will come back to the CAC with an update. In response to Committee Member Lesser's question, Ms. Goodhill noted that the platform is a guiding document in how CPA shapes legislative and regulatory positions throughout the year.

COMMITTEE MEMBER COMMENTS

CAC Members congratulated Vice Chair Parkhurst for his election to the Sierra Madre City Council. Vice Chair Parkhurst thanked Committee Members for their support expressed gratitude for the exemplary work staff, the CAC, and Board have done in CPA's communities.

ITEMS FOR FUTURE AGENDAS

None.

ADJOURN

Chair Haake adjourned the meeting at 2:40 p.m.