

**MINUTES**

MEETING of the Community Advisory Committee of the  
Clean Power Alliance of Southern California

Thursday, April 22, 2021

1:00 p.m.

*The Community Advisory 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 Haake called the meeting to order at 1:02 p.m. and Christian Cruz, Community Outreach Manager, conducted roll call.

<b>East Ventura/West LA County</b>	Angus Simmons (Vice-Chair)	Remote
<b>East Ventura/West LA County</b>	Jennifer Burke	Absent
<b>East Ventura/West LA County</b>	Debbie West	Remote
<b>San Gabriel Valley</b>	Richard Tom	Remote
<b>San Gabriel Valley</b>	Kim Luu	Remote
<b>West/Unincorporated Ventura County</b>	Lucas Zucker	Absent
<b>West/Unincorporated Ventura County</b>	Vern Novstrup	Remote
<b>South Bay</b>	David Lesser	Remote
<b>South Bay</b>	Emmitt Hayes	Remote
<b>Gateway Cities</b>	Jaime Lopez	Remote
<b>Gateway Cities</b>	Genaro Bugarin	Remote
<b>Westside</b>	Cris Gutierrez	Remote
<b>Westside</b>	David Haake (Chair)	Remote
<b>Unincorporated Los Angeles County</b>	Neil Fromer	Remote
<b>Unincorporated Los Angeles County</b>	Kristie Hernandez	Remote

All votes are unanimous unless otherwise stated.

**GENERAL PUBLIC COMMENT**

There were no public comments.

## CONSENT AGENDA

1. Approve Minutes from March 18, 2021 Community Advisory Committee Meeting
2. Update on the CAC 2020/2021 Adopted Work Plan

**Motion:** Committee Member Tom, San Gabriel Valley  
**Second:** Committee Member Fromer, Unincorporated Los Angeles County  
**Vote:** The consent agenda was approved by a roll call vote.

## REGULAR AGENDA

3. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, discussed Senate Bill (SB) 612 advocacy efforts: its' first hearing will take place at the Senate Energy, Utilities, and Communications Committee where Mr. Bardacke will be CalCCA's witness testifying in support of the bill; and requested CAC members' participation in a social media campaign in support of the bill. CPA was awarded the Policy Leadership Award by the U.S. Green Building Council for ongoing work in supporting equity in the delivery of clean energy.

In response to Committee Member Lesser's comments, Mr. Bardacke stated that organizations such as CPA can use the federal government's interest in renewable energy and potential financial incentives, to develop renewable energy and excel in environmental leadership. Sherita Coffelt, Director of External Affairs, added that CPA messaging will center on its story and impact in the communities it serves; and all of CPA's language and activities on social media will continue to elevate its image. Committee Member Fromer asked about SCE's position on SB 612; commented that it is difficult to have a cohesive strategic vision for the future of Southern California with Southern California Edison (SCE). Mr. Bardacke explained that SCE recently took an oppose position on the bill, citing procedural concerns, mainly that the issue of legacy resources should be addressed in the jurisdiction of the California Public Utilities Commission (CPUC). Mr. Bardacke opined that the legislature is a good place to address customer fairness issues and the relationship with SCE is multi-faceted, from fundamental operations to broader long-term policy visions where there is more alignment.

4. Election of a CAC Vice Chair Officer Position

Mr. Cruz announced the nomination of Committee Member Hernandez, Unincorporated Los Angeles County, for the Vice Chair position.

**Motion:** Committee Member Lesser, South Bay  
**Second:** Committee Member Tom, San Gabriel Valley  
**Vote:** Committee Member Kristie Hernandez was elected unanimously.

5. 2021 Rate Setting Options

Mr. Bardacke provided a summary of the item, emphasizing that in June 2021, electricity rates for FY 2021/22 will be presented to the Board for consideration in conjunction with the proposed FY 2021/22 budget. Mr. Bardacke reviewed a number of factors that have placed upward pressure on CPA's costs include Resource Adequacy (RA) and energy market prices, bad debt expense, and congestion revenue rights (CRR) market values. Due to these market factors, the organization must set rates to cover its current cost forecast. In April, the Board of Directors reduced the renewable energy content in the Lean and Clean power products for 2021-2022. Mr. Bardacke emphasized that SCE set its rates based on a forecast that took place in the Fall of 2020, which may drive SCE to raise rates in the first quarter of 2022 to make up the difference; reviewed "on-peak" pricing; and discussed forward pricing, noting that the market is particularly concerned with this coming summer. Mr. Bardacke discussed the four initial scenarios introduced to the Board and reviewed the feedback received, including strong support for CARE customer protection; significant opposition to weighting increases toward commercial customers; concern for 100% Green double-digit premium; and requests for compromise scenarios, but no consensus on the Average Percentage Change (APC) vs. Cost-of-Service (COS). Mr. Bardacke summarized the scenario development process in response to the feedback, noting that the load forecast and cost projections were updated; the residential subsidy scenario was eliminated; a new COS-informed scenario was developed that incorporated CARE customer protection with moderate increases on Lean/Clean customers and a hybrid scenario was also developed. Rate premiums in all scenarios are based on estimates of future SCE rate changes and CPA could change rates later in the year in response. Mr. Bardacke reviewed scenario one in detail, APC with CARE subsidy. In this scenario, CARE customer rates are held at current levels and the increase is spread equally across most products and customer groups. It is also the simplest approach to communicate to customers; however, it does not address imbalances in the COS. Scenario two involves a COS approach with a CARE and a 100% Green Target, where CARE customer rates are held at current levels and all other rates go up between 0.4% and 1.4% compared to the previous COS without a CARE subsidy. 100% Green residential still had room to move up to approximately 9% of the target; staff adjusted those rates up to help moderate Lean/Clean increases. Scenario three takes a hybrid approach where CPA would adopt APC for the summer months and transition to COS-informed in October. In summer months when cost pressures are most acute across all rates, the APC approaches those pressures equally; and in October, the COS approach will decrease 100% Green to within the 9% target. This transition would make it a gradual process that would allow for cities' default changes to proceed on schedule and allow for tweaks to rates if needed based on SCE rates and summer financial results. Mr. Bardacke concluded with a summary of the Executive Committee's feedback, particularly its ultimate endorsement of a modified COS approach, due to concern that the hybrid scenario implied two rate increases and the initial increase and eventual decrease of the 100% Green rate product could be ineffective and difficult to communicate; and that SCE rates should ultimately be a reference point rather than a target for CPA.

Responding to Vice Chair Simmons and Committee Member Lopez, Mr. Bardacke clarified the following: SCE's rates will be affected partly by their cost projections

and recouping any unmet costs from previous years. Several residential customers have been piloted into a Time-of-Use (TOU) program, while the TOU is built into commercial accounts; the full transition of residential customers to TOU rates in February 2022 will be accompanied by an educational campaign. The COS analysis reviewed what it costs to serve customers versus what those customers could bring in in revenue, and those numbers are reflected in the resulting scenarios. With regard to SCE rates, their delivery charges encompass two-thirds of the customer's electricity bill and transmission about one-third of it. Responding to Committee Member Lopez's question about balancing commercial and residential customers when considering profitability, Mr. Bardacke explained that commercial customers tend to monitor their costs and bills more closely and CPA must scrutinize their higher proclivity to opt-outs; notably, the highest opt-out rates are among commercial customers in the 100% Green cities. Not mitigating commercial customers' costs can end up hurting residential customers in the follow-on. Committee Member Fromer echoed support for educational campaigns to customers and expressed support for an approach that emphasizes socio-economic fairness where 100% Green jurisdictions may have to temporarily bear some of the additional costs while, protecting CARE customers. Committee Member Tom echoed support for CARE customer protection and eventually transitioning to a COS approach and agreed with the Executive Committee's recommendation. Committee Member Lesser noted support for scenario two (COS) and emphasized previous comments relating to unintended consequences, pointing out that raising costs for commercial customers can ultimately negatively impact other types of customers. Committee Member Gutierrez expressed support for scenario two and requested further direction on educational outreach to customers and how CAC members can participate in that aspect of the implementation process. Committee Member Novstrup noted that CARE customer rates should not stay stagnant for too long to avoid a severe increase in the future that can hurt them; some of the feedback in his community indicates that customers do not understand their bills; and commercial customers should be on a separate pricing structure. Mr. Bardacke clarified that some commercial customers are on the Peak Management Pricing program where they receive lower rates throughout the year but must reduce their load when asked to do so by CPA or get charged extra.

Chair Haake echoed support for scenario two, noting that it might be easier to communicate and defend the rate-setting process if needed; thanked all members for their comments.

6. Fiscal Year 2021/2022 Budget Priorities

Mr. Bardacke reviewed key budget priorities for the upcoming fiscal year, including: containing operating expenses at current levels, properly resourcing the management of energy costs and risk, continuing to reduce consultant costs by investing in staff and technology, and using operational cost savings to increase spending on customer programs and communications, particularly where there is potential for return on investment. Energy market risk is increasing, and CPA is mitigating that risk through long-term renewable and storage projects. In-sourcing has reduced projected spending; the amended Calpine contract provides room for investments in customer programs and community engagement to improve

customer experience and increase access to assistance programs. Ms. Coffelt discussed upcoming projects to increase brand awareness and loyalty, activities to support customer assistance programs with high ROI, and program marketing support.

Committee Member Gutierrez encouraged staff to develop strategic partnerships to advance branding. Additionally, as part of communications and outreach, Committee Member Bugarin echoed support for Committee Member Novstrup's comment to encourage targeted outreach to customers that have voiced concern about CPA, as well as highlight customers who have shown leadership in moving up to 100% Green power product and cultivate those relationships. Ms. Coffelt thanked the CAC for their feedback and noted several external affairs activities that are in keeping with the feedback.

### **COMMITTEE MEMBER COMMENTS**

Committee Member Gutierrez requested that the member agency dashboard be more easily accessible. Committee Member Bugarin asked for guidance on CAC member participation on social media.

### **ITEMS FOR FUTURE AGENDAS**

None.

### **ADJOURN**

Chair Haake adjourned the meeting at 3:00 p.m.