MEETING of the Community Advisory Committee of the
Clean Power Alliance of Southern California
Thursday, August 19, 2021
1:00 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 Community Advisory 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://us06web.zoom.us/j/96592426856
or
Dial: (346) 248-7799 Meeting ID: 965 9242 6856

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 at 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 during the meeting 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."
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 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 Policy No. 8 – Public Comment for additional information.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from July 22, 2021 Community Advisory Committee Meeting

REGULAR AGENDA

2. Oral Update from the Executive Director on CPA Operations

3. Legislative & Regulatory Updates on Energy and Procurement

4. Power Response Program Update (New Information Item)
   Removed Item: Power Ready Program Update

COMMITTEE MEMBER COMMENTS

ITEMS FOR FUTURE AGENDAS

ADJOURN – NEXT MEETING ON SEPTEMBER 17, 2021

Public Records: Public records that relate to any item on the open session agenda for a regular 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. The public records are available for inspection online at www.cleanpoweralliance.org/agendas.
MINUTES
MEETING of the Community Advisory Committee of the
Clean Power Alliance of Southern California
Thursday, July 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
Vice Chair Simmons called the meeting to order at 1:00 p.m. and Gabriela Monzon, Clerk of the Board, conducted roll call.

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<tr>
<th>Community/District</th>
<th>Name</th>
<th>Location</th>
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<tbody>
<tr>
<td>East Ventura/West LA County</td>
<td>Angus Simmons (Vice-Chair)</td>
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<td>East Ventura/West LA County</td>
<td>Jennifer Burke</td>
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<td>East Ventura/West LA County</td>
<td>Debbie West</td>
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<td>San Gabriel Valley</td>
<td>Richard Tom</td>
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<td>San Gabriel Valley</td>
<td>Kim Luu</td>
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<td>West/Unincorporated Ventura County</td>
<td>Lucas Zucker</td>
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<td>West/Unincorporated Ventura County</td>
<td>Vern Novstrup</td>
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<td>South Bay</td>
<td>David Lesser</td>
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<td>South Bay</td>
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<td>Gateway Cities</td>
<td>Jaime Lopez</td>
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<td>Gateway Cities</td>
<td>Genaro Bugarin</td>
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<td>Westside</td>
<td>Cris Gutierrez</td>
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<td>Westside</td>
<td>David Haake (Chair)</td>
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<td>Unincorporated Los Angeles County</td>
<td>Neil Fromer</td>
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<td>Unincorporated Los Angeles County</td>
<td>Kristie Hernandez (Vice Chair)</td>
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All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT
None.
CONSENT AGENDA

1. Approve Minutes from June 17, 2021 Community Advisory Committee Meeting
2. Update on the CAC 2020/2021 Adopted Work Plan

Motion: Committee Member Tom, San Gabriela Valley
Second: Committee Member West, East Ventura/West LA 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 the legislature’s recent approval of $1 billion in electricity and gas utility bill forgiveness. This state funding will allow CPA to address between 40-50% of the $30 million in accounts receivable aging. State funding will enable CPA to write off past due charges for most, if not all, low-income customers, and some past charges for remaining active customers. All other customers who have overdue charges will automatically be placed in a two-year payment plan. In response to Committee Member Fromer’s comments regarding customer relief and outreach, Mr. Bardacke noted that customers will receive credits on their bills and there will be some outreach when credits are applied. Committee Member Zucker asked how low-income customers will receive their credits; Mr. Bardacke clarified that customers enrolled in CARE/FERA will be considered low-income.

Mr. Bardacke also discussed the launch of Ventura County’s electric vehicle charger program; Power Share program progress; and summer reliability preparations, noting that CPA met its resource adequacy obligation for September. There is some reduction in power availability due to western-wide heat waves, limited hydroelectric power due to droughts, and global supply chains affecting storage projects throughout the state, including one of CPA’s projects. Committee Members asked questions regarding the following: limited availability of clean energy resources impacting CPA’s costs and ability to meet its obligations to customers; CPA’s ownership of battery products for its storage projects; the impact of heatwaves on CPA’s solar storage; and force majeure clauses in hydropower contracts. Mr. Bardacke explained that CPA can meet customer demand at the three different rates and there are no anticipated problems meeting requirements, although, costs are rising. Mr. Bardacke clarified that long-term agreements require developers to build the batteries and own them but allow CPA to pay a monthly fee to determine when batteries are charged and discharged. The efficiency of solar storage goes down as the equipment gets hotter during heat waves. Mr. Bardacke clarified that force majeure clauses vary based on the different types of resources, but CPA is protected if a developer cannot meet its contractual obligations. In response to Chair Haake’s comment regarding interest from the City of Laguna Beach to join a Community Choice Aggregation program, Mr. Bardacke shared that CPA’s expansion priorities are within Los Angeles and Ventura Counties; the Board of Directors set three priorities for expansion and a study is underway to narrow down those priorities further.
4. **Net Energy Metering 3.0 Presentation**

CC Song presented the item. Ms. Song explained that Net Energy Metering (NEM) has played an important role in California’s growing local clean energy economy and creating clean energy jobs; as the cost of rooftop solar continues to decline, it might be necessary to revisit the rooftop solar subsidy. The NEM proceeding at the CPUC does not indirectly impact CPA’s competitive position and its redesign of the NEM tariff. Staff put together a set of principles for the NEM re-design that will inform CPA’s rate design deliberations after the CPUC decision has been issued. Ms. Song provided a background of NEM, reviewed previous iterations of the program, and discussed some of the reasons for revisiting NEM (also referred to as NEM 3.0), specifically decreasing installation costs and appropriately valuing the benefits of distributed generation; and discussed CPUC adopted principles for NEM re-design. Assembly Bill 1139, intended to redesign NEM, faced some opposition as it would have significantly lowered the compensation for NEM customers and is now inactive. Ms. Song described how CPA’s principles to support grid reliability, invest in energy storage, and expand access for low-income customers align with staff proposals based on the CPUC’s principles for NEM design. For legacy treatment, staff proposes that existing customers maintain their rate structure for 20 years; energy storage rebates should be provided to incentivize them to default to the NEM 3.0 compensation schedule. Ms. Song then discussed the proposal to align the rate design with an “avoided cost” concept that would incentivize a shift of energy consumption and/or encourage energy storage adoption during daytime hours that can shift to export in the evening. This will be less generous than the retail rate but more generous than the wholesale rate. Additionally, customers currently pay non-bypassable charges, however, the minimum bill amount doesn’t appropriately pay for the cost of maintaining the grid, which could create reliability issues. Therefore, it may be appropriate to introduce a fixed charge to fund the distribution and transmission grid cost, consistent with a cost-of-service approach for CPA’s rate setting. Ms. Song noted that this charge would be applied on the distribution and transmission side of the bill. Lastly, CPA proposes keeping low-income customers on the more generous retail compensation rate and potentially broadening the definition of low-income. Ms. Song summarized next steps and invited feedback from the Committee on the proposed principles and requests for future information items relating to NEM.

In response to Chair Haake’s comments regarding the expansion of the program, Ms. Song noted that CPA is evaluating how this program can expand to multi-unit dwellings in the coming years; because CPA provides the subsidies, it does have a financial impact and the cost of service (COS) study will provide more insight into how much it costs to serve participating customers. Committee Member Fromer shared feedback he has received from his community, particularly that there is interest in local generation within CPA’s communities and that the NEM billing process is confusing for customers and should be more streamlined when NEM 3.0 is rolled out. Vice Chair Simmons expressed concern with cost shifting that may disadvantage customers who are most committed to decarbonization and noted that low-income and working-class neighborhoods had the highest growth of rooftop solar adoption. Ms. Song explained that once the CPUC decision is
issued, CPA can evaluate what policy and competitive questions CPA needs to address.

Committee Member Novstrup suggested that low-income communities and landlords with low-income tenants can receive higher subsidies; inquired as to how negative electricity bills affect CPA finances and how the NEM program truly benefits CPA. Committee Member Lesser similarly asked about the goal of NEM; asked about prioritizing those who have the largest ability to contribute to the grid, and suggested that benefits to landlords are also built into the program incentives. Ms. Song explained that the COS study will look at costs for serving different customers; CPA’s benefits from this program are largely dependent on whether the CPUC decides that these resources can be counted towards CPA’s compliance obligations. From a policy perspective, Ms. Song noted that CPA wants to align the incentive and rate design to ensure that customers are exporting during peak evening hours.

Committee Member Gutierrez agreed that educational outreach to landlords is needed and suggested that CPA reach out to other CCAs and potentially lead a pilot NEM program for multi-unit dwellings in the future. Committee Member Bugarin noted that equity is also an important consideration, given that many low-income customers interested in participating may need financing to install rooftop solar to get started. Committee Member Zucker agreed that exploring different incentives and subsidies is necessary to reach more low-income customers.

Ms. Song noted there are several proposals for funding resources in disadvantaged communities; staff will explore creative programs to encourage more participation in the clean energy transition.

**COMMITTEE MEMBER COMMENTS**

None.

**ITEMS FOR FUTURE AGENDAS**

Committee Member Lesser expressed interest in an item providing a summary of energy markets.

**ADJOURN**

Vice Chair Simmons adjourned the meeting at 2:31 p.m.
To: Community Advisory Committee
From: Ted Bardacke, Executive Director
Subject: Oral Update from the Executive Director on CPA Operations
Date: August 19, 2021

The Executive Director will provide an oral report on CPA operations.
Staff Report – Agenda Item 3

To: Community Advisory Committee
From: Gina Goodhill, Policy Director  
CC Song, Director of Regulatory Affairs
Approved by: Ted Bardacke, Executive Director
Subject: Legislative and Regulatory Updates on Energy and Procurement
Date: August 19, 2021

Staff will provide a presentation on the item.

ATTACHMENT

1) Legislative and Regulatory Updates on Energy and Procurement Presentation
Item 3
Legislative and Regulatory Updates on Energy and Procurement

August 19, 2021
Update on Energy Markets

- Going into the summer, the market was expecting a challenging conditions (i.e. high, volatile prices), driven by a number of factors:
  - Risk of extreme heat events/wildfires as seen in summer 2020
  - Tight supply of reliability resources due to fossil fuel retirements
  - “Exceptional” drought conditions across the state significantly limiting hydro supplies

- To date, summer energy prices have been relatively tame compared to expectations
  - Mild temperatures in SoCal have resulted in stable SoCal prices
  - Wildfires and exceptionally high temps in Pacific Northwest have led to high prices and transmission congestion into California from the north
Additional Energy and Procurement Updates

● The Legislature’s and California Public Utilities Commission’s (CPUC) priorities on energy and procurement in the 2021-22 Legislative Session can be grouped into four major themes: Climate Change; Reliability; Resiliency; and Electrification

● These priorities have been primarily demonstrated through proposed bills, the state budget, and regulatory decisions

● Executive Orders and other announcements from the Governor, as well as Oversight Hearings from legislative policy committees have been a secondary but growing means of demonstrating these priorities

● Legislative priorities outlast a single bill and can come back in new sessions or through “gut and amends”

● Regulatory proceedings will continue to examine and refine open issues in the next few years
Climate Change and Reliability
Climate Change: Legislative Actions

- Active Climate Change Bills: Strategic plan development and studies around new energy technologies, specifically offshore wind and hydrogen

- Stalled Climate Change Bills: Acceleration of state’s current goal towards having 100% of electricity provided by renewable or other zero-carbon sources by 2045

- Budget: $20 million for offshore wind planning and analysis; $400 million to support green hydrogen production and long duration storage projects, and other measures

- Governor directed California Public Utilities Commission (CPUC) and California Air Resources Board (CARB) to accelerate state’s progress on climate goals – CARB will evaluate pathways to achieve carbon neutrality by 2035; CPUC will work to establish a more ambitious GHG emission target for electricity procurement by 2030. Released CA’s Electricity System of the Future Report
Reliability: Legislative Actions

- Active reliability bills: Study firm energy resources to increase reliability

- Stalled reliability bills: Various changes to the resource adequacy (RA) program; long term back-up electricity supply (i.e. long-term storage); central procurement entity

- State Budget: $35 million for transmission planning to support clean energy build out; $735 million over 2 years to support pre-commercial long duration storage

- Governor issued two emergency proclamations and an EO to increase energy capacity. Directives include relaxing permitting requirements for storage and clean energy projects, and new demand response programs for large energy users

- Assembly U&E Oversight Hearing on Summer readiness
Climate Change and Reliability at the CPUC

- In the Integrated Resources Planning (IRP) proceeding, Load Serving Entities (LSEs) were directed to conduct further procurement of 11,500 MW of carbon-free or renewable resources in light of the forthcoming retirement of Diablo Canyon Power Plant.

- Stakeholders are directed to refine a new Resource Adequacy (RA) framework called “Slice of Day,” advanced by PG&E, to ensure that LSEs have sufficient resources to meet their load at all hours of a day.

- In response to the Governor’s Emergency Proclamation, the CPUC expanded the scope of the Emergency Reliability proceeding to plan for summer 2023 reliability.
Resiliency and Electrification
Resiliency: Legislative Actions

- Active Resiliency Bills: Facilities that can maintain power during grid emergencies or heat events

- Stalled Resiliency Bills: Funding for local resiliency projects and local resiliency planning; state bond funding for various resiliency projects; microgrids to increase resiliency

- Budget: $3.7 billion over three years, with $440 million General Fund in 2021-2022, for communities affected by climate change to address extreme heat, sea level rise, infrastructure investments in DACs. Specific details will be determined in a final agreement among the Senate, Assembly, and Governor.
Electrification: Legislative Actions

- **Active Electrification bills:** New agencies to manage electric vehicles, electric vehicle (EV) charging and infrastructure, and zero-emission fleet purchase; new guidance for building owners on best practices for vehicle and building electrification; expanded eligibility under current funding streams for EV infrastructure; requirements for state agencies to consider increasing requirements for EV ready charging in multifamily buildings; expansion of streamlined permitting requirements for EV charging to all cities.

- **Stalled Electrification Bills:** Requirements for new state buildings and vehicles to be zero emissions; requirements for the CEC to implement existing building decarbonization programs;

- **Budget:** $2.7 billion in 2021-22, and 3.9 billion over 3 years for zero-emission vehicles and infrastructure; $75 million for new market rate all-electric homes.
Resiliency at the CPUC

- CPUC recently issued a proposed decision for SCE’s 2021 General Rate Case Application and approved various wildfire prevention spending measures, including pole replacement, covered conductor deployment, and fire science and advanced modeling.

- In the microgrids proceeding, a January 2020 decision required IOUs to develop microgrid tariffs to incentivize commercialization and development of microgrids.

- In June 2021, the CPUC issued a decision that updated Public Safety Power Shutoff guidelines to require IOUs to make de-energization information more accessible and improve Community Resource Centers.
Electrification at the CPUC

- A December 2020 decision required CCAs to coordinate with IOUs and other entities on their Vehicle-to-Grid integration strategies. CPA worked with other CCAs and SCE to develop reporting templates and discuss future coordination opportunities.

- CPA is actively advocating for CCAs to have access to increased funding for CCA transportation electrification programs and anticipate a proposed decision later this year or early next year.
Takeaways and Next Steps

- State budget has been a major driver of policy in the 2021-22 Legislative Session

- Reliability is the top energy priority at both the legislature and the CPUC

- WCE bankruptcy will likely lead to additional oversight hearings and changes in regulations related to CCA finances

- Increasing interest from legislators and Administration in spurring new clean energy technologies; however, the reliability values of new technologies will remain uncertain until the CPUC finalizes the new RA framework

- New funding and bills focused on vehicle electrification will help meet Governor Newsom’s 2020 ZEV EO and Governor Brown’s 2018 ZEV EO, and expand CCAs’ access to funds
To: Community Advisory Committee

From: Tyler Aguirre, Customer Programs Manager
      Jack Clark, Director, Customer Programs

Approved by: Ted Bardacke, Executive Director

Subject: Power Response Program Update

Date: August 19, 2021

Staff will provide a presentation on the item.

ATTACHMENT

1) Power Response Presentation
CPA Power Response

Pilot Program Update and Implementation Agreement

August 19, 2021
Program History

- In October 2019, the CPA Board approved a services agreement with Calpine and Olivine, Inc. for the implementation of a 12-18 month DER demand response pilot program (Power Response)
  - DERs are local, geographically dispersed energy resources or technologies that enable customers to increase, shift or reduce load during certain times of the day. Load reductions from DERs can be aggregated and sold as a resource in the CAISO market
- The pilot program launched in February of 2020 for customer enrollment
- The CAC received a comprehensive update on the Power Response program in October 2020
- Staff is now engaged in negotiations to bring on a new implementor and seeks CAC input on items related to program design and customer outreach prior to seeking Board approval on a new contract
Power Response Program Pillars

The Power Response pilot program is comprised of three pillars targeting different customer segments, and designed to primarily leverage existing customer equipment.

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<tr>
<th>Description</th>
<th>Target Segment</th>
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<tr>
<td><strong>EV Charging</strong></td>
<td>Commercial &amp; Municipal</td>
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<td>Pays customers to allow CPA to shed EV charging load during events</td>
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<tr>
<td><strong>Solar + Storage</strong></td>
<td>Commercial &amp; Residential, including Disadvantaged Communities (DACs)</td>
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<tr>
<td>Pays customers with onsite solar and battery to discharge batteries during events and help CPA shift load</td>
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<tr>
<td><strong>Smart Thermostat</strong></td>
<td>Residential, including Disadvantaged Communities (DACs)</td>
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<tr>
<td>Pays customers who manually reduce their A/C load during events or allow CPA to control smart thermostats remotely</td>
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Current State

- The CPA Power Response Pilot Program is scheduled to end in November 2021
- Steady enrollment growth has occurred throughout 2021 in the residential smart thermostat segment of the program, with some direct mail marketing continuing to drive engagement. Commercial acquisition was paused during the pilot extension period. Current enrollment numbers:
  - Residential: 618 (83 located in DACs)
  - Commercial: 3
- CPA made its first successful CAISO market bid of aggregated program load reduction on May 11, 2021, and continues to earn revenues from the five monthly demand response “events” allowed under the program
- The program is also activated during CAISO Flex Alert and Grid Alert events to help with grid reliability
Scaling Power Response

- Demand Response is an important tool to realize CPA’s policy/procurement/program objectives identified in the Local Program Plan.

- Robust Demand Response programs can help contribute to grid resiliency and reliability.

- Power Response can continue to leverage and build upon existing DER market activity by working with a program implementer and a trade ally* network to more efficiently reach our customer acquisition goals at the point of installation.

*Trade ally refers to industry partners such as DER installers and vendors that can help deliver CPA programs to customers in course of their existing activities.
Lessons Learned

- Customer acquisition challenges have been significant during the pilot, especially for commercial
  - Access to information regarding existing installed customer DER technology is limited, making targeted outreach challenging
  - Customers with previously installed technologies were less likely to participate in Demand Response by adding to existing agreements
  - Negotiating trade ally partnerships on an ad hoc basis was complicated and inefficient
- Direct Device Control through technology relationships with trade allies is key to maximizing program performance, rather than relying solely on behavioral response
Implementation Services RFP

- CPA released an RFP in April 2021 seeking a partnership with a Demand Response implementer to scale the Power Response program.

- RFP required that implementer must have experience developing networks of trade allies for direct device control and customer acquisition.

- In the RFP CPA asked for an implementer to significantly scale up the capacity of the program to 6MW of aggregated demand response over 2.5 years. The proposal also required:
  - Residential and commercial opportunities to participate
  - $1.2 million maximum budget per year, inclusive of customer incentives.
  - 1 MW must be attributed to customers living or located in DACs or taking service on CARE.
Selection Process and CAC Input

- CPA received 5 proposals to the RFP. Staff selection committee conducted interviews with 4 of the 5 proposers.

- Based on interviews, cost, and the quality of the proposal, staff elected to enter into negotiations with one of the proposers, which are still ongoing.

- Feedback from the CAC is requested on:
  - Particular customer segment targeting
  - Emerging technologies we should contemplate in further expansion
  - Communicating the benefits of demand response beyond financial savings