

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.

East Ventura/West LA County	Angus Simmons (Vice-Chair)	Remote
East Ventura/West LA County	Jennifer Burke	Remote
East Ventura/West LA County	Debbie West	Remote
San Gabriel Valley	Richard Tom	Remote
San Gabriel Valley	Kim Luu	Remote
West/Unincorporated Ventura County	Lucas Zucker	Remote
West/Unincorporated Ventura County	Vern Novstrup	Remote
South Bay	David Lesser	Remote
South Bay	Emmitt Hayes	Remote
Gateway Cities	Jaime Lopez	Absent
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 (Vice Chair)	Absent

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 propose 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.