

MINUTES

SPECIAL MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, August 5, 2021, 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 & ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:02 p.m. and Gabriela Monzon, Clerk of the Board, conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra			Absent
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	Michael McConville	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Cedric L. Hicks	Alternate	Remote
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens			Absent
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Mikke Pierson	Director	Remote
15	Manhattan Beach	Hildy Stern	Director	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai			Absent
18	Oxnard			Absent
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	Gleam Davis	Director	Remote
23	Sierra Madre	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos Samantha Argabrite	Director Alternate	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City	Fernando Vizcarra	Director	Remote
27	Thousand Oaks	Bob Engler	Director	Remote
28	City of Ventura			Absent
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Phillippe Eskandar	Alternate	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

Jane Johnson provided public comment.

CONSENT AGENDA

1. Approve Minutes from July 1, 2021, Board of Directors Meeting

Motion: Director Parkhurst, Sierra Madre
Second: Director Zuckerman, Rolling Hills Estates
Vote: The consent agenda was approved by a roll call vote..

REGULAR AGENDA

2. A. Authorize the Executive Director to Execute a Funding Agreement for a \$30 Million Loan from Los Angeles County with the Terms and Conditions Specified in Attachment 1, or in a Substantially Similar Form, and B. Authorize the Executive Director to Execute the Amendment to the Credit Agreement with River City Bank with the Terms and Conditions Specified in Attachment 2, or in a Substantially Similar Form

Ted Bardacke, Executive Director, explained that the economic impacts of COVID-19 continue to challenge CPA finances. The state moratorium on disconnections, while necessary, was also unprecedented. CPA's \$29 million in past due charges is a lot for a young organization to absorb and while state relief is on its way, implementation will take longer than previously thought. The risk of extreme heat or other events is acute during the summer and staff believes it prudent to have as much liquidity as possible going into the summer. Staff therefore began discussions with Los Angeles County to secure short-term financing. Mr. Bardacke thanked Vice Chair Kuehl and Gary Gero, the County's Chief Sustainability Officer

for their support in securing a \$30 million loan, approved by the Board of Supervisors. A portion of the loan will be repayable at the end of February 2022, 30 days after customers and CPA must receive funds from the state's utility bill relief program, and with the remainder repayable at the end of June 2022 at a fixed interest rate. Mr. Bardacke noted that staff also recommends an amendment to the \$37 million credit agreement with River City Bank, allowing CPA to take on this additional debt.

Director Parkhurst thanked Vice Chair Kuehl for assisting in securing the loan and asked about the process which led to the decision to borrow from L.A County. Director Hicks inquired as to the Finance Committee's review of the staff recommendation and the urgency of the loan. Mr. Bardacke clarified that the county loan was the most expeditious option that would provide the additional liquidity cushion that staff believed was prudent to carry into the summer. Due to timing constraints, the Finance Committee was unable to provide input on the loan but has previously expressed support for increasing CPA's lines of credit and liquidity. Director Gold added that the Finance Committee supported an increase in CPA's line of credit and a bigger financial cushion can protect CPA in the short term.

Director Engler asked about accrued arrears and alternate options if negative economic impacts from COVID-19 continue. Director Argabrite asked about potential impacts should the item fail to get CPA Board-approval. Mr. Bardacke explained that CPA has several multiples of arrears on top of what it normally carries and that the loan has two safeguards; the \$10 million that should be paid back in February 2022 reflects approximately one-third to one-half of the amount of money expected to be paid back from the state bill relief funding that CPA will receive by January 31, 2022. The second payment is due at the end of the fiscal year when CPA has seen a full year impact of new rates as well as from payment plans for customers and the discontinuation of moratoriums. Staff continues conversations to increase CPA's private sector line of credit. Mr. Bardacke noted that not having larger liquidity can put an unacceptable strain on CPA's finances should extreme heat events occur.

Vice Chair Kuehl emphasized that the unanimous LA County Board of Supervisors approval of the loan indicated a great deal of confidence in CPA, including from the fact that CPA paid back its original start-up loan from the County. Vice Chair Parks agreed and thanked the LA County Board of Supervisors for their swift action to support CPA. Director Horvath, West Hollywood, noted that a larger liquidity allows CPA to focus on delivering clean energy to its customers.

Motion: Director Gold, Beverly Hills
Second: Vice Chair Kuehl, Los Angeles County
Vote: Item 2 was approved by a roll call vote.

3. Legislative and Regulatory Updates on Energy and Procurement

Gina Goodhill, Policy Director, and CC Song, Director of Regulatory Affairs, presented this item. Ms. Goodhill reviewed the status of SB 612, which will not move forward until at least January 2022. The bill was set to be heard in the

Assembly Utilities and Energy Committee, and despite diverse stakeholder support and a strong showing at the Senate, the Committee Chair pulled the bill. The author was later asked to take an additional amendment which would have amended the bill to mirror the proposal that the California Public Utilities Commission (CPUC) already adopted; it would have made the Resource Adequacy (RA) allocations to Community Choice Aggregations (CCAs) voluntary and based off of excess supply rather than a proportional share of what CCA customers already pay for through the Power Charge Indifference Adjustment (PCIA). Ms. Song added that the legislative session focused on four major themes: climate change; reliability; resiliency; and electrification. Ms. Goodhill reviewed legislative actions on climate change, including a focus on studies, planning, and analysis. Reliability has been the most active in the legislature, with the Governor's Office lifting permitting requirements to make it easier to get more resources on the grid. Conversely, there has not been as much legislative action on resiliency; bills which *are* moving forward, relate to ensuring facilities are able to maintain power during extreme weather events. In electrification, the legislature has placed emphasis on vehicle, rather than building, electrification; several bills provide new guidance, rules, and permitting for EV chargers. The state budget also focuses on vehicle electrification as well, including electrifying medium and heavy-duty vehicles and buses, which could provide funding to member agencies' transportation infrastructure.

Ms. Song discussed legislative themes in the context of regulatory activity. The Integrated Resource Planning (IRP) and Resource Adequacy (RA) proceedings at the CPUC are addressing climate change and reliability, with a particular focus in ensuring decarbonization goals while maintaining grid reliability in light of some natural gas resources facing retirement. The IRP proceeding directed Load Serving Entities (LSEs) to procure further megawatts of resources and CPA is required to procure a total of 679 MW and will launch a reliability RFO in 2021. With regard to the RA proceeding, a pending new RA framework will ensure LSEs have sufficient resources to meet their load at all hours of the day. The CPUC recently issues a proposed decision that approved various wildfire prevention spending measures; and a January 2020 decision required IOUs to develop microgrid tariffs to incentivize commercialization and development of microgrids. The CPUC also issued a decision that updated Public Safety Power Shutoff guidelines and directed IOUs to make deenergization information more accessible. Recently, the CPUC required CCAs to coordinate with IOUs on their Vehicle-to-Grid integration strategies and CPA is actively advocating to increase access to funding for CCA transportation electrification programs.

Ms. Goodhill noted that the 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. Western Community Energy's bankruptcy grew interest from legislators in CCA finances. As the State moves closer to its goals, there is increasing interest from legislators and the Administration in spurring new clean energy technologies; but these activities will be dependent on the CPUCs new RA framework which is yet to be determined.

Director Horvath, West Hollywood, noted that the end of the legislative sessions presents a good opportunity for Council Members to reach out to their respective state legislatures to impress upon them the importance of acting on the

aforementioned bills, including SB 612; CPA staff can help Board members prepare for outreach. Director Zuckerman asked for a brief update on Net Energy Metering (NEM); Ms. Song noted that the NEM proceeding is ongoing at the CPUC and staff will provide an update when more information is solidified. In response to Chair Mahmud's questions relating to the CPUC's PCIA proceeding and procurement requirements for LSE's to replace resources from Diablo Canyon's retirement, Ms. Song explained that the CPUC has not issued a decision on rehearing of the PCIA proceeding; the rehearing decision will inform CalCCA and CPA's appeal strategy; appellate Courts regularly side with the regulatory agency. The appeal process is a resource intensive process, thus CalCCA will also need to assess whether they have the resources to pursue an appeal should the CPUC decline a rehearing. Lastly, Ms. Song noted that Diablo Canyon is a resource on the wider CAISO grid providing system reliability and all LSEs should step up to fill the void; CPA was already planning to conduct more procurement to meet its own demand; this requirement will allow CPA the opportunity to contribute to the state's effort to maintain a reliable electricity grid. Responding to Vice Chair Parks comments regarding the Morro Bay Power Plant, Natasha Keefer, Vice President, Power Supply, explained that repurposing of the power plant may yield five to six gigawatts; the potential use of offshore wind is being evaluated but the 10-year permitting process means the resources from the project will not come onto the grid prior to 2030. Chair Mahmud noted that City of South Pasadena has required new developments to provide adequate EV charging capability, but high costs make it challenging; additional funding and subsidies will be very beneficial to local municipalities.

MANAGEMENT REPORT

Mr. Bardacke reported that the first batch of funding from Calpine's commitment to donate 2% of its awarded contract value, has become available and marketing materials and an application will be shared with Board members and agency staff.

Mr. Bardacke also announced that the application period is also open for Ventura County's electric vehicle charging station infrastructure rebate program, with enhanced rebates for multi-family units.

BOARD MEMBER COMMENTS

Vice Chair Parks thanked Mr. Bardacke for leading CPA to securing funding for the electric vehicle charging program.

REPORT FROM THE CHAIR

Chair Mahmud congratulated Director Horvath, Redondo Beach, for his nomination by the General Counsels of Government (COG) to serve as a representative on the Los Angeles County Blue Ribbon Committee on Homelessness and expressed gratitude for Board members who serve in leadership roles throughout L.A. and Ventura Counties. Chair Mahmud also emphasized that unique circumstances contributed to the bankruptcy of Western Community Energy, with those circumstances being very different from those present at CPA.

ADJOURN

Chair Mahmud adjourned the meeting at 3:18 p.m.