MEETING of the Executive Committee of the
Clean Power Alliance of Southern California

Wednesday, November 17, 2021
1:30 p.m.

SPECIAL NOTICE: Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Executive Committee will conduct this meeting remotely.

To Listen to the Meeting:
https://us06web.zoom.us/j/86842423936
or
Dial: (720) 707-2699 Meeting ID: 868 4242 3936

Click here to view a Live Stream of the Meeting on YouTube
If the YouTube stream is not working, please use the zoom link.
*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

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 (323) 640-7664. 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.

Each speaker is customarily 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 Clean Power Alliance Policy No. 8 – Public Comments for more information.

**CALL TO ORDER AND ROLL CALL**

**GENERAL PUBLIC COMMENT**

**CONSENT AGENDA**

1. Approve Minutes from October 20, 2021 Executive Committee Meeting

**REGULAR AGENDA**

2. Oral Update from the Executive Director on CPA Operations

3. Review Draft Agenda for December 2, 2021 Board of Directors Meeting

4. Presentation and Discussion of CPA’s Long-Term Product Content Strategy

**COMMITTEE MEMBER COMMENTS**

**ADJOURN – NEXT MEETING DECEMBER 15, 2021**

*Public Records:* Public records that relate to any item on the open session agenda for a 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. Public records are available for inspection online at www.cleanpoweralliance.org/agendas.
MINUTES
MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, October 20, 2021, 1:30 p.m.

Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Executive Committee conducted this meeting remotely.

CALL TO ORDER AND ROLL CALL
Chair Mahmud called the meeting to order at 1:30 p.m. and Raynette Tom, Interim Board Clerk, conducted roll call.

| Roll Call |
|-----------------|-----------------|-----------------|-----------------|
| Agoura Hills    | Deborah Klein Lopez | Committee Member | Remote          |
| Beverly Hills   | Julian Gold      | Committee Member | Remote          |
| Camarillo       | Susan Santangelo | Committee Member | Remote          |
| Los Angeles County | Sheila Kuehl   | Committee Member | Remote          |
| Rolling Hills Estates | Steve Zuckerman | Committee Member | Remote          |
| Sierra Madre    | Robert Parkhurst | Committee Member | Remote          |
| South Pasadena  | Diana Mahmud     | Chair            | Remote          |
| Ventura County  | Linda Parks      | Vice Chair       | Remote          |
| West Hollywood  | Robyn Eason      | Alternate Committee Member | Remote |

All items are unanimously approved unless otherwise stated.

GENERAL PUBLIC COMMENT
None.

CONSENT AGENDA
1. Approve Minutes from September 15, 2021, Executive Committee Meeting

Motion: Committee Member Parkhurst, Sierra Madre
Second: Vice Chair Kuehl, Los Angeles County
Vote: Item 1 was approved by a roll call vote, with minor edits.

REGULAR AGENDA
2. Oral Update from the Executive Director on CPA Operations
Ted Bardacke, Executive Director, reported on the grand opening celebration of the High Desert Solar + Storage facility. Mr. Bardacke also noted that because of
new rates and default changes, staff has closely monitored participation rates and 
the number of active customers, and all are holding up well.

Chair Mahmud commended staff for the well-executed grand opening of the High 
Desert Solar + Storage facility in Victorville, CA.

3. Review Draft Agenda for November 4, 2021, Board of Directors Meeting

Mr. Bardacke elaborated on the contract amendment with EcoMotion, noting that 
EcoMotion is conducting site visits to prepare for the first tranche of projects from 
the Power Share program. In response to Committee Member Zuckerman’s 
question regarding the term of the contract and budget, Mr. Bardacke explained 
that when CPA launched the program, it needed to see how the program evolved 
and amount of take-up; therefore, the contract and budget were split into two 
budget cycles.

4. Implementation of CPA’s Workforce Development Initiative

Gina Goodhill, Policy Director, provided an overview of the item. As part of the 
terms of its 2019 Power Purchase Agreement (PPA) with CPA, Mohave County 
Wind Farm, LLC committed to $1 million over four years in workforce development 
efforts for Los Angeles and Ventura Counties at the direction of CPA. To 
systematically explore options for investing the funds, CPA staff prepared a 
landscape analysis of clean energy workforce development investment 
opportunities. On December 3, 2020, the Board directed staff to “green” existing 
jobs by providing training and resources that will give workers the skills necessary 
to facilitate building and transportation electrification. Staff is proposing two 
programs that together would utilize the first two years of funding, a Microgrid 
Maintenance Workforce Training Program and a Sustainable Cybersecurity 
Training. The first program for consideration is through the Los Angeles Cleantech 
Incubator’s (LACI) Advanced Prototyping Center (APC) fellowship program, part 
of a larger LACI green jobs effort and with a specific focus on increasing 
derrepresented populations in the green industry. Ms. Goodhill elaborated on 
the APC fellowship and explained that the Microgrid Program will give participants 
the skills to operate, deploy, and maintain a solar plus storage component and 
open career pathways in the field. CPA will have the option for additional cohorts 
after program evaluation. The second proposed program is through training 
centers in L.A. and Ventura Counties for students seeking to become 
IBEW/NECA certified electricians. Electrical apprentices have mandatory on-the-
job training; work-based learning and mentorship. Additionally, Ms. Goodhill 
described the need for cybersecurity as reliance on smart technology increases; 
CPA also proposes cybersecurity apprenticeship training that expands existing 
electrical apprenticeships to address emerging smart cities and cybersecurity 
issues for building and transportation infrastructure and building automation. The 
training program will focus on training electricians to secure wiring, switching and 
control systems in smart infrastructure projects to build resilience. CPA funding 
would cover lab equipment and/or additional training. Lastly, Ms. Goodhill reviewed 
next steps in the process.

In response to Vice Chair Kuehl’s questions about the selection of these programs 
and collaboration with L.A. County workforce development programs, Ms. Goodhill 
noted that EV programs already have funding sources; CPA proposes newer 
programs that address upcoming issues and goals that the Board of Directors has
expressed interest in; collaboration and joint outreach with the county will definitely be explored. Responding to Committee Members Parkhurst, Santangelo, Zuckerman and Gold, staff noted that these programs were not presented to the Community Advisory Committee, however, the CAC was involved in the initial development of the program parameters. All programs will be governed by a Memorandum of Understanding (MOU) that will establish deliverables and metrics to evaluate the efficacy of the programs. Regarding the partnership with IBEW, funding is available to both current apprentices and future journeymen or others that want to learn the skillset. The advantage with these programs is that they will teach additional skill sets along with the existing courses on building wiring and that since it was teaching wiring techniques, the skills were unlikely to be made obsolete by new software development. Committee Member Eason expressed support for the programs and noted that they not only align with Board direction, but also address the biggest barriers in workforce training, supporting well-paying jobs.

In response to Chair Mahmud’s request regarding CAC review, Mr. Bardacke noted that CAC will be involved in the outreach and program launch.

5. Presentation on Potential Pre-Pay Contract Structure

David McNeil provided a presentation of the item. Prepayment financings ("prepays") are financing mechanisms that allow municipal utilities to leverage their status as issuers of non-taxable debt to reduce costs incurred under existing power purchase agreements (PPAs). Prepays offer the opportunity to reduce existing renewable energy PPA costs by 5-10%. Mr. McNeil explained that savings originate from the difference between the lower non-taxable borrowing rates and higher taxable rates; they typically involve a guaranteed savings over 30-year purchase commitment period and would entail minimal risk to CPA. Mr. McNeil noted that 13 prepayments have been completed in California, including two by CCAs in September 2021. Mr. McNeil reviewed the prepay program flowchart and provided an example of a renewable energy prepayment. Mr. McNeil also explained the role of the conduit issuers, which tend to be joint powers authorities (JPA), such as government agencies; Northern CA CCAs created a conduit issuer JPA specifically for prepayment transactions, which CPA may consider joining. Additionally, Mr. McNeil explained that bonds are non-recourse to CPA; bond obligations are credit enhanced by the bank that receives the prepayment. Should the program terminate early, CPA would continue receiving energy at a discounted rate through the PPA, directly from the project and making payments to the project owner; CPA will not be at risk of non-payment under the bonds and not liable for the repayment of the bonds. Because CPA does not have any obligations under the bonds, they do not impact CPA’s balance sheet or credit metrics. Mr. McNeil reviewed key players in the prepayment structure, noting that associated transaction costs are paid out of bond proceeds; CPA will not incur any direct expense, except for the PPA contracts counsel and operating costs associated with CPA’s membership in a JPA. The market constraint on prepayment opportunities is the demand for prepaid bonds in the market and rate differentials; however, supportive market conditions may enable CPA to save $7-10 million per year on its PPAs. Lastly, Mr. McNeil summarized some next steps, including continuing research of prepays structures, evaluation and selection of participants, and Board approval of parameters for prepay transactions.
Vice Chair Kuehl expressed some concern with the convoluted process of the savings; asked how payments would be made to an energy provider under a PPA prepayment structure, and what part of the transaction generates savings for CPA. Mr. McNeil explained that CPA would make payments as it would normally do under a PPA, but at a discounted amount with no additional debt. Mr. McNeil explained that because energy suppliers under a prepayment structure have received the bond proceeds, they are paying for that bond at a lower tax-free rate. In the prepayment structure CPA would provide banks with a source of treasury funds at a lower non-taxable rate; their cost-savings are transferred to CPA through lower PPA rates. In response to Chair Mahmud’s question regarding the benefits to project developers and Committee Member Lopez’s question about the perceived risks and the role of the Board, Mr. McNeil stated that the benefits are really for CPA and the participating bank which will have a lower cost of funds for the project; the prepayment structure has been used by other industries, but CCA’s are just starting to take advantage of this process and staff is not aware of any significant risks currently other than staff time on a project that may not come to fruition, but staff will continue to do research to understand the process better. The Board will have to approve required documentation and authorization to enter into these types of agreements. Responding to Committee Member Parkhurst and Vice Chair Parks, Mr. McNeil agreed that the prepayment structure is a form of interest rate arbitrage, at least for the initial period and not all the other CCAs who have successfully completed such transactions are investment grade CCAs, as such CPA’s credit facility is not a major consideration; staff has not determined what bond issuance amount is appropriate for CPA yet. Committee Member Gold asked about the impact of changes in the bond market; Mr. McNeil noted that it is possible that CPA may save money for the first 5-10 years of the PPA but not thereafter should the bond market change; the agreement between CPA and the project developer will revert back to a traditional PPA. CPA will have no obligations for defaulted bonds; therefore, the bond investor will be interested in the credit rating of the bank in the case that the prepayment structure collapses.

After further comments from Committee Members Gold and Zuckerman, the Executive Committee agreed that staff should continue to do research, have further discussion of this item at the Finance Committee and provide a briefing to the Board in advance of being asked to make any decisions.

6. Staffing Update
Mr. Bardacke provided a brief presentation of the item and noted that CPA has faced staff turnover and is taking several steps to retain current staff and accelerate hiring. Turnover has impacted operations, morale, and workload; there has been an increase in costs for search, onboarding and training. Mr. Bardacke reviewed reasons for departure, including better salaries/opportunities, burnout, flexible schedule offerings, and other items related to COVID-19. CPA has offered extra pay for increased responsibility after departures; hired recruiters under contract and engaged in proactive outreach; CPA is considering expansion of remote work options; and planning ahead for organizational needs as opposed to fiscal year targeting. Mr. Bardacke reviewed new positions aimed at developing staff redundancy and noted more positions may be deemed necessary as CPA continues to evaluate staffing needs. With regard to the budget, Mr. Bardacke noted that there is a potential increase to the staffing budget of 2.5-3.5% in the
current fiscal year, which would be addressed in the mid-year budget adjustment and the potential of annualized salary cost increase of approximately 12.5%, which would be addressed in the FY 2022/23 budget Mr. Bardacke stated that both increases are manageable given CPA’s fiscal position.

Vice Chair Kuehl commented that more and more employees are concerned with quality of life and childcare, and the key to successfully expanding CPA’s workforce may be in understanding that people need to feel appreciated in their work and what priorities are important to prospective employees. Committee Member Zuckerman inquired as to exit interviews and engagement surveys. Mr. Bardacke clarified that exit surveys are conducted with all departing employees, and two main concerns that have stood out are staff burnout and life goals reassessment, and those surveys have informed next steps for CPA. Committee Member Gold expressed support for the proposed actions to address staffing issues and encouraged Mr. Bardacke to take the necessary steps in staffing to run the organization well.

CLOSED SESSION

7. Public Employee Performance Evaluation: (Government Code Section 54957)

Title: General Counsel

8. Public Employee - Labor Negotiation (Government Code Section 54957.6)

Clean Power Alliance representatives: Chair Diana Mahmud, Vice Chair Sheila Kuehl, and Vice Chair Linda Parks

Unrepresented employees: Executive Director and General Counsel

Chair Mahmud noted that the Executive Committee reached consensus and direction was given on the closed session matters.

Committee Member Comments

None.

Adjourn

Chair Mahmud adjourned the meeting at 4:41 p.m.
To: Clean Power Alliance (CPA) Executive Committee
From: Ted Bardacke, Executive Director
Subject: Oral Update from the Executive Director on CPA Operations
Date: November 17, 2021

The Executive Director will provide an oral report on CPA operations, including the following:

- 2022 PCIA and SCE Rate Projections
- Potential Board Retreat – In-Person or Remote Options
- January Administrative Meeting
Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee
From: Ted Bardacke, Executive Director
Subject: Review Draft Agenda for December 2, 2021 Board of Directors Meeting
Date: November 17, 2021

Staff will provide an overview of the proposed agenda items for the December 2, 2021, Board of Directors meeting for review and feedback from the Executive Committee. The draft Board agenda is attached to this staff report. Information on the main items for Board consideration is provided below.

CONSENT AGENDA
The following items are recommended for inclusion on the Consent Agenda of the December Board meeting.

2022 Legislative & Regulatory Policy Platform
The Legislative and Regulatory Policy Platform serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Legislative and Regulatory Committee approved minimal changes to the 2021 platform at its October 27 meeting that refine our goals without shifting our priorities as we move into the second year of a two-year legislative cycle. The most significant change is to use the term “environmental and social justice communities” in place of other terms that were used in the document. The proposed platform will be submitted to the full Board for approval. A copy of the proposed platform is attached.

Workforce Development Memorandum of Understanding
Staff may propose a memorandum of understanding (MOU) to fund part of the Phase 1 Workforce Development Investment plan that the Board approved at the November 2021 meeting. The MOU would be between CPA and the Los Angeles Electrical Training
Institute (LAETI) for $225,500 to fund 11 training boards that apprentices will use as part of the Western Electrical Cybersecurity Training for Smart Buildings & Smart Cities. Phase 1 of the Workforce Development Investment plan will also include MOUs with the Ventura County Electrical Joint Apprenticeship Training Committee (VCEJATC) and with the Los Angeles Clean Tech Incubator (LACI), however because their funding levels are within the Executive Director’s contract signing authority, these MOUs would not need Board approval.

**External Affairs Contract Amendments**

While CPA has become the largest CCA and 5th largest electricity provider in the state, and the top provider of 100% renewable energy in the entire country, the organization is still building its brand awareness while also continuing to launch and promote customer programs. CPA’s website has been refreshed and in the coming months is slated for an architecture overhaul, which will improve user ability to access information and introduce new features.

To increase our brand awareness and support our customer acquisition and retention efforts during FY 2021-2022, CPA has retained the services of four External Affairs services firms – Fraser Communications, MBI Media, Pastilla, and Celtis – each with different capabilities and specialties. To provide the External Affairs team with maximum flexibility in choosing which consultant for each project or initiative based on expertise, cost and capacity, staff intend to request an increase in contract authority for three of the firms – Fraser, MBI, and Pastilla. The fourth firm, Celtis, has adequate contract authority. This is not a request for additional budget, but rather a request to increase the Not-to-Exceed amount on three of the four contracts.

**2022 Meeting Schedule**

The Board will be provided with a 2022 Meeting Schedule for full Board meetings, Executive Committee, the three policy committees and the Community Advisory Committee. The times and meeting cadence remains unchanged from this year; in total CPA is slated to hold 68 meetings in 2022 that are subject to the Brown Act. The proposed 2022 meeting schedule is attached.
REGULAR AGENDA
The following items are recommended for inclusion on the Regular Agenda of the December Board meeting.

Presentation of Audited FY 2020/21 Financial Statements and Q1 2021/22 Results (Information)
The Board will be provided with a presentation on the results of CPA’s annual independent fiscal audit of its FY 2020-21 Financial Statements. The audit is currently near completion and staff will present the audit results in detail to the Finance Committee on November 24, 2021. The Auditors’ Report is expected to include its opinion that CPA’s FY 2020-21 Financial Statements “present fairly, in all material respects, the financial position of Clean Power Alliance as of June 30, 2021”. In addition to providing an overview of CPA’s financial results for the previous fiscal year, the Board will also be provided an overview of CPA’s first quarter financial results for the three months ended September 30, 2021.

Energy Portfolio Content – 2023 and Beyond (Information)
The Executive Committee will receive a presentation on this item, which is included in this agenda package. The Community Advisory Committee will have received a similar presentation at their retreat on November 12, 2021. Staff proposes to give a similar presentation to the full Board following Executive Committee and Community Advisory Committee input.

ATTACHMENT
1) Draft December 2, 2021 Board Meeting Agenda
2) Proposed 2022 Legislative & Regulatory Policy Platform
3) Proposed 2022 Board and Committee Meeting Schedule
REGULAR MEETING of the Board of Directors of the Clean Power Alliance of Southern California
Thursday, December 2, 2021
2:00 p.m.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Adopt Resolution Finding the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e)
2. Approve Minutes from November 4, 2021 Board of Directors Meeting
3. Approve 2022 Legislative & Regulatory Policy Platform
4. Approve Work Force Development MOU (LA Electrical Training Institute)
5. Approve External Affairs Contract Amendments
7. Receive and File Q3 2021 Communications Report
8. Receive and File Community Advisory Committee Monthly Report

REGULAR AGENDA

Information Items

9. Presentation on FY 2020/21 Audited Financial Statements and FY 2021/21 Q1 Financial Results
10. Presentation on CPA’s Long-Term Energy Product and Portfolio Content

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS
REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON, JANUARY 6, 2022
Overview and Purpose
The Clean Power Alliance (CPA) Legislative and Regulatory Policy Platform (Platform) serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Platform allows both members of the CPA Board of Directors and CPA staff to pursue actions at the local, regional, state and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform enables the organization to move swiftly to respond to events in Sacramento (Legislative / Executive), San Francisco (California Public Utilities Commission), and in Washington, D.C. (federal government). It also provides guidance to the Executive Director on the support or oppose positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

All CPA positions on individual bills are presented to the CPA Board of Directors for approval, except during times of urgency as provided under the protocols approved by the CPA Board of Directors on June 7, 2018, that allow the Chair, Vice-Chairs, Legislative & Regulatory Committee Chair, and Executive Director to act on behalf of the organization in urgent advocacy matters.

Policy Principles
The Legislative and Regulatory Policy Platform is centered around four basic principles:

1. Protecting CPA’s local control and autonomy by its members, especially with regards to finances, power procurement, reliability, and local customer programs.

2. Promoting equal treatment of unbundled and bundled customers by the Legislature, CPUC and other state agencies.

3. Supporting recognition that electricity is an essential service, and that CPA should have the ability to set electric rates that are affordable and offer programmatic services that are affordable and inclusive for all.

4. Pursuing environmental initiatives that exceed prescriptive State and federal mandates, promote the growth in renewable energy capacity at the local level,
encourage clean energy adoption by CPA customers, and reduce fossil fuel dependency, with the goal of combatting climate change.

Policy Platform
1) Local Control, Finance, and Power Procurement

CPA will pursue legislative and regulatory activity that:

a. Supports the authority of CPA and its Board of Directors to retain local control over its activities;

b. Supports the protection of CPA’s procurement autonomy;

c. Supports the ability of CPA to maintain control over its financial decisions;

d. Supports the ability of CPA to expand its service offerings and activities in response to a changing energy landscape;

e. Supports the ability of CPA to access state and federal incentives and funding for its customers and member agencies; and

f. Supports the ability of CPA to enhance reliability through accelerating the deployment of energy storage resources, fully valuing behind the meter energy resources, and expanding the use of demand response.

2) Equitable Treatment of CPA Customers

CPA will pursue legislative and regulatory activity that:

a. Supports the equal treatment of unbundled and bundled customers by the CPUC, and the legislature, and federal government; and

b. Supports the development of a state regulatory environment that is empowering for community energy providers.

3) Ratepayer Advocacy and Social Justice

CPA will pursue legislative and regulatory activity that:

a. Supports the protection of all ratepayers, particularly low-income customers, disadvantaged communities, and other vulnerable populations, environmental and social justice communities in CPA’s service territory;

b. Supports supplier diversity in CPA’s contracting activities and from through women-owned, minority-owned, disabled-veteran-owned, and lesbian, gay, bisexual, and/or transgender owned business enterprises;

c. Supports workforce development with a focus on new stable, well-paying local jobs, and participation in a just transition to a low-carbon economy;
d. Supports the ability for CPA to set appropriate benchmarks for performance measurement using accepted industry standards; and

e. Supports increased access to clean energy technologies, clean energy and contracting jobs, and clean energy opportunities for low-income people and communities of color, environmental and social justice communities in CPA’s service territory.

4) Environmental Leadership

CPA will pursue legislative and regulatory activity that:

a. Supports the ability of CPA and its members to meet and exceed State goals for greenhouse gas emissions reductions (e.g. encouraging movement towards 100% renewable energy), climate action planning, and fossil fuel independence;

b. Supports the ability of CPA to promote growth in renewable energy capacity, resiliency, and electrification at the local level, in a way that is equitable for all customers;

c. Supports the ability of CPA to promote electrification of the transportation sector, in response to state and federal goals aimed at increasing the usage of zero emission vehicles; and to prepare for the effects of Governor Newsom’s Executive Order that bans the sale of new internal combustion engines in light duty vehicles by 2035.

d. Supports the ability of CPA to promote electrification and the reduction of natural gas usage in the building sector.
# CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
## 2022 MEETING SCHEDULE

This schedule is updated regularly. Please check our website at [www.cleanpoweralliance.org](http://www.cleanpoweralliance.org) to view the most up to date version.

In compliance with state and local requirements regarding the threat of COVID-19, meetings may be held remotely until further notice.

Red Strikeout indicates cancelled meeting, and Red Font indicates new meeting date. Agendas are available at [www.cleanpoweralliance.org/agendas](http://www.cleanpoweralliance.org/agendas) at least 72 hours prior to the meeting. For questions, contact the Clerk of the Board at clerk@cleanpoweralliance.org or 323-640-7664.

Last updated: 11/12/2021

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Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Executive Committee
From: Ted Bardacke, Executive Director
Subject: Long-Term Product Content Strategy
Date: November 17, 2021

The Executive Director will provide a presentation on the item.

ATTACHMENT
1) Long-Term Product Content Strategy PowerPoint Presentation
Item 4: Long-Term Product Content Strategy

November 17, 2021
Long-Term Product Content Strategy

Agenda

- Background and Current Situation
- Product content approaches and options
- Discussion
Current Situation

- The CPA Board approved Energy Portfolio Content for CY 2021 and 2022 that reduced overall renewable portfolio content compared to prior years to offset rising customer costs.
- With Energy Portfolio Content in 2021/2022 already determined, CPA needs to decide on product content and structure for each of its three rate products for 2023 and beyond.
- Need for more long-term planning (10+ years) is increasingly necessary as 2022 Integrated Resources Plan (IRP) modelling is underway and more of CPA’s load is being met by long-term PPAs.
- Portfolio Content for 2021 and 2022:

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
<th>Positioning</th>
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</thead>
<tbody>
<tr>
<td>100% Green</td>
<td>100% renewables (Annual Basis)</td>
<td>Flagship Product</td>
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<tr>
<td>Clean</td>
<td>40% renewables; 50% overall carbon free</td>
<td>Better than SCE on renewables, ~ on par GHG</td>
</tr>
<tr>
<td>Lean</td>
<td>0% renewables; 40% carbon free</td>
<td>Lowest cost; slightly worse than SCE on GHG</td>
</tr>
<tr>
<td>Resulting Overall Portfolio</td>
<td>~47% renewables; 61% overall carbon free</td>
<td>Above compliance; better than SCE on both GHG and renewables</td>
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Current Default Levels

7 Communities
- 154,047 Customers
- 96.1% Participation Rate

- Arcadia
- Camarillo
- Hawthorne
- Paramount
- Simi Valley
- Temple City
- Westlake Village

10 Communities
- 506,149 Customers
- 96.3% Participation Rate

- Alhambra
- Beverly Hills*
- Carson
- Claremont
- Downey
- Hawaiian Gardens
- Los Angeles County*
- Moorpark
- Redondo Beach*
- Whittier

15 Communities
- 336,840 Customers
- 94.6% Participation Rate

- Agoura Hills
- Calabasas
- Culver City
- Malibu
- Manhattan Beach
- Ojai
- Oxnard
- Rolling Hills Estates
- Santa Monica
- Sierra Madre
- South Pasadena
- Thousand Oaks
- Ventura County
- Ventura
- West Hollywood

*Considering a default change to 100% Green in 2022

Low-income customers in 100% Green default communities receive 100% renewable energy at no extra cost.
Renewable Content

- The Board approved Energy Portfolio Content for CY 2021 and 2022 that reduced overall renewable portfolio content compared to prior years to offset rising customer costs.
- The 2020 IRP targets represent a path towards SB100 emissions reductions requirements.
Competitive Dynamic

If in 2023, CPA reverted to its 2020 product content levels and maintained them constant
- SCE GHG likely to catch up to Clean product in 1 – 2 years and renewables in ~3-5 years
- 2025 state mandates will push up SCE renewables levels past Lean in 2 – 3 years; SCE already better than Lean on GHG

State and Federal mandates may accelerate -> to maintain leadership position vis-à-vis mandates and SCE will require changes to product content

Price difference of Lean and Clean is currently small

Lean as a product that trails SCE is difficult to integrate with CPA’s mission unless it is priced significantly lower

<table>
<thead>
<tr>
<th>Renewables Content (%)</th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
<th>SCE</th>
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<tbody>
<tr>
<td>2020</td>
<td>40.7%</td>
<td>50.1%</td>
<td>100%</td>
<td>34.2%</td>
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<tr>
<td>2021*</td>
<td>0%</td>
<td>40%</td>
<td>100%</td>
<td>36.8%</td>
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<tr>
<td>2022*</td>
<td>0%</td>
<td>40%</td>
<td>100%</td>
<td>39.4%</td>
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<td>2023*</td>
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<td>41.9%</td>
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<td>2025*</td>
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<td>47.1%</td>
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<tr>
<th>Carbon Free Content (%)</th>
<th>Lean</th>
<th>Clean</th>
<th>100% Green</th>
<th>SCE</th>
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<tr>
<td>2020</td>
<td>4.5%</td>
<td>56%</td>
<td>100%</td>
<td>43%</td>
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<tr>
<td>2021*</td>
<td>40%</td>
<td>50%</td>
<td>100%</td>
<td>43%</td>
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<td>2022*</td>
<td>40%</td>
<td>50%</td>
<td>100%</td>
<td>40-45%</td>
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<td>2023*</td>
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<td>40-49%</td>
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<td>2025*</td>
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<td>51-63%</td>
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*CPA estimated
Need to look ahead to 2030s

- Climate change challenge
- Longer-term procurement and fiscal planning
- Alignment with IRP process (Board approval)
- Unless more cities change to 100% Green default, doing nothing puts CPA at compliance risk starting in 2025
- Potential expansion efforts – clarity on long-term value proposition for new cities
- Board turnover throughout 2022 means timing of strategic discussion is ripe
Product Content: Approaches and Options
Types of Approaches

- **CLIMATE LEADERSHIP:** CPA sets its own targets that escalate over time

- **COMPETITIVE:** CPA sets targets to specifically meet or beat SCE

- **COMPLIANCE:** CPA sets minimum floor of renewables/GHG compliance at the product level

- **LOW COST:** CPA maintains a low-cost product available only upon customer request
Options for Lean

**COMPETITIVE:** Lean’s renewable content exceeds SCE’s renewable content (with or without a GHG target)

**COMPLIANCE:** Lean is a CA renewables mandate compliant product (with or without a GHG target)

**LOW COST:** Lean that aims to be the lowest price available but is only available upon request by individual customers

- GHG/renewables content to be determined based on competitive consideration; likely to be a “below-compliance” product

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<tr>
<th>Product</th>
<th>Pros</th>
<th>Cons</th>
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<tr>
<td>Competitive</td>
<td>o Competitive renewable content compared to SCE</td>
<td>o May be more expensive than SCE's base rate</td>
</tr>
<tr>
<td>Compliance</td>
<td>o Compliant product</td>
<td>o Rate savings uncertain compared to SCE’s base rate</td>
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<tr>
<td></td>
<td></td>
<td>o No climate leadership</td>
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<tr>
<td>Low Cost</td>
<td>o Ensures price-sensitive customers have an attractive rate product option</td>
<td>o May put CPA at risk of compliance if a large number of customers elect this option</td>
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</table>
Options for Clean

- **CLIMATE LEADERSHIP:** Clean reaches 100% Green level by 2030 or 2035 through step ups in performance every year
- **COMPETITIVE:** Clean always beats SCE in both renewables and GHG-free
- **COMPLIANCE:** Clean is an RPS/GHG compliance product
  - Minimum 40% renewables / 50% overall carbon free (current product mix)

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<tr>
<th>Product</th>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>Climate Leadership</td>
<td>o Ensures progress towards statewide targets and supports CPA mission</td>
<td>o Likely to be higher cost than SCE’s rate</td>
</tr>
<tr>
<td>Competitive</td>
<td>o Competitive advantage over SCE on environmental targets</td>
<td>o Difficult to forecast SCE’s portfolio content and long-term cost impact</td>
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<tr>
<td>Compliance</td>
<td>o Lowest cost option</td>
<td>o Lowers environmental performance of Clean over time</td>
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Options for 100% Green

- **CLIMATE LEADERSHIP**: Maintain status quo (accounting on annual basis)
- **INNOVATION**: Increase performance to 24/7 renewables by a certain date (accounting on an hourly or monthly basis)

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<th>Product</th>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>Climate Leadership</td>
<td>o  Consistent with industry best-in-class product offering</td>
<td>o  May be undermined by legislative or regulatory changes</td>
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<tr>
<td>Innovation</td>
<td>o  Most aggressive strategy for removing GHG from CPA’s portfolio</td>
<td>o  Currently not operationally feasible or cost effective</td>
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Discussion
Key Questions

Staff is seeking feedback on the following:

- Increasing renewable content is required to meet statewide 2030 GHG reduction goals; how aggressive does CPA want to pursue these reductions over the next decade?
- Leadership vs. competitiveness with SCE, i.e. how much do we want to differentiate/de-link from SCE’s rates and product offerings?
- Moving most Lean customers to Clean (~2024 – 2026)
- Low cost “request-only“ approach for Lean
- All new customers (move-ins) are defaulted to 100% Green
- Other ideas
Next Steps

🔹 Staff is seeking input in Q4 2021 from the Community Advisory Committee, Executive Committee, and Board on product content options

🔹 Product content discussion will also overlap with IRP planning at Energy Committee and the full Board

🔹 Individual City/County default decisions may change landscape

🔹 Potential item for a Board retreat

🔹 Staff recommendation and Board Decision in late Q1 or early Q2 prior to FY2022/23 rates and budget
Questions