



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

Wednesday, March 16, 2022

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.

[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.

To Listen to the Meeting:

<https://us06web.zoom.us/j/86842423936>

or

Dial: (720) 707-2699 Meeting ID: 868 4242 3936

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 meeting link above, click "start from your browser."

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 you wish to make a comment other than by Zoom or phone, you may submit written comments during the meeting via email to: clerk@cleanpoweralliance.org.

Clean Power Alliance Executive Committee Meeting
March 16, 2022

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 February 16, 2022 Executive Committee Meeting

REGULAR AGENDA

2. Oral Update from the Chief Executive Officer on CPA Operations
3. Review Draft Agenda for April 7, 2022 Board of Directors Meeting
4. Clean Energy Prepayment Financing Presentation

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING APRIL 20, 2022

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, February 16, 2022, 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 & 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	Vice Chair	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 votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from January 19, 2022, Executive Committee Meeting

Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Oral Update from the Chief Executive Officer on CPA Operations

Ted Bardacke, CEO, provided a brief update on the Southern California Edison (SCE) billing issue; SCE has implemented a fix that will again be monitored over the President's Day holiday. CPA customer inquiry calls and wait times have also decreased significantly and customer inquiries referred by Board members were resolved within 24 hours. Mr. Bardacke also requested feedback from the Committee on a timeline for in-person Board meetings.

Vice Chair Kuehl and Committee Members Lopez, Santangelo, and Parkhurst expressed a strong preference for continuing remote meetings, citing public health concerns and ease of access to meetings for both the public and Board members. Committee Member Gold opined that in-person meetings are inevitable and ensure accessibility to the public. Vice Chair Kuehl commented that her constituents have shared that remote meetings allow for better and increased participation and added that the Executive Committee should strongly consider the protection and health of staff and Board members in making the decision as well. In response to questions regarding A/V set up, Mr. Bardacke indicated that enhanced audio and visual capabilities will be added to remote locations with the expectation that those enhancements will be installed over the summer of 2022. Chair Mahmud echoed Committee Member Gold's preference for in-person meetings but noted strong consensus from the Committee to remain remote through March and April and revisiting an approach for hybrid meetings at the April Executive Committee meeting.

3. Review Draft Agenda for March 3, 2022 Board of Directors Meeting

Mr. Bardacke reviewed several items in the consent agenda, including the pre-paid bond transaction, and invited feedback and questions from the Executive Committee.

In response to Vice Chair Kuehl's question regarding a potential inherent conflict of interest on the municipal financial advisor service agreement, David McNeil, Chief Financial Officer, specified that staff will reach out to MCM for a succinct answer, but the agreement is standard for municipal financial advisors. Committee Member Parkhurst echoed similar concerns regarding a conflict of interest and expressed preference for further discussion and review prior to Board approval. Mr. McNeil clarified that the agreement on the consent agenda for Board approval is to enlist professional services to manage the prepayment project. Finance Committee Chair Gold offered that MCM's advisory professional services could be compensated separately from potential compensation they would receive should CPA move forward with a prepayment bond. Vice Chair Parks offered and supported a similar solution. Committee Members expressed preference for further review and discussion at the Finance Committee prior to Board consideration. In response, Mr. McNeil noted that the timeline would be delayed but an adverse effect is hard to predict; the current market is conducive and wide enough that banks are interested in doing these transactions, but that may change quickly. After further discussion, Chair Mahmud recommended that Mr. McNeil confer with the municipal financial advisors regarding the conflict of interest and have the

Finance Committee review the item. Staff may then consider moving forward with a contract with a preferred consultant and examine alternative compensation methods.

Responding to a question from Committee Member Parkhurst about the NewGen Strategies Task Order Amendment, staff confirmed that there is now an added step in place within the contract administration process to avoid future oversights such as the one requiring Board ratification of an existing contract.

4. FY 2022/23 Rates Outlooks and Options

Matt Langer, Chief Operating Officer, outlined CPA's initial look at its FY 2022/23 rates, which will go into effect on July 1, 2022. Mr. Langer stated that the Power Charge Indifference Adjustment (PCIA) is dropping approximately 85% in 2022 which will give CPA customers a 6% bill reduction and SCE's generation rates will increase by about 18% beginning March 2022. A variety of factors, such as competitiveness, financial impacts, value proposition to customers, upcoming default changes, and 2023 rate outlook, are important to consider as CPA sets rates. There are three options that represent a range of possibilities for rate setting. In option 1, rates mostly stay the same and are limited to rebalancing rate differentials and will end the 2021 CARE rate freeze. This will lead to a \$17 million increase in net position and customers realize significant savings due to a lower PCIA. In option 2, CPA targets Clean Power to parity and will also end the 2021 CARE rate freeze which leads to a \$185 million increase in net position above current levels. The rate places customers within CPA's historic rate comparison targets but it resets an expectation of parity with SCE, going against CPA's goal of independently setting rates from SCE. In option 3, CPA would target 100% Green to parity with SCE, where all CPA customers pay the same or less than SCE and CARE rate freeze ends with a \$109 million increase to the net position above current levels. Mr. Langer reviewed the impact of ending the 2021 CARE rate freeze and noted that all CARE customers would still be at parity or less than SCE under any of the three options presented. Mr. Langer outlined potential one-time spending options made possible by the favorable rate environment. Staff will return to the Executive Committee and the Board in April/May with a recommended approach based on feedback received and rate adoption will occur in June along with the adoption of the FY 22/23 budget.

Committee Members offered comments that customer messaging should set expectations for what bills will look like; CPA should maintain independence from SCE and stabilize its ratesetting process; think about the long-term path to decouple from SCE; suggested a rate stabilization fund as a one-time spending option to help mitigate rate changes; SCE may always be a point of reference for CPA customers; requested long-term communication and talking points to address CPA's rate stabilization.

In response to questions and comments from the Committee, Mr. Langer noted that it is difficult to predict SCE's rates but noted that the options presented do show some continuity in rates for customers. Mr. Bardacke answered that, based on Board direction, for 2023, the Lean and Clean Power rate products would return to their 2020 renewables levels given that the issue of long-term planning for product content mix is less acute now that two-thirds of CPA's member agencies are on the 100% Green default rate and the deadline for the submission of the

Integrated Resources Plan to the CPUC has been pushed back to November 2022. Mr. Langer noted that all options are cost-of-service-based rates with a higher or lower margin to the net position. Mr. Langer stated that there is consensus from the Committee and staff to deemphasize the comparison between SCE and CPA, but it will be a balancing act. Additionally, CPA has an opportunity to advance several years of financial progress in a single fiscal year, including achieving a credit rating which will contribute to lower procurement costs and release of collateral. Mr. McNeil added that an increase in reserves speeds up the ability to acquire an investment grade credit rating, which has various short-term and long-term benefits, including better terms on short-term energy contracts and significant impacts on long-term renewable and storage contracting.

Chair Mahmud noted that the discussion at the Board level should explain how rate options will impact CPA's ability to obtain a credit rating and how that will positively impact CPA's operations and costs. In response to Chair Mahmud's questions regarding customer messaging, Mr. Langer explained that from March 1st to June 30th, customers will see a bill discount and staff will have appropriate messaging in place for the July rates but will depend on the Board's decision. Chair Mahmud expressed support for options that allow CPA to obtain a credit rating.

COMMITTEE MEMBER COMMENTS

In response to Committee Member Parkhurst's question, Mr. Bardacke explained that the Community Advisory Committee (CAC) encouraged staff to take a more active position in the Net Energy Metering (NEM) proceeding at the California Public Utilities Commission (CPUC) and staff may present an update to the Board on NEM once feedback has been gathered from the CAC and a CPA position is appropriate. Responding to Chair Mahmud's questions, Mr. Bardacke confirmed that the CPUC's actions on NEM do not impact CPA's NEM policy; however, potential changes on distribution may be impactful to the industry overall.

In response to Committee Member questions about the Board retreat and staffing, Mr. Bardacke stated July may be an option for the retreat and noted that various staff positions will be filled soon, but there are hiring challenges in both power procurement and data and analytics. Chair Mahmud thanked Raynette Tom for serving as CPA's Interim Board Clerk.

ADJOURN

Chair Mahmud adjourned the meeting at 3:53 p.m.



Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Executive Committee
From: Ted Bardacke, Chief Executive Officer
Subject: Oral Update from the CEO on CPA Operations
Date: March 16, 2022

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

- Member Agency Default Changes
- CalCCA Lobby Day (March 15) Summary



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Chief Executive Officer

Subject: Review Draft Agenda for April 7, 2022 Board of Directors Meeting

Date: March 16, 2022

Staff will provide an overview of the proposed agenda items for the April 7, 2022, 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 April Board meeting.

Bill Positions

Staff will propose positions on one or more bills in the 2022 Legislative Session. The proposed positions will likely include opposition to a bill requiring CCAs to increase the amount of money they provide to the IOUs to hold as insurance for costs related to an involuntary return of customers to IOU service. Should this bill be given a hearing date prior to the April 7 Board meetings, CPA may need to use an alternative process to put CPA's position on the record.¹ CPA may also propose support positions on bills related to electric vehicle charging station maintenance and extreme heat.

Proposed positions will be brought to the Legislative & Regulatory Committee for recommendation and approval at its March 23rd meeting, prior to being presented to the full Board.

¹ CPA procedures allow for the Chair, Vice-Chairs, Chair of the Legislative & Regulatory Committee, and the CEO to substitute for the normal Board approval process on legislative matters requiring urgent attention.

Proposed Fiscal Year (FY) 2021/22 Amended Budget

Staff will present a Proposed Amendment to the FY 2021/22 Budget. The FY 2021/22 Budget was approved by the Board at its June 3, 2021 meeting. The Proposed Amendment will allow increases to the Technical Services (+\$29,000, +2%), Interest Expense (+\$283,000, +99%) and Capital Outlay (+\$39,000, +13%) budget line items. These increases will be largely offset by decreases in Legal and Other Services line items. The impact of these changes on the budgeted change in Net Position is \$0.00. All other revenue and expense budget line items will remain unchanged.

The increase in Technical Services would allow an increase in contingencies that CPA may need to rely on as it continues its search for additional in-house technical staff. The increase in Interest Expense is intended to accommodate increased non-utilization fees arising from CPA's \$80 million credit agreement with JPMorgan Chase approved by the Board on September 2, 2021. The increase in Capital Outlay will allow increased investment in the architecture and performance of CPA's website and unforeseen equipment purchases and office improvements, mostly related to adhering to COVID health and safety protocols.

This item will be brought to the Finance Committee at its March 23 meeting for recommendation and approval prior to being presented to the full Board.

REGULAR AGENDA

The following items are recommended for inclusion on the Regular Agenda of the April Board meeting.

PCIA Voluntary Allocation and Market Offer (VAMO)

On May 24, 2021, the CPUC issued Decision (D.) 21-05-030, which ordered the Investor Owned Utilities to offer PCIA-eligible Load Serving Entities, including CPA, voluntary allocations of PCIA-eligible resources, and then sell any unallocated resources through an annual market offer process, called the Voluntary Allocation and Market Offer (VAMO). This effectively means CPA has the opportunity to secure voluntary allocations of PCIA-eligible renewable resources from SCE, for which CPA's customers already pay. This is

similar to what CPA and other CCAs advocated for in SB612 for Resource Adequacy resources.

The deadline for CPA to make a determination of the amount of resources it would like to access through the VAMO is May 13. The VAMO allocations include both short-term resources (2023 and 2024 deliveries) and long-term resources (contracts of 10 years or longer). The former could assist CPA with acquiring the short-term resources necessary to support the large number of default changes occurring in late 2022, while the long-term resources could support CPA in meeting its SB350 compliance obligations in the case of higher than anticipated project failure. At the same time, there remains some regulatory uncertainty and, absent a clarification from the CPUC, there may be certain resources within the VAMO portfolio that CPA may not want to take in the short term and/or hold for a longer term.

Staff will be seeking the Board's approval for an allocation strategy for long-term resources that can be secured in SCE's 2022 VAMO process, as acquisition of these resources would require commitments of greater than 5 years.² Staff will be seeking guidance on both the short-term and long-term VAMO resource acquisition strategy from the Energy Planning & Resources Committee on March 23rd, ahead of the April Board meeting.

Customer Programs Update

In 2020, the CPA Board approved the Local Programs for a Clean Energy Future Strategic Plan (Strategic Plan) following a year of research, development, and outreach. Local programs are products, services, financial incentives or developments undertaken by CPA to help its communities and its customers co-manage their relationship with the energy system. These programs can bring local benefits such as customer cost savings, economic and workforce development, improved air quality and public health, and more resilient communities.

² Per CPA's Energy Risk Management Policy, any power purchase transactions greater than 5 years require approval by the Board.

The following seven programs were identified in the Strategic Plan to most immediately meet CPA's goals and objectives.

1. **Clean Back Up for Essential Facilities:** Installation of clean energy generation and storage at essential community facilities
2. **Demand Response:** Partnering with customers to utilize demand response, reliability, and/or resiliency
3. **Peak Management Pricing:** Incentives for commercial and public agency customers to reduce their energy consumption during periods of grid stress, elevated wholesale energy prices, and high greenhouse gas (GHG) emissions
4. **Public Electric Vehicle (EV) Charging:** Incentives for publicly accessible electric vehicle chargers
5. **Building Electrification Codes:** Technical assistance and incentives for cities and counties to develop local building codes to encourage the electrification and decarbonization of the building sector.
6. **Community Solar:** Develop small-scale local generation projects in disadvantaged communities (DAC) that provide bill discounts to neighboring residents
7. **100% Green Discount:** Provide low-income customers with bill discounts for renewable energy generated in disadvantaged communities

These seven programs fall into three categories that each align with a critical component of CPA's mission: Grid Management & Resiliency, Electrification, and Local Procurement. CPA staff will provide a short update on the status of each program, with an emphasis on some of the newer programs launching and/or under development in the areas of transportation and building electrification, including the April 5 launch of CPA's electric vehicle charger incentive program in Los Angeles County and the results of the recent RFI from member agencies on electrification building code assistance

Clean Energy Prepayment Financing

This item will be subject to a separate presentation to the Executive Committee.

Open Nomination Period for Board Chair Position

Per Clean Power Alliance's Bylaws, CPA must elect a Board Chair every two years.³ On February 6, 2020, the Board elected Diana Mahmud as Chair for a term starting April 1, 2020 and ending June 30, 2022. At the April 7, 2022 meeting, the current Chair will open the nomination period for the Chair for the two-year term beginning on July 1, 2022. The Chair may be a Director who meets the eligibility criteria below and is elected by a vote of all Regular Directors.

1. The candidate must be a Regular Director;
2. The candidate must have attended at least 50% of CPA's Regular Meetings in the prior 12 months; and,
3. The candidate must affirm that they intend to serve a full term as Chair.

Nominations will be accepted at the meeting on April 7 and the nomination period will close at 5 p.m. on Friday, April 15, 2022. After the nomination period concludes, the Clerk of the Board will distribute ballots with instructions to Regular Directors. The tallying of votes will take place when the Board considers this item at its meeting on May 5, 2022.

CPA will then complete the composition of Board leadership for the period beginning July 2022 according to the following Board meeting schedule:

- May 2022: Election of new Board Chair; new Chair names Chairs of the three Standing Committees; open nomination period for the election of at-large Executive Committee members
- June 2022: Election of at-large Executive Committee members
- Starting July 2021: First Board and committee meetings with new Board Officer leadership

ATTACHMENT

- 1) Draft April 7, 2022 Board Agenda

³ On March 3, 2022, the Board approved amendments to the Bylaws authorizing the automatic appointment of County Supervisors for each county member agency to serve as Board Vice-Chairs. Therefore, no Vice-Chair election is necessary.



**REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California**

Thursday, April 7, 2022

2:00 p.m.

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

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 March 3, 2022 Board of Directors Meeting
3. Receive and File Community Advisory Committee Monthly Report
4. Adopt Bill Positions for the 2021/2022 Legislative Session
5. Proposed Fiscal Year (FY) 2021/22 Amended Budget

REGULAR AGENDA

Action Item

6. PCIA Voluntary Allocation and Market Offer (VAMO)

Information Items

7. Customer Programs Update
8. Clean Energy Prepayment Financing

OPEN NOMINATION PERIOD FOR BOARD CHAIR POSITION

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON MAY 5, 2022



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Executive Committee
From: David McNeil, Chief Financial Officer
Subject: Clean Energy Prepayment Financing
Date: March 16, 2022

Staff will provide a presentation on the item.

ATTACHMENT

None. A presentation will be provided prior to the March 16, 2022 Executive Committee meeting.