



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

Wednesday, June 15, 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 webinar 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](mailto: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](mailto: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](mailto:clerk@cleanpoweralliance.org).

Clean Power Alliance Executive Committee Meeting  
June 15, 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](mailto: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 May 18, 2022 Executive Committee Meeting

## **REGULAR AGENDA**

2. Oral Update from the Chief Executive Officer on CPA Operations
3. Review Draft Agenda for the July 7, 2022 Board of Directors Meeting

## **COMMITTEE MEMBER COMMENTS**

## **ADJOURN – NEXT MEETING JULY 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](http://www.cleanpoweralliance.org/agendas).*

**MINUTES**

REGULAR MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, May 18, 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 Gabriela Monzon, Board Clerk, conducted roll call.

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

All votes are unanimous unless otherwise stated.

**GENERAL PUBLIC COMMENT**

There was no public comment.

**CONSENT AGENDA**

1. Approve Minutes from April 20, 2022 Executive Committee Meeting

**Motion:** Director Parkhurst, Sierra Madre  
**Second:** Director Zuckerman, Rolling Hills Estates  
**Vote:** Item 1 was approved by a roll call vote.

## **CLOSED SESSION**

### **2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1.

Nancy Whang, General Counsel, reported that no reportable action was taken.

## **REGULAR AGENDA**

### **3. Oral Update from the Chief Executive Officer on CPA Operations**

Ted Bardacke, CEO, provided a presentation on the Financial Security Requirement (FSR) that all Community Choice Aggregations (CCAs) are required to post. The FSR amount is recalculated every six months using updated power prices with a minimum posting of \$147,000. Mr. Bardacke indicated there was a historic surge in forward power prices right before Southern California Edison (SCE) calculated the new FSR which led to an extreme rise in the FSR amount for CCAs in SCE territory. Unless the amount is recalculated using a more favorable methodology, or the Advice Letter is suspended by the California Public Utilities Commission (CPUC), CPA must post \$97 million by July 1. CPA staff is working closely with CalCCA on both regulatory and financial approaches. Mr. Bardacke noted that additional June 2 Board meeting agenda item(s) will request one or more authorizations to execute a surety bond and/or increase J.P. Morgan facility should regulatory efforts be unsuccessful.

Responding to Committee Member Zuckerman's question, staff noted that it is still evaluating several options for handling the FSR but will include interest rates in the proposed budget for both the surety bond and the JPM credit facility. Vice Chair Kuehl asked how staff is working with the CPUC to address the issue and how cities may participate in strategic communication. CalCCA and CPA staff have initiated conversations with the CPUC to communicate alternative solutions, including an alternative interpretation for reprieve from the CPUC that could result in the reduction or elimination of the required posting in this cycle. The POLR proceeding is a more long-term approach that may modify the FSR favorably. Staff will almost certainly be filing a protest on May 31<sup>st</sup>, at which point it may be possible that member agencies will be asked to participate in outreach efforts. Committee Member Gold expressed a preference to be financially ready for any regulatory outcome.

### **4. Review Draft Agenda for June 2, 2022 Board of Directors Meeting**

Mr. Bardacke reviewed the consent agenda, including the Community Advisory Committee (CAC) appointments and reappointments and bill positions. Mr. Bardacke indicated there will be a staff report on the Senate energy package if the Committee decides to take a position. Committee Member Parkhurst and Vice Chair Parks expressed gratitude for Committee Member Zuckerman's question posed during Lobby Day. Mr. Bardacke reviewed several items on the regular agenda, including the approval of the rates and the election of at-large Executive Committee positions; the nominations for which remain open until the end of the week.

5. Review Draft Fiscal Year 2022/2023 Budget

Mr. Bardacke noted a few budget items yet to be finalized before the Finance Committee receives the formal proposed budget, including staffing/cost-of-living adjustments, General and Administrative increases, and assumption of bad debt. In response to Committee Member Zuckerman's questions regarding communication increases, Mr. Bardacke clarified that the increase in the budget item for customer mailers is directly related to upcoming default changes and about 300,000 customers changing to 100% Green in October; communications consultants are needed for additional marketing and outreach in the eight jurisdictions changing some or all of their default rates; the budget item for CPA's website reflects ongoing costs, but the current overhaul of the website is being paid for with capital expenses.

6. Presentation on the 2022 Integrated Resource Plan (IRP) and Rate Product Discussion

This presentation was deferred and will be presented to the Energy Committee at its Wednesday, May 25, meeting.

**COMMITTEE MEMBER COMMENTS**

None.

**ADJOURN**

Chair Mahmud adjourned the meeting at 3:30 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:** June 15, 2022

---

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

- Update on FSR process with CPUC
- Potential fall Board retreat planning/topics
- Summer schedule



## Staff Report – Agenda Item 3

---

**To:** Clean Power Alliance (CPA) Executive Committee  
**From:** Ted Bardacke, Chief Executive Officer  
**Subject:** Review Draft Agenda for July 7, 2022 Board of Directors Meeting  
**Date:** June 15, 2022

---

Staff will provide an overview of the proposed agenda items for the July 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 action items are recommended for inclusion on the Consent Agenda of the July Board meeting.

#### **Energy Risk Management Policy Annual Revisions**

In its annual review of CPA's Energy Risk Management Policy (ERMP), staff will seek approval of revisions to the ERMP that reflect CPA's operating goals and risk management requirements, including:

- Formalize the process for the CEO to delegate energy transaction execution authority
- Refinements to annual hedging limits based on current market conditions

This item will be discussed in detail at the June 22 meeting of the Energy Committee.

The ERMP requires CPA representatives, including the Board, to sign on an annual basis and/or upon any revision, an acknowledgement of their responsibilities, duties, obligations, and compliance under the ERMP. Once ERMP amendments are approved,

staff will request that the Board complete their annual acknowledgement forms in July via a subsequent communication from the Clerk of the Board.

### **Mid-Term Reliability RFO Administrative Services Task Order**

Staff will be proposing a contract to administer its 2022 Mid-Term Reliability Request for Offers (RFO). A Task Order solicitation was issued on June 3, 2022, and responses will be due on June 21, 2022. CPA expects to this Task Order to largely similar to the 2021 Task Order for similar services.

### **CLOSED SESSION**

A closed session is proposed to be held in order to confer with legal counsel related to anticipated litigation.

### **REGULAR AGENDA**

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

### **Power Purchase Agreements (PPA) – Project Extensions**

Since 2020, unprecedented industry-wide challenges have strained renewable energy developers' ability to deliver projects on-time and at cost, including interconnection delays, ongoing pandemic-related supply chain impacts, U.S. trade actions, and rising commodity prices (further exacerbated by the Ukraine War).

Of CPA's 21 long-term PPAs for clean energy resources, 12 projects are either in development or under construction with online dates in the 2022-2024 period. In response to these industry-wide challenges, CPA has been working closely with developers to mitigate impacts of potential project delays, including negotiating amendments to PPAs that would allow developers more time to meet their guaranteed online dates to avoid contract terminations.

Per CPA's Energy Risk Management Policy, any material amendments to long-term PPAs, including amendments to online dates, require approval by the Board. Staff may bring up to five PPA amendments of this type to the July Board meeting for consideration.

### **Mid-Term Reliability PPA Approval**

In June 2021, the CPUC issued its Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026), which ordered CPA to procure a total of 679 MW of new reliable capacity between 2023-2026. In September 2022, CPA launched its 2021 Mid-Term Reliability RFO, targeting procurement of reliable, clean capacity resources needed to comply with this order. CPA received 88 conforming offers for renewable, renewable plus storage, and standalone storage projects. On January 26, 2022, the Energy Committee approved a shortlist of projects that were recommended by a team of reviewers, consisting of three Board members from the Energy Committee and senior CPA staff, to proceed with PPA negotiations. CPA entered exclusive negotiations for two baseload/firm renewable energy projects and two storage projects for contracts 15 years in length or longer.

Per CPA's Energy Risk Management Policy, any power purchase transactions greater than five years require approval by the Board. If current negotiations are successful, staff may bring one or more shortlisted projects to the July Board meeting for consideration.

### **Approval of Prepaid Supplier and Conduit Issuer**

At the April 7, 2022, Board of Directors meeting, staff presented a project timeline for CPA to evaluate and prepare for a potential energy prepayment financing. A single prepay transaction is expected to save CPA approximately \$2 - \$3 million annually in energy costs.

In keeping with the project timeline, staff conducted competitive solicitation processes for the service providers necessary to structure and execute a prepay transaction. At the July 7 Board meeting, staff intends to recommend the following providers:

1. For a Bond Issuer to issue the prepayment bonds, serve as a conduit for ongoing monthly payments to/from the Prepaid Supplier and CPA, make regular interest and principal payments to the Bondholders, and provide annual disclosures, the recommended issuer is **California Community Choice Financing Authority (CCCFA)**. CCCFA is a Joint Powers Authority (JPA) whose member parties currently include four of the six largest CCAs in California -- Marin Clean Energy, 3CEnergy, East Bay Community Energy, and Silicon Valley Clean Energy. CCCFA served as the Bond Issuer for each of the two CCA energy prepay transactions that were completed in 2021. The recommendation for Bond Issuer will include a Resolution of the Board allowing CPA to join the CCCFA JPA. The cost to join CCCFA is a one-time \$50,000 membership fee. CPA would also be responsible for an equal share (e.g. one-fifth) of ongoing general and administrative costs, which would be approximately \$20,000.<sup>1</sup>
2. For a Prepaid Supplier to make monthly energy payments to PPA counterparties, supply CPA with energy, receive the proceeds of the prepay transaction, and to which CPA will assign PPA contracts, the recommended supplier is **Goldman Sachs in collaboration with J. Aron & Company**. The Goldman Sachs team is highly experienced in this market, has a deal structure CPA anticipates will offer a high level of savings, and has the capacity to allow CPA to meet its planned timing to issue a prepay bond before the end of the calendar year.

Staff does not anticipate a need for CPA to contract with any additional service providers to support and execute a prepay transaction. Assuming a successful transaction, all service providers would be paid out of bond proceeds. Staff anticipate requesting that the Board set energy cost savings parameters and authorize execution of a prepay transaction according to those parameters in Q4 of 2022.

### **ATTACHMENT**

1. Draft July 7, 2022 Board of Directors Agenda

---

<sup>1</sup> CCCFA's annual budget for 2022 is \$85,000.



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

**Thursday, July 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 June 2, 2022, Board of Directors Meeting
3. Approve Revision to Energy Risk Management Policy
4. Approve Mid-Term Reliability RFO Administrative Services Task Order
5. Receive and File Quarterly Communications Report
6. Receive and File Community Advisory Committee Monthly Report

**CLOSED SESSION**

7. Anticipated Litigation

**REGULAR AGENDA**

8. Approval of Power Purchase Agreement (PPA) Amendments
9. Approval of Mid-Term Reliability PPAs
10. a) Approval of Supplier for Prepayment Financing  
b) Approval of Conduit Issuer for Prepayment Financing

**MANAGEMENT REPORT**

**COMMITTEE CHAIR UPDATES**

**BOARD MEMBER COMMENTS**

**REPORT FROM THE CHAIR**

**ADJOURN – DARK IN AUGUST; NEXT REGULAR MEETING ON SEPTEMBER 1,  
2022**