MINUTES

REGULAR MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, September 15, 2021, 1:30 p.m.

The Executive Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

CALL TO ORDER AND ROLL CALL

Vice Chair Linda Parks called the meeting to order at 1:30 p.m. and Raynette Tom, Executive Assistant, 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	Gary Gero	Alternate Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Sierra Madre	Robert Parkhurst	Committee Member	Remote
South Pasadena	Diana Mahmud	Chair	Absent
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood	Lindsey Horvath	Committee Member	Absent

All items are unanimously approved unless otherwise stated.

GENERAL PUBLIC COMMENT

None.

CONSENT AGENDA

1. Approve Minutes from August 18, 2021, Executive Committee Meeting

Motion: Committee Member Santangelo, Camarillo
Second: Committee Member Zuckerman, Rolling Hills Estates
Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, provided an update on the default rate change in the cities of Calabasas, Agoura Hills, and Manhattan Beach; and customer communication, including the power content label (PCL). The PCL is more complicated to understand due to state-mandated formatting, and will be distributed for the first time in a combination of physical mailers and emails to cut costs. Mr. Bardacke also noted that staffing continues to be a focus.

In response to Committee Member Zuckerman's question regarding the PCL, Mr. Bardacke explained that CPA surpasses SCE and the State's renewables levels; however, the addition of greenhouse gas intensity to each product is new due to new accounting methodology of the state that does not classify certain out-of-state renewables as carbon-free and the comparison is on the statewide average and not to SCE. PG&E's GHG emissions are quite low due to the high level of nuclear power in their portfolio and that drives down the state average. Committee Member Parkhurst asked how the default rate changes for the cities moving to the 100% Green rate product will be implemented and if staff heard any community concerns regarding high rates. Mr. Bardacke explained that the default rate change begins on October 9, 2021, and phases in customers on their meter read dates, similar to the enrollment process. Additionally, Mr. Bardacke noted that there was little concern about rates given customer communications and efforts to ensure customers understand their rates choices. Committee Member Lopez echoed those comments; emphasized that there was little to no controversy on the higher rates for the year. Committee Members Lopez complemented the power content label mailer and rates communication overall.

3. Receive Presentation on FY 2020/21 Audited Financial Statements and FY 2021/21 Q1 Financial Results

Mr. Bardacke briefly reviewed items on the consent agenda and discussed several regular agenda items, including an IT/data audit contract and PPAs from the Power Share RFO, which will include the first two community solar projects that will serve disadvantaged communities. In response to Committee Member Gold's questions regarding the number of customers served by the Power Share program and targeted outreach, Mr. Bardacke explained that the program will serve just over 6,000 customers, a small fraction of CPA's customer base and that targeted outreach includes paid media and direct mail to areas where high concentrations of eligible customers reside. Committee Member Gero noted that L.A. County can also be a marketing partner where needed.

Matt Langer, Chief Operating Officer, provided a summary of the residential time-of-use (TOU) default transition. The bulk of CPA residential customers will transition in February and March 2022. CPA will conduct an outreach campaign in coordination with SCE to educate customers about the TOU transition, including several joint notices. The TOU rate will encourage customers to use less energy during system peak times, while also saving money and reducing the need for gasfired units that increase pollution. Mr. Langer noted that residential customers will be able to take advantage of CPA's bill protection tariff or have the option to opt out of TOU rates and continue on regular flat rates. The Board will consider a bill protection tariff at its October meeting. If customers end up paying more on their new TOU rate, the bill protection tariff will allow customers to receive a refund on the difference between their tiered rate and the new TOU rate.

In response to questions from Committee Members Zuckerman, Parkhurst, and Gold, Mr. Langer noted that this TOU transition will require a large billing implementation effort from Calpine, due to both the generation and transmission charges changing under the new TOU structure and indicated that marketing and outreach can certainly have a behavioral impact. SCE has piloted residential TOU rates with some communities in its jurisdiction and San Diego Gas & Electric has done the same – the behavioral data from those transitions indicate mixed reactions from customers. Customer communication includes bill messaging, social media, and print advertisements. NEM customers will not be affected by the TOU transition. With regard to renters, landlords could face difficulty in encouraging their renters to respond to TOU rate signals; the landlords will have the option to opt out their property and will also be able to take advantage of bill protection. Committee Member Gold shared that Beverly Hills renter population is around 60%, rendering renter outreach vital to encouraging TOU rate participation. Committee Member Lopez suggested partnerships with city staff. Vice Chair Parks asked about bill formatting and funding for the bill tariff. In response to Vice Chair Parks, Mr. Langer explained that the bills will break down usage by the time of use by adding more line items to the bill; the bill protection tariff will be funded by CPA through its budgeting process. Mr. Langer also noted that it may also be difficult to project costs should the Board wish to extend the tariff protection after the one-year term or shorten it; however, the rates are designed to be revenue neutral and therefore, CPA can end up with excess revenue, allowing it to cover costs of the tariff beyond one year. Mr. Bardacke added that a study was previously conducted to explore the impact of TOU rates on CPA's revenue and those results will be provided to the Board once again.

COMMITTEE MEMBER COMMENTS

Responding to Committee Member Zuckerman's question about the JPMorgan credit agreement, Mr. Bardacke clarified that the agreement will be finalized on a schedule that allows CPA to pay its River City Bank line of credit with internally generated cash rather than using funds from another loan.

ADJOURN

Vice Chair Parks adjourned the meeting at 2:30 p.m.