

## MINUTES

REGULAR MEETING of the Board of Directors of the  
Clean Power Alliance of Southern California  
Thursday, July 7, 2022, 2:00 p.m.

*The Board of Directors conducted this meeting remotely, pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, enacting CPA Resolutions, and as a response to mitigating the spread of COVID-19.*

### **CALL TO ORDER & ROLL CALL**

Chair Julian Gold called the meeting to order at 2:00 p.m. and Gabby Monzon, Clerk of the Board, conducted roll call.

<b>Roll Call</b>				
1	<b>Agoura Hills</b>	Deborah Klein Lopez	Director	Remote
2	<b>Alhambra</b>	Jeff Maloney	Director	Remote
3	<b>Arcadia</b>	Sho Tay	Director	Remote
4	<b>Beverly Hills</b>	Julian Gold	<b>Chair</b>	Remote
5	<b>Calabasas</b>	Mary Sue Maurer	Director	Remote
6	<b>Camarillo</b>	Susan Santangelo	Director	Remote
7	<b>Carson</b>		Director	Absent
8	<b>Claremont</b>	Corey Calaycay	Director	Remote
9	<b>Culver City</b>	Daniel Lee	Director	Remote
10	<b>Downey</b>	Donald LaPlante	Alternate	Remote
11	<b>Hawaiian Gardens</b>	Luis Roa	Director	Remote
12	<b>Hawthorne</b>	Alex Monteiro	Director	Remote
13	<b>Los Angeles County</b>	Sheila Kuehl	<b>Vice Chair</b>	Remote
14	<b>Malibu</b>	Mikke Pierson	Director	Remote
15	<b>Manhattan Beach</b>	Hildy Stern	Director	Remote
16	<b>Moorpark</b>			Absent
17	<b>Ojai</b>	Betsy Stix	Director	Remote
18	<b>Oxnard</b>	Bert Perello	Director	Remote
19	<b>Paramount</b>	Vilma Cuellar Stallings	Director	Remote
20	<b>Redondo Beach</b>	Todd Loewenstein	Alternate	Remote

21	<b>Rolling Hills Estates</b>	Steve Zuckerman	Director	Remote
22	<b>Santa Monica</b>	Pam O'Connor	Alternate	Remote
23	<b>Sierra Madre</b>	Robert Parkhurst	Director	Remote
24	<b>Simi Valley</b>	Ruth Luevanos	Director	Remote
25	<b>South Pasadena</b>	Diana Mahmud	Director	Remote
26	<b>Temple City</b>	Fernando Vizcarra	Director	Remote
27	<b>Thousand Oaks</b>	Kevin McNamee	Director	Remote
28	<b>City of Ventura</b>	Joe Yahner	Alternate	Remote
29	<b>Ventura County</b>	Linda Parks	<b>Vice Chair</b>	Remote
30	<b>West Hollywood</b>	Ann McIntosh	Alternate	Remote
31	<b>Westlake Village</b>			Absent
32	<b>Whittier</b>	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

**GENERAL PUBLIC COMMENT**

Dana Murray provided public comment.

**CONSENT AGENDA**

1. Adopt Resolution 22-07-035 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. Adopt Resolution No. 22-07-036 to Approve Energy Risk Management Policy Amendments
4. Adopt Resolution No. 22-07-037 Approving the Selection of California Community Choice Financing Authority (CCCFA), a Joint Powers Authority, as the Bond Issuer for a Potential CPA Energy Prepayment Financing Transaction and Authorizing CPA to Join the CCCFA as a Founding Member
5. Approve the Selection of Goldman Sachs & Co. LLC and J. Aron & Company, LLC (“Goldman Sachs”) as the Prepaid Supplier for a Potential Energy Prepayment Financing
6. Authorize the Chief Executive Officer to Execute Task Order No. 4 with Ascend Analytics for 2022 Mid-Term Reliability RFO Support Services for a Not-to-Exceed Amount of \$172,500
7. Receive and File Quarterly Communications Report (February - April 2022)
8. Receive and File Community Advisory Committee Monthly Report

Director Parkhurst requested clarification on enrollments for the Power Share Program. Ted Bardacke, CEO, indicated that the quarterly numbers were cumulative.

**Motion:** Vice Chair Kuehl, Los Angeles County  
**Second:** Director Mahmud, South Pasadena  
**Vote:** The consent agenda was approved by a roll call vote.

### **CLOSED SESSION**

#### 9. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: 1

Nancy Whang, General Counsel, reported that no reportable action was taken by the Board of Directors.

### **REGULAR AGENDA**

#### 10. Approve the Following Amendments to Long-Term Power Purchase Agreements:

- A. Second amendment to Arlington Energy Center II, LLC (Arlington) Renewable Power Purchase and Sale Agreement
- B. First amendment to Resurgence Solar II, LLC (Resurgence) Renewable Power Purchase and Sale Agreement
- C. First amendment to Estrella Solar, LLC (Estrella) Renewable Power Purchase and Sale Agreement

Natasha Keefer, Vice President, Power Supply, provided a presentation on amendments to long-term renewable and storage Power Purchase Agreements (PPAs). Ms. Keefer reviewed market conditions impacting clean energy development including interconnection delays, ongoing pandemic-related supply chain impacts, U.S. trade actions, and rising commodity prices. Several of CPA's projects with near-term online dates are experiencing delays and are unable to meet their Commercial Operation Dates (COD). To reduce the risk of contract termination, CPA has negotiated amendments to PPAs that will allow those projects to come online under feasible timelines. Ms. Keefer provided an overview of those three amendments, including the Arlington, Resurgence, and Estrella projects. Ms. Keefer also detailed the benefits CPA will receive in exchange for the amendments for each of the three projects. The Arlington Solar project is seeking a revised COD of June 1, 2023, and project size reduction down to 140 MW solar and 120 MW storage. Resurgence is seeking a revised COD of June 1, 2023. The Estrella Solar project is seeking a revised COD of December 31, 2023, due not only to supply chain challenges but also to delayed approval of a franchise agreement from LA County for a power transmission line in the Antelope Valley. In exchange for the amendments, CPA will receive one-time payments, increases in the contract length of the PPAs, and a reduction in future delays allowable under the contract. Ms. Keefer noted that the resources would contribute to grid reliability and compliance targets and offer attractive pricing despite challenging market conditions.

Vice Chair Kuehl opined that the contract amendments seem reasonable given the supply chain and economic disruptions. In response to Vice Chair Kuehl's question about other requests from developers that CPA declined during negotiations, Ms. Keefer confirmed that it received other requests, including price increases, which CPA declined. Director Zuckerman also expressed support for the amendments and inquired about the rationale behind earmarking one-time payments for community benefits and the benefits of the one-year extensions to the contracts

and pricing. Staff explained that the extensions are economically favorable to CPA, and it is unlikely that CPA can procure new long-term PPAs in the immediate future with attractive prices such as these contracts offer. With regard to community benefits, the Board has expressed previous support for community benefits when they are attached to long-term PPAs. Director Mahmud asked if the Estrella project developers made CPA aware of delays in securing a franchise agreement from Los Angeles County. Mr. Bardacke indicated CPA knew about the delay and worked closely with Los Angeles County Public Works to advance the franchise agreement which should go to the LA County Board of Supervisors in August. Responding to Director Mahmud's question regarding community benefits funds, Mr. Bardacke stated that staff will seek Board input on how the money should be spent. Director Mahmud expressed support for the contract amendments, noting that the fixed price contracts would lower costs over time; complimented staff for their negotiations. Director Luevanos inquired about the impacts on CPA rates and asked if future contracts would include language to protect CPA from similar situations. Mr. Bardacke clarified that the rates approved by the Board in June 2022 already accounted for project delays. Additionally, contract language will address some of the lessons learned throughout the process, beginning with the upcoming Mid-Term Reliability RFOs. Vice Chair Parks expressed a preference to support CPA's contractors and prioritize the importance of projects such as EV charging stations and energy storage. Director Perello asked if the timeline extensions would affect oversight, inspections, or quality control, and Mr. Bardacke clarified that the extensions do not affect provisions of the contracts pertaining to quality control, efficiency, and commissioning time. Chair Gold suggested developing a 'lessons learned' discussion for a future committee meeting.

**Motion:** Director Mahmud, South Pasadena  
**Second:** Director Parkhurst, Sierra Madre  
**Vote:** Item 10 was approved by a roll call vote.

## **MANAGEMENT REPORT**

Mr. Bardacke thanked the Board for their quick response in signing onto a letter addressing the Financial Security Requirement (FSR) advice letter filed by Southern California Edison. Due to a strong technical argument, unity among the Community Choice Aggregations (CCAs), and political pressure, CPA was not required to post the originally proposed FSR amount and consequently, saved millions of dollars in financing costs that had been budgeted for this fiscal year. Mr. Bardacke advised that on August 1, CPA will release applications for community reinvestment grants of over \$200,000. And on June 28, CPA paid back the remaining \$20 million due for the L.A. County loan and started the new fiscal year debt-free.

Mr. Bardacke discussed the State budget, noting that CPA secured a second round of arrearage payments between \$15 and \$20 million for customers with accumulated debts due to COVID. Funds will be distributed via bill credits and will address some of CPA's accounts receivables and bad debt. The State and Governor's Offices have begun to act on reliability challenges the state is facing, including the proposal to prolong the life of old plants, without many details of the impact on the market. There may be some clean-up legislation to determine how this might be achieved and what investments the California Department of Water Resources (DWR) can make in older power plants; CPA staff hopes to work with legislators in future discussions. Director Mahmud inquired whether the manner in which the DWR implements the procurement authority might give the California

Public Utilities Commission (CPUC) additional flexibility to grant relief from new generation procurement. Mr. Bardacke noted that the CPUC is clear that strategic electricity reliability reserve does not relieve any Load Serving Entities (LSEs) from any procurement obligations. The resources from old power plants would ideally function as a parallel track outside of the market.

**COMMITTEE CHAIR UPDATES**

Director Parkhurst, Energy Committee Chair, provided status updates on negotiations for the 2021 Mid-Term Reliability RFO and the Power Share and Power Ready programs.

**BOARD MEMBER COMMENTS**

Vice Chair Parks thanked Director Parkhurst for his leadership as the Energy Committee Chair.

**REPORT FROM THE CHAIR**

Chair Gold thanked Board Members for their continued engagement and discussion.

**ADJOURN**

Chair Gold adjourned the meeting at 4:16 p.m.