



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

Wednesday, October 19, 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 Access 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 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
October 19, 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 September 21, 2022, Executive Committee Meeting

REGULAR AGENDA

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

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING NOVEMBER 16, 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

REGULAR MEETING of the Executive Committee of the

Clean Power Alliance of Southern California

Wednesday, September 21, 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 Gold called the meeting to order at 1:30 p.m. and Gabriela Monzon, Board Clerk, conducted roll call.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Beverly Hills	Julian Gold	Chair	Remote
Camarillo	Susan Santangelo	Committee Member	Remote
Hawthorne	Alex Monteiro	Committee Member	Remote
Los Angeles County	Sheila Kuehl	Vice Chair	Remote
Ojai	Betsy Stix	Committee Member	Remote
Sierra Madre	Robert Parkhurst	Committee Member	Remote
South Pasadena	Diana Mahmud	Committee Member	Remote
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood	Lindsey Horvath	Committee Member	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from August 17, 2022 Executive Committee Meeting

Motion: Committee Member Parkhurst, Sierra Madre
Second: Committee Member Mahmud, South Pasadena
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 an update on the impacts of the recent California heatwave on CPA, including communication and outreach efforts, performance of generation assets, and financial impacts. CPA's approximate 400 megawatts of batteries performed well and helped to ensure grid reliability, which highlighted the need to continue to build more assets; CPA made a significant number of market purchases and will likely need to draw on the credit line; CPA is still well-positioned in overall liquidity and cash flow. Committee Member Mahmud inquired about the amount of additional megawatts CPA would need to compensate for the retirement of Diablo Canyon. Mr. Bardacke indicated that Diablo Canyon will function until 2031, giving CPA enough time to acquire resources. Vice Chair Parks asked if there was data depicting the energy drop percentage due to the emergency alert text sent. Committee Member Parkhurst commented that within 15 minutes of the alert, the grid dropped a gigawatt of energy, and 2 gigawatts within 30 minutes; and noted that California has more batteries on its grid than nuclear energy; batteries helped to prevent rolling blackouts. Matt Langer, Chief Operating Officer, added that on a peak day in 2020 with rolling blackout, there was 300-400 MW of storage on the grid, and this year the grid had more than 3,000 MW. Committee Member Mahmud expressed a desire for staff to look at the outreach to Power Response customers from CPA's program administrator during demand response events.

Mr. Bardacke indicated that six entities are implementing full-scale default rate changes to go into effect in October, and two other cities (South Pasadena and Rolling Hills Estates) are aligning their commercial and residential customers at 100% Green. Mr. Bardacke added that staff has seen a 50/50 split between opt-outs and opt-downs, noting that this year, CPA is able to offer a cheaper rate than Southern California Edison (SCE). Committee Member Lopez thanked CPA staff for their work in maintaining a well-trained call center staff knowledgeable in rate changes.

3. Review Draft Agenda for the October 6, 2022, Board of Directors Meeting

Mr. Bardacke discussed items on the consent agenda, including the notification of the Joint Powers Agreement amendments; the regulatory obligation by SCE to offer CPA a small amount of resource adequacy related to the Westlake Village expansion.

Mr. Bardacke discussed potential items on the regular agenda, including approval of a geothermal Power Purchase Agreement (PPA) to help with grid stability and compliance. and seven existing PPAs are going through a price refresh process to provide proposals for competitive pricing and schedules to meet the market challenges. Committee Member Parkhurst thanked the procurement staff for their excellent work with the PPA repricing process, adding that the Midterm Reliability results, and an additional bilateral agreement were also considered in the analysis.

4. Review Potential Amendments to the Joint Powers Agreement

Nancy Whang, General Counsel, and Mr. Bardacke provided a presentation on various Joint Powers Agreement (JPA) amendments needed. The proposed amended and restated JPA will reflect the previous amendments to the JPA in a single document, including the Board's delegation to the CEO to sign contracts, and other administrative changes. Mr. Bardacke also discussed administrative challenges in tracking member agency staff alternates due to turnover, reassignments and retirements among county/city staff. Mr. Bardacke presented three JPA amendment options for consideration and discussion.

Vice Chair Kuehl commented that city manager engagement would be unclear; opined that a feasible option may be to have the Board Regular Director name a staff alternate; and posed a question to other Committee Members about the feasibility of the latter option within their cities. Committee Members Lopez and Santangelo expressed that option 1 is not one they could exercise, as the city manager in their cities direct staffing decisions. Committee Member Santangelo expressed preference for having elected alternates rather than staff. Vice Chair Parks opined that it would be best to have an individual's name for the alternate position as opposed to just a position. Committee Member Mahmud expressed a strong preference for option 3 in order to ensure a clear record of the alternate's name and ensure their legal authority to be a representative of a city. Committee Member Horvath agreed, expressing a preference for the individual cities to have the responsibility of appointing a staff alternate and updating CPA if that person changes. Committee Members Monteiro and Parkhurst commented that having a staff member as an alternate has proven to be an asset, as they have knowledge of community and environmental issues and utilities. In response to Chair Gold's question regarding members of the governing body who are not elected, Mr. Bardacke clarified that there are cases where members of the governing body have been appointed because of council vacancies and were not technically elected. Committee Member Mahmud added that the JPA also provides the option to appoint a member of the public with expertise on energy matters. Chair Gold suggested that the current process remain in place but ensure that each city makes a binding determination in writing. Committee Member Mahmud added that official documentation is needed to ensure the authority of the designated individual is clear and traceable, and Chair Gold concurred. Mr. Bardacke explained that based on feedback, option 1 would be eliminated from the list and staff would consider clarifying language for proper documentation of designations.

5. Review and Provide Input on Proposed Board Action for Prepayment Transaction

Kate Freeman, Financial and Strategy Initiatives Manager, provided a presentation on the proposed Board action for a renewable energy prepay transaction. This transaction can generate \$2 million to \$5 million of annual savings in energy costs. Staff has enlisted the help of Municipal Capital Markets (MCM), Chapman and Cutler (C&C), Goldman Sachs Group, Inc. (GS), and its subsidiary J. Aron & Company, LLC (J Aron) to complete the prepay transaction. Ms. Freeman summarized the proposed Board action that creates parameters under which the prepay transaction can be completed, includes proposed documents and forms, provides direction to CCCFA to make payments to service providers for issuance costs out of bond proceeds, and authorize staff to enter into Limited Assignment

Agreements (LAAs) with one or more existing PPA counterparties. Ms. Freeman also reviewed the structure of the prepayment transaction; provided descriptions for prepay documents for the bond issuance, trustee, prepaid supplier, funding recipient, energy purchase agreement assignments, and settlement mechanics.

Responding to Chair Gold's question regarding J Aron, staff clarified that J Aron is a subsidiary of Goldman Sachs (GS) that focuses on energy trading and delivery, and GS is backstopping their obligations and payments. Ms. Freeman explained that the LLC agreement provides for a specifically enumerated right of CPA to potentially select another funding recipient at each reset period; if another funding recipient were selected, a replacement agreement with the new funding recipient would then be instituted without any penalties or fees. Responding to Chair Gold's inquiry regarding the distribution of \$16 million in fees, Ms. Freeman noted the fees cover various expenses, including Goldman Sachs for rating agency fees and bond postings, Municipal Capital Markets (MCM) for advisory work, Chatman & Cutler as prepaid council, Orrick as tax council, and procurement council. Chair Gold opined that it would be helpful to have an economic breakdown of the recipients of the fees. In response to Chair Gold's question regarding peer review of documents, Ms. Freeman advised that reviews have been done throughout the timeline of this process. Nancy Whang, General Counsel, added that a quality control (QC) level of review and questioning of experts has been done with the documents as well. In response to Committee Member Mahmud's questions, staff noted that the intent of the authorization is for one series of bond issuance with two PPAs, and the \$1.3 billion is the upper boundary for the aggregate bond principal. Additionally, staff noted that subsequent Board authorization is needed for future individual transactions and the general range of cost savings is between 5-10% with an average of 6%. Staff confirmed that the higher the commercial interest rate, the greater the savings. Committee Member Mahmud inquired about who makes the determination whether or not the execution-ready version of a LAA is within the guardrails of the Board-approved resolution. Ms. Whang indicated that the interpretation of any Board decision is made by the General Counsel in conjunction with input from the commercial team and outside counsel, Chapman & Cutler. Responding to Committee Member Mahmud's question regarding the Inflation Reduction Act (IRA), staff specified that nothing in the IRA or subsequent enacted legislation would affect the benefits or financial assumptions regarding existing transactions, but it may be leveraged in the future. Mr. Bardacke indicated that staff will work to get a financial breakdown of the fees to the Finance Committee.

COMMITTEE MEMBER COMMENTS

Chair Gold congratulated the CPA staff for their work during the recent heat wave.

ADJOURN

Chair Gold adjourned the meeting at 3:04 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: October 19, 2022

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

- 2023 PCIA Outlook
- Resource Adequacy Market



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Chief Executive Officer

Subject: Review Draft Agenda for November 3, 2022 Board of Directors Meeting

Date: October 19, 2022

Staff will provide an overview of the proposed agenda items for the November 3, 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 November Board meeting.

Approval of Amended and Restated Joint Powers Agreement

Following the notice of intent to amend the Joint Powers Agreement, staff will present an amended and restated Joint Powers Agreement with clean-up edits including:

- Changing references of “Executive Director” to “Chief Executive Officer”.
- Reflect the Board’s delegation of signing authority to the CEO so that the Chair or Vice Chair are not required to sign all contracts.
- Clean up reflecting Bylaws that Chair and Vice Chairs hold two-year terms.
- Clean up reflecting the last revision of the Bylaws related to the designation of the Vice Chairs.

Following discussion with the Executive Committee at its September 21, 2022 meeting, staff will not be proposing any changes to the current procedures for designating staff alternates. Instead, staff have instituted a process to work more closely with member agencies on the designation of staff alternates when they choose to do so.

REGULAR AGENDA

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

Approval of Power Purchase Agreements (PPAs)

CPA has several long-term PPAs under negotiation that are expected to be presented to the Board for approval consideration at the November or December meetings, depending on the progress of the negotiations. Per CPA's ERMP, any power purchase transactions greater than five years require approval by the Board. The PPAs under negotiation are described below:

- **Geothermal PPAs:** 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, including a specific target to procure 59 MW of new baseload renewable (i.e. geothermal) capacity. New geothermal capacity is difficult to procure due to the scarcity of potential sites and lack of available transmission. Geothermal capacity is also in high demand due to the CPUC's procurement order as well as the attractiveness of baseload renewable resources under the restructuring of the RA program. On July 27th, 2022, the Energy Planning & Resources Committee approved CPA entering into two bilateral power purchase agreement negotiations with an in-state geothermal project to procure geothermal capacity and energy. CPA is currently in exclusive negotiations for these two contracts.
- **Power Share/Community Solar PPAs:** In December 2021, CPA launched its 2021 Power Share RFO targeting procurement of renewable energy projects that will fulfill its supply allocations for the Power Share program, including Green Tariff and Community Solar programs. During its July 27th meeting, the Energy Planning & Resources Committee approved a shortlist of seven projects. On October 6th, the Board approved five Green Tariff PPAs; two shortlisted Community Solar PPAs are currently in exclusive negotiations.
- **Arlington Solar Plus Storage Amendment:** On June 28, 2019, the Board approved the Arlington PPA for the output of a 233 MW solar photovoltaic facility to come online by October 1, 2022. On October 1, 2020, the Board approved an

amended and restated PPA to add a 132 MW storage facility to the solar facility.¹ Due to significant impacts to the project's construction schedule related to several supply chain disruptions, on July 7th, 2022, the Board approved a second amendment which delayed the Commercial Operation Date to June 1, 2023 and reduced the overall facility size to 140 MW solar plus 120 MW storage, down from the original project size of 233 MW solar and 132 MW storage. This amendment also included a right of first offer (ROFO) on the remaining 93 MW solar and 12 MW storage originally contracted to CPA. In September 2022, Arlington provided an offer to CPA for this capacity at a new price, and on September 28, 2022, the Energy Planning & Resources Committee approved CPA entering into negotiations with Arlington for this addition ROFO-based capacity.

Presentation on Fiscal Year 2021/2022 Financial Statements

Staff will present CPA's audited FY 2021-22 Financial Statements. The audit is currently near completion and the auditor will present the audit results in detail to the Finance Committee on October 26, 2022. The Auditors' Report is expected to include its opinion that CPA's FY 2021-22 Financial Statements "present fairly, in all material respects, the financial position of Clean Power Alliance as of June 30, 2022".

ATTACHMENT

1. Draft November 3, 2022, Board of Directors Agenda

¹ The PPA was further amended in June 2022 (First Amendment) to reflect a change to the management of meter data. This was an administrative amendment.



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

Thursday, November 3, 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 October 6, 2022 Board of Directors Meeting
3. Approved Amended and Restated Joint Powers Agreement
4. Receive and File Community Advisory Committee Monthly Report

REGULAR AGENDA

5. Approve Geothermal Power Purchase Agreement
6. Approve Power Share RFO Power Purchase Agreement
7. Approve Amendments to Arlington Power Purchase Agreement
8. Presentation on Fiscal Year 2021-2022 Financial Statements

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON DECEMBER 3, 2022