



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

Wednesday, November 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.

[Visit CPA's YouTube Channel to view a Live Stream of this Meeting](#) Revised YouTube Link

You will be redirected to the channel homepage. 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
November 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 October 19, 2022, Executive Committee Meeting

CLOSED SESSION

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATIONS: (Government Code Section 54957) (2)
Titles: Chief Executive Officer and General Counsel
3. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) (1)
Agency Designated Representatives: Ted Bardacke
Unrepresented Employees

REGULAR AGENDA

4. Oral Update from the Chief Executive Officer on CPA Operations
5. Review Draft Agenda for the December 1, 2022, Board of Directors Meeting

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING JANUARY 18, 2023

***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, October 19, 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			Absent
Los Angeles County	Sheila Kuehl	Vice Chair	Remote
Ojai			Absent
Sierra Madre	Robert Parkhurst	Committee Member	Remote
South Pasadena	Diana Mahmud	Committee Member	Remote
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood			Absent

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from September 21, 2022, Executive Committee Meeting

Motion: Committee Member Mahmud, South Pasadena

Second: Committee Member Santangelo, Camarillo

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, discussed the status of the Cities of Monrovia and Hermosa Beach joining Clean Power Alliance. Mr. Bardacke provided an update on the 2023 Power Charge Indifference Adjustment (PCIA), advising that the PCIA will be negative next year. Barring any changes in SCE rates, CPA customers will see a PCIA line item credit on their bill. Southern California Edison's (SCE) generation rate is projected to go up about 20% next year. SCE has another projected undercollection of over \$800 million, marking their third year of undercollection in CPA's five years of existence. Mr. Bardacke advised that the Board will receive an initial outlook update of CPA's rate setting process at the November meeting. SCE will implement new rates in early 2023, and all three of CPA's residential customer products, Lean, Clean, and 100% Green, will be cheaper than SCE's base rates.

Responding to Vice Chair Parks' question, staff indicated that SCE's hedging and procurement process does not appear to be aligned with the current price environment, causing the reoccurring undercollection. In response to questions from Vice Chair Parks and Committee Member Mahmud concerning the PCIA and SCE rates, Mr. Bardacke indicated that some resources in the PCIA will eventually term out; though there is the prospect of an offsetting effect of adding newly departed load each time CPA adds more cities. Additionally, while SCE is forecasting rates about nine months ahead of the volatile summer months, CPA sets rates closer to summer, providing clearer visibility into the immediate future. Committee Member Parkhurst inquired about the plan for the next round of additional city recruitment, and Mr. Bardacke indicated staff is already having conversations with interested cities.

Mr. Bardacke provided an update on CPA's Resource Adequacy (RA) compliance position, adding that CPA must show 90% of its annual requirement for each month under contract at the end of October each year and 100% of each monthly requirement under contract submitted to the California Public Utilities Commission (CPUC) throughout the year. There are compliance penalties assessed if CPA is short, and those are calculated through a complicated formula that includes California Independent System Operator (CAISO) billing for replacement product. Mr. Bardacke indicated that CPA has previously met the yearly and monthly requirements; this year, CPA is shorter than any past year and the market RA capacity is scarce and while CPA is working meeting its compliance obligations, the organization is likely to miss its target and be assessed compliance penalties. The financial impact for noncompliance appears to be less than the marginal cost of purchasing the remaining expensive RA resources. Together with the California Community Choice Association (CalCCA), CPA has applied to institute an RA waiver process; if it is unsuccessful and CPA is deemed noncompliant, the penalties would be assessed in 2023.

Responding to Vice Chair Kuehl's question concerning the purchase of energy, Mr. Bardacke identified that under RA requirements, CPA would pay for CAISO to acquire the additional capacity, subject to a cap. Committee Member Mahmud inquired about the procedure for communicating attempts at compliance, and Mr. Bardacke advised staff has met with the head of the CPUC to educate them on the current RA market, CPA's actions, and the desire for a waiver. Matt Langer, Chief

Operating Officer, added that the CPUC has taken an unwavering position on RA compliance; but CPA will demonstrate that it has taken action to comply at all costs even with the scarcity in resource adequacy. Committee Member Parkhurst inquired about the compliance deficit numbers, and Mr. Bardacke indicated that it is confidential market-sensitive information.

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

Mr. Bardacke discussed items on the consent agenda, including the approval of the amended and restated Joint Powers Agreement (JPA). Chair Gold requested that a redline version of the JPA be sent to Executive Committee members ahead of the next Board meeting.

Mr. Bardacke discussed potential items on the regular agenda, including three Power Purchase Agreements (PPA) under negotiation which may be delayed until December; the update on the PCIA and rate outlook; and the audited financial statements which will provide an opportunity for the Board to view the fiscal year 2021-2022. Mr. Bardacke advised that the auditors will be presenting their audit to the Finance Committee next week, and the Executive Committee members are invited to join.

COMMITTEE MEMBER COMMENTS

Chair Gold encouraged the Committee to review the 2022 building code standards dealing with building electrification. Mr. Bardacke advised that the Board will consider a contract for a consultant to provide cities with technical assistance on building electrification and navigating the Inflation Reduction Act (IRA) financial assistance for new equipment types. Vice Chair Kuehl commented that there is some disconnect between building and residential parking standards at the local and state levels. Responding to Vice Chair Kuehl's comments, Chair Gold indicated that building standards were developed ahead of Sacramento's current push for more housing, causing the misalignment in building and parking requirements.

ADJOURN

Chair Gold adjourned the meeting at 2:11 p.m.



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Chief Executive Officer

Subject: Oral Update from the CEO on CPA Operations

Date: November 16, 2022

The CEO will provide an oral report on CPA operations.



Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Chief Executive Officer

Subject: Review Draft Agenda for December 1, 2022 Board of Directors Meeting

Date: November 16, 2022

Staff will provide an overview of the proposed agenda items for the December 1, 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 December Board meeting.

Assembly Bill 361 and Brown Act Meetings

On September 20, 2021, Governor Newsom signed AB 361 which would continue to allow meetings to be held under the modified teleconferencing rules if during a proclaimed state of emergency, the local agency finds that meeting in person would present imminent risks to the health or safety of attendees or if state or local officials have imposed or recommended measures to promote social distancing. The State of Emergency declared by Gov. Newsom in 2020 is scheduled to expire in February 2023. CPA will return to in-person meetings beginning with the Executive Committee meeting in January and will use the Brown Act teleconference requirements. For Committee meetings, CPA can accommodate remote participation from any publicly accessible location where an agenda can be posted. For Board meetings, CPA will have a central location at its offices in Downtown Los Angeles, and remote locations in Torrance (South Bay COG offices),

Whittier (City Hall), Calabasas (City Hall), and the City of Ventura (Ventura County Government Center).

Contract for Settlements Software

CPA clears over \$600 million in energy procurement costs annually through the California Independent System Operator (“CAISO”) market, including both its load and supply resources. Tenaska Power Services, CPA’s third-party scheduling coordinator, currently provides CPA with basic CAISO settlement services and a settlements dashboard. Given the complexity of data generated by CAISO market operations as well as the importance of tracking these costs for CPA’s overall financial results, CPA has been planning to expand its in-house settlements functionality with the procurement of a settlements software platform, which will track CAISO settlements, forecast future settlement values, and create additional reporting on CPA’s portfolio financial performance, including individual supply resource asset performance.

To secure this software, on September 14, 2022, CPA released a Request for Proposals (RFP) for settlements software, implementation, and training. CPA received two proposals and is currently in negotiations to contract for these services. The proposed contract is a one-year contract that includes an upfront software implementation fee and a one-year license and cloud services fee at a cost of approximately \$390,000, with four additional annual renewals authorized for the software license and cloud services, at CPA’s discretion. The total value for the contract including all possible renewals for a 5-year period. is expected to be approximately \$1.4 million, or an average cost of \$280,000 per year. CPA budgeted for the first-year costs of this software acquisition in the Board-approved FY 22/23 budget.

Approve Contract with MRW for 2023 Rates Support

Staff is seeking approval of an agreement with MRW and Associates to support CPA’s 2023 rate setting activities. MRW has been CPA’s rates consultant since 2018, successfully helping CPA through the last four years of rate setting, including the creation of CPA-specific rate tools which are integrated with CPA’s processes. MRW also has deep knowledge of CPA’s rate design making them uniquely qualified to provide guidance

to CPA staff as rate setting activities are transitioned in-house over the course of the 2023 rate setting process. The agreement will include training for CPA's recently hired Senior Advisor, Rates and Tariffs on the use of CPA rate models and tools, advising on 2023 rate design, and reviewing 2023 rates for quality assurance and control. The proposed contract will have a one-year term at a not-to-exceed contract value of \$60,000. The Board is being asked to approve this contract because, if approved, the total value of all work by MRW for CPA in the last 12 months will exceed the CEO's signing authority of \$125,000.

2023 Meeting Schedule

Staff will provide a 2023 Meeting Schedule for full Board meetings, Executive Committee, the three policy committees and the Community Advisory Committee. The meeting times and cadence remain unchanged from this year; in total CPA is slated to hold 67 meetings in 2023 that are subject to the Brown Act. The proposed 2023 meeting schedule is attached.

REGULAR AGENDA

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

Public Hearing – Addendum to the CPA Implementation Plan

On December 1, staff will present the fourth addendum to CPA's Implementation Plan, a document required by the California Public Utilities Commission (CPUC) for CPA to provide energy service to new member communities, Hermosa Beach, Monrovia, and Santa Paula. The Board adopted its original Implementation Plan on August 4, 2017, and at the time included three members: Los Angeles County, Rolling Hills Estates, and South Pasadena. On December 17, 2017, the Board adopted Implementation Plan Addendum No. 1 adding 21 additional cities, on March 1, 2018, the Board adopted Addendum No. 2 adding 7 additional cities, and on December 13, 2018, the Board adopted Addendum No. 3 adding one additional city, bringing the total membership of CPA to its current 32 jurisdictions.

Pursuant to statute, a resolution approving Addendum No. 4 must be approved by the Board and filed with the CPUC by December 31, 2022 in order for CPA to begin serving load to the new cities.

Updates to CPA's Employee Handbook, Employee Benefits and Salary Schedules

The Board will consider updates to CPA's Employee Handbook, employee benefits and, potentially, salary schedules.

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 December meeting. 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 as a baseload renewable resource 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; the remaining two shortlisted Community Solar PPAs are currently in exclusive negotiations.

- **Radiant PPA Amendment:** On September 2, 2021, the Board approved a PPA for the Radiant project, a 3MW solar facility to supply Power Share customers. Above market costs of this small project, if any, are reimbursed to CPA by the CPUC through the DAC-GT program. The project was scheduled to come online in 2023. Like other projects, the developers of Radiant have indicated that they need a price adjustment and delay to the online date of the project in order to keep moving forward with development. CPA did not put Radiant in the recent Price Refresh Process because any change to contract terms would require approval by the CPUC and it was uncertain at the time whether the CPUC would consider such requests. Recently the CPUC has granted price increase requests for PG&E projects, indicating their openness to such potential amendments. CPA is currently in discussions with the developers of Radiant about an amendment to the contract; if negotiations are successful, the Board would be asked to approve the amendment, which would be contingent on the CPUC approving the price increase and continuing to reimburse CPA for all above market costs.
- **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

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.

Energy Planning & Resources Committee approved CPA entering into negotiations with Arlington for this addition ROFO-based capacity.

ATTACHMENT

1. Draft December 1, 2022, Board of Directors Agenda
2. Draft 2023 Meeting Schedule



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

Thursday, December 1, 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 November 3, 2022 Board of Directors Meeting
3. Approve Contract for Settlements Software
4. Approve Contract with MRW for 2023 Rates Support
5. Receive and File Quarter 3 Risk Management Team Report
6. Receive and File Quarterly Financial Results
7. Receive and File Quarterly Communications Report (August – October)
8. Receive and File 2023 Meeting Schedule
9. Receive and File Community Advisory Committee Monthly Report

REGULAR AGENDA

Public Hearing

10. Adopt Resolution to Approve Addendum No. 4 to the Implementation Plan and Authorize Staff to Submit the Addendum as attached, or substantially similar, to the California Public Utilities Commission

Action Items

11. Employee Handbook and Benefits Updates
12. Approve Geothermal Power Purchase Agreement
13. Approve Power Share RFO Power Purchase Agreement
14. Approve Amendment to Radiant Power Purchase Agreement
15. Approve Amendment to Arlington Power Purchase Agreement

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON FEBRUARY 2, 2023

**DRAFT**

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA 2023 MEETING SCHEDULE

This schedule is updated regularly. Please check our website at www.cleanpoweralliance.org to view the most up to date version.

STANDING MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board of Directors 2:00 PM, 1 st Thursday	Dark	2	2	6	4	1	6	Dark	7	5	2	7
Board Meeting Locations	In-Person: Clean Power Alliance Office – Downtown LA											
	Remote: Ventura County Hall of Administration, City of Calabasas, City of Whittier, Torrance at South Bay Cities COG											
Executive Committee 1:30 PM, 3 rd Wednesday	18	15	15	19	17	21	19	16	20	18	15	20
Meeting Locations	In-Person: Clean Power Alliance Office – Downtown LA											
	Remote: Ventura County Hall of Administration, City of Beverly Hills. May vary depending on composition of the Committee.											
Legislative & Regulatory Committee 10:00 AM, 4 th Wednesday	25	22	22	26	24	28	26	23	27	25	22	Dark
Finance Committee 11:00 AM, 4 th Wednesday	25	22	22	26	24	28	26	23	27	25	22	Dark
Energy Planning & Resources Committee 12:15 PM, 4 th Wednesday	25	22	22	26	24	28	26	23	27	25	22	Dark
Meeting Locations	In-Person: Clean Power Alliance Office – Downtown LA											
	Remote: Varies, please refer to posted Meeting Agendas for locations.											
Community Advisory Committee 1:00 PM, 3 rd Thursday	19	16	16	20	18	22	20	17	21	19	16	21
Meeting Locations	In-Person: Clean Power Alliance Office – Downtown LA											
	Remote: Ventura County Hall of Administration, City of Whittier											

Red-Strikeout indicates cancelled meeting, and **Red Font** indicates new meeting date. Agendas are available at www.cleanpoweralliance.org/agendas at least 72 hours prior to the meeting. For questions, contact the Clerk of the Board at clerk@cleanpoweralliance.org or 213-713-5995.

Last updated: 12/1/2022