

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, October 6, 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 Gabriela Monzon, Clerk of the Board, conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Chair	Remote
5	Calabasas	Michael McConville	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson			Absent
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey			Absent
11	Hawaiian Gardens	Ramie L. Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu			Absent
15	Manhattan Beach	Hildy Stern	Director	Remote
16	Moorpark			Absent
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Bert Perello	Director	Remote
19	Paramount			Absent
20	Redondo Beach	Christian Horvath	Director	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Gleam Davis	Director	Remote
23	Sierra Madre	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Director	Remote
26	Temple City			Absent
27	Thousand Oaks	Kevin McNamee	Director	Remote
28	City of Ventura	Joe Yahner	Alternate	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Francisco Contreras	Alternate	Remote
31	Westlake Village	Ned Davis	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

PLEDGE OF ALLEGIANCE

Director Steve Zuckerman led the pledge of allegiance.

GENERAL PUBLIC COMMENT

A written public comment was received.

CONSENT AGENDA

1. Adopt Resolution 22-10-040 Finding the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e)
2. Approve Minutes from September 1, 2022, Board of Directors Meeting
3. Approve a Purchase of Long-Term Resource Adequacy (RA) from SCE and Authorize the Chief Executive Officer to Execute a Purchase Agreement with Southern California Edison (SCE)
4. 30-Day Notice of Intent to Amend CPA's Joint Powers Agreement
5. Receive and File Community Advisory Committee Monthly Report

Motion: Director Parkhurst, Sierra Madre

Second: Director Mahmud, South Pasadena

Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

Action Items

6. Approve Five (5) Renewable Power Purchase Agreements (PPAs) with Prologis for Local Resources to Serve the Power Share Program and Authorize the Chief Executive Officer to Execute the Agreements

Alex Caryotakis, Project Manager, Contract Management, provided a presentation on five long-term renewable energy contracts from CPA's 2021 Power Share Request for Offers (RFO). The Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs promote the development of renewable generation in and for underserved communities. Enrolled customers receive 100% renewable energy and a 20% bill discount. CPA must implement the programs consistent with the California Public Utilities Commission (CPUC) guidelines. In July 2022, the Energy Committee shortlisted seven projects from the 2021 DAC RFO. The Prologis projects all ranked high in their respective valuation scores and will make significant progress toward filling CPA's DAC-GT program allocation.

Responding to Director Zuckerman's questions, Ms. Caryotakis indicated that all the projects will be connected to the California Independent System Operator (CAISO) grid and future adjustments to the Net Energy Metering tariffs will not affect these projects. Director Parkhurst expressed appreciation for the hard work of staff and asked if CPUC approval is needed due to the cost reimbursement provided by the CPUC to CPA. Ms. Caryotakis confirmed that is the case. Director Luevanos expressed enthusiasm for the approval of this action item as it speaks to the mission of CPA to provide clean energy to financially struggling families.

Motion: Director Monteiro, Hawthorne
Second: Vice Chair Kuehl, Los Angeles County
Vote: Item 6 was approved by a roll call vote.

7. Approve Six (6) Amendments to Renewable Power Purchase Agreements with Various Counterparties and Authorize the Chief Executive Officer to Execute the Amendments:
 - a. First Amendment to the Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and Daggett Solar Power 3 LLC (Daggett 3)
 - b. Amended and Restated Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and 20SD 8me LLC (Rexford)
 - c. First Amendment to the Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and Daggett Solar Power 2 LLC (Daggett 2)
 - d. First Amendment to the Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and Arica Solar LLC (Arica)
 - e. First Amendment to the Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and Chalan CA Solar Storage, LLC (Chalan)
 - f. First Amendment to the Renewable Power Purchase Agreement between Clean Power Alliance of Southern California and Desert Quartzite, LLC (Desert Quartzite)

Natasha Keefer, Vice President, Power Supply, provided a presentation of six Power Purchase Agreement (PPA) amendments. Ms. Keefer described some of the challenges facing clean energy development leading to delays in projects and a need for contract repricing. Ms. Keefer summarized solar and storage pricing trends, noting that significant disruption in the solar panel supply chain and a surge

in nickel prices have created upward pressure in pricing. Ms. Keefer also discussed the Mid-Term Reliability (MTR) CPUC decision and CPA's compliance position with and without the proposed amended projects. Ms. Keefer reviewed the PPA Price Refresh guidelines, evaluation criteria, selection considerations, and offer valuations. Allowing the executed contracts to reprice avoids higher costs to meet renewable energy demand and resource adequacy needs, reduces CPA's risk of compliance penalties, and demonstrates CPA's commitment to bringing new clean energy resources despite challenging market conditions.

In response to Director Zuckerman's questions regarding the seventh contract requesting an amendment, Ms. Keefer clarified it was not selected by CPA and there is no intention to amend the seventh contract in the future. Responding to Director Mahmud's question regarding the upsize option for the Rexford project, Ms. Keefer clarified that the reduced pricing is already represented in the PPA amendment and would not require additional Board approval. Director Mahmud inquired whether there would then be a need to delegate authority to the CEO to exercise the option already provided for in the amendment, and Nancy Whang, General Counsel, commented that the Board approval of the amendment would delegate authority to the CEO but that a motion including an authorization to the CEO to sign such an amendment if agreed upon would be prudent. Responding to Director Mahmud's question regarding Commercial Operation Dates (CODs), Ms. Keefer indicated that projects can come online earlier than the COD agreed upon under the PPA, but that may be challenging to achieve given current circumstances. Director Mahmud inquired whether the liquidated damages provisions remain in the PPAs regardless of the extended COD, and Ms. Whang confirmed that is the case. Director Mahmud expressed strong support for the approval of the amendments, noting that the repricing is due to exceptional circumstances and is still less than prevailing market energy prices. Director Parkhurst echoed support for the amendments and thanked staff for their work, noting that CPA continues to benefit from increased storage and favorable contract terms.

Motion: Director Mahmud, South Pasadena
Second: Vice Chair Parks, Ventura County
Vote: Item 7 was approved by a roll call vote, with a delegation of authority to the CEO to approve an amendment if CPA exercises an option to negotiate an upsizing of the solar facility for the Rexford project.

8. Adopt Resolution No. 22-10-041 Approving Parameters Under which an Energy Prepayment Transaction can be Completed; Authorizing and/or Approving Documents or "Form of" Documents Supporting the Prepay Transaction; and Directing California Community Choice Financing Authority (CCCFA) to Make Payments to Service Providers for Issuance Costs from Prepay Bond Proceeds

Kate Freeman, Financial & Strategy Initiatives Manager, provided a presentation on the proposed renewable energy prepay transaction. The transaction can generate \$2 million to \$5 million of annual savings in energy costs. Under Board direction, staff 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 action that creates parameters under which the prepay

transaction can be completed, approves proposed documents and forms that support the transaction, and directs CCCFA to make payments to all the service providers who supported the issuance of the bond out of bond proceeds. Ms. Freeman also reviewed the structure of the prepayment transaction and noted that staff plans to certify its bonds as “green bonds” indicating that the uses of the bonds are specifically to purchase renewable energy. Certification as a green bond may widen the pool of interested investors. Ms. Freeman provided descriptions of the prepay documents for the transaction and then reviewed the timeline.

Responding to Director Perello’s question regarding green bonds, staff indicated the fee anticipated from the Kestrel rating is already built into the bond issuance cost; there is no ambiguity as to the use of the bond proceeds; they will be used to buy renewable energy, thus meeting the green bond definition. Director Parkhurst inquired whether staff anticipates any reason PPA sellers would not sign the limited form of assignment agreement, and Ms. Freeman advised that the assignment agreements will not change the PPA rates; though there may be some administrative costs, there is limited risk. Director Santangelo thanked the staff for their detailed explanation of the complex topic. Responding to Director Zuckerman’s questions regarding the \$1.3 billion in funds, Ms. Freeman clarified that the intent is to determine the net present value of energy from two targeted PPAs over a 30-year period, and the actual execution amount will mirror the amount of the planned PPA assignments.

Motion: Director Santangelo, Camarillo
Second: Vice Chair Kuehl, Los Angeles County
Vote: Item 8 was approved by a roll call vote with abstention by Director Torres.

Chair Gold congratulated staff on the approval of the item and thanked staff for their dedication in helping the Board understand the complexities of the prepay transaction.

MANAGEMENT REPORT

Mr. Bardacke described several takeaways from the September heat event. Rotating outages were avoided because of better performance in the state’s infrastructure, the fleet of batteries online totaling over 3,000 megawatts, with roughly 400 of those megawatts belonging to CPA, and customer response to emergency calls to conserve. The heat event also highlights the potential for customers to participate in demand response and energy reduction programs; and also calls attention to the continued shortage of energy supply and capacity in California, notably in the market for resource adequacy (RA), which is tight and has a number of LSE’s facing difficulty meeting their compliance obligations. Mr. Bardacke identified that for those cities undergoing default rate changes, the overall level of opt-actions is about 0.5% and there is an equal split between customers opting out and those opting for the cheapest rates; CPA’s call center has been working to retain customers and offer an environmentally preferable option at a lower cost than Southern California Edison (SCE). Additionally, the Hermosa Beach City Council voted unanimously to join CPA, and there are upcoming meetings in Monrovia and Santa Paula. The entire CPA community is invited to attend the public memorial service for Carmen Ramirez in Oxnard.

In response to Director Mahmud’s question concerning the demand response program vendor AutoGrid, Matt Langer, Chief Operating Officer, specified that the AutoGrid

contract runs through December of 2023, and staff will review its ability to meet enrollment targets and gauge customer experience. Director Mahmud requested that once AutoGrid reaches the one year execution mark, staff share a status report with the Executive or Energy Committee about AutoGrid's ability to meet its targets. Director Ellison congratulated Director Maloney for the city of Alhambra's decision to move to 100% Green default rate. Director Maloney thanked staff for their professionalism and presentations.

COMMITTEE CHAIR UPDATES

Director Susan Santangelo, Chair, Finance Committee, updated the Board on CPA's bad debt reserves, advising that a peer group comparison indicated that CPA's account receivables metrics and customer payment behavior align with other Community Choice Aggregations (CCAs).

Director Robert Parkhurst, Chair, Energy Planning & Resources Committee, thanked the Energy Committee for its hard work and advised the Board of the Committee's work on the upcoming 2022 Mid-Term Reliability (MTR) RFO, the Integrated Resource Plan (IRP) due in November, and the Power Ready Program.

BOARD MEMBER COMMENTS

Director Mahmud shared that she attended a grid resilience workshop premised on the occurrence of a large earthquake on the San Andreas fault; encouraged member agencies to ascertain their readiness to respond to an emergency if found without power for over 72 hours; and emphasized the importance of CPA's Power Ready program for its member agencies.

REPORT FROM THE CHAIR

Chair Gold shared that he along with Directors Parkhurst, Horvath, Monteiro, and Mr. Bardacke attended the CalCCA gala celebrating the 20th anniversary of the legislation which enabled the creation of CCA's. Chair Gold noted that CPA has become the third largest provider of electrical energy in the California grid; CPA has the largest number of customers on 100% energy; was the first CCA to establish the low-income Power Share Program; and it is now in the process of adding three more cities. Vice Chair Kuehl expressed appreciation for the hard work of the Board Members and CPA staff.

ADJOURN

Chair Gold adjourned the meeting at 3:52 p.m.