

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, December 1, 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, and enacting CPA Resolutions, as a response to mitigating the spread of COVID-19.

Meeting videos are available on [CPA's YouTube Channel](https://www.youtube.com/@CPAPublicMeetings).
www.youtube.com/@CPAPublicMeetings

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			Absent
4	Beverly Hills	Julian Gold	Chair	Remote
5	Calabasas			Absent
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Cedric L. Hicks, Sr.	Director	Remote
8	Claremont	Corey Calaycay Jeremy Swan	Director Alternate	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey			Absent
11	Hawaiian Gardens			Absent
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	Betsy Stix	Director	Remote
18	Oxnard	Bert Perello	Director	Remote

19	Paramount	Vilma Cuellar Stallings	Director	Remote
20	Redondo Beach	Christian Horvath	Director	Remote
21	Rolling Hills Estates	Steven Zuckerman	Director	Remote
22	Santa Monica			Absent
23	Sierra Madre	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Director	Remote
26	Temple City	Fernando Vizcarra	Director	Remote
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	John Erickson	Director	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 Cedric Hicks led the pledge of allegiance.

GENERAL PUBLIC COMMENT

David Diaz, Active SGV, provided public comment.

CONSENT AGENDA

1. Adopt Resolution 22-12-043 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 a Professional Services Agreement between CPA and MRW and Associates LLC with a Not-to-Exceed (NTE) amount of \$60,000
4. Receive and File Quarter 3 Risk Management Team Report
5. Receive and File Fiscal Year Quarter 1 Financial Results
6. Receive and File Quarterly Communications Report (August - October 2022)
7. Receive and File 2023 Meeting Schedule
8. Receive and File Community Advisory Committee Monthly Report

Motion: Director Hicks, Carson

Second: Director Parkhurst, Sierra Madre

Vote: The consent agenda was approved by a roll call vote with a minor edit to Item 2.

REGULAR AGENDA
Public Hearing

9. Adopt Resolution 22-12-044 to Approve Addendum No. 4 to CPA's Implementation Plan, Adding the Cities of Hermosa Beach, Monrovia, and Santa Paula as Members of Clean Power Alliance, and Authorize Staff to Submit Addendum No. 4 as Attached, or in a Substantially Similar Form, to the California Public Utilities Commission on or Before December 31, 2022

Karen Schmidt, Director, Rates & Strategy, provided an oral report on the item. In September 2022, the Board voted to invite the cities of Hermosa Beach, Monrovia, and Santa Paula to become members of CPA, and each city has subsequently passed its own ordinance to join CPA. The addendum updates CPA's forecasted load capacity, RPS requirements, and operating results to reflect the addition of the new communities. The addendum must be filed with the California Public Utilities Commission (CPUC) by December 31, 2022, for service to the three new communities to begin in 2024. Once the CPUC certifies the addendum, which is expected by March 2023, the new member agencies will officially become members of the Joint Powers Authority (JPA).

In response to questions from Directors Zuckerman, Parkhurst, and Lopez, staff noted there were three separate studies done for each city independently; the results were presented to the Board collectively. Additionally, the three cities combined add a manageable 3.7% to CPA's load, and the Board was made aware that the collective rate impact of adding the new cities was approximately 17 cents per month for a typical residential customer. In regard to the starting month of March, outreach and educational efforts will be more effective if the holiday season is avoided, and January is also when Southern California Edison (SCE) implements their new rates; any effect of that rate adjustment can be perceived as due to a change in electricity provider. Lastly, Mr. Bardacke specified that Hermosa Beach will enroll at 100% Green, and Monrovia and Santa Paula have until the end of April to decide on a default rate.

Vice Chair Parks congratulated the three new cities joining CPA. Chair Gold echoed the enthusiastic welcome to the three new member cities.

Motion: Director Mahmud, South Pasadena
Second: Director Perello, Oxnard
Vote: Item 9 was approved by a roll call vote.

Action Items

10. Approve Three Long-Term Renewable Power Purchase Agreements and Authorize the Chief Executive Officer to Execute the Agreements:
- a. 16-Year Second Amended and Restated PPA for 233 MW of Solar and 132 MW of Storage with Arlington Energy Center II, LLC
 - b. 20-Year PPA for 18 MW of Incremental Geothermal Resource with Geysers Power Company, LLC
 - c. 10.5-Year PPA for 100 MW of Existing Geothermal Resource with Geysers Power Company, LLC

John McNamara, Director, Structured Contracts, provided a presentation on three long-term Renewable Power Purchase Agreements (PPAs). In accordance with the CPUC order requiring procurement to address Mid-Term Reliability (MTR), CPA must procure a total of 679 megawatts (MW), spread across three different resource types of new reliable capacity between 2023-2026. Mr. McNamara indicated that the three contracts, Arlington, Incremental Geysers, and Existing Geysers, will help CPA achieve its MTR compliance targets. Mr. McNamara reviewed the backgrounds, recommendations, and rationales for the three contracts and provided an evaluation summary for each.

Director Parkhurst expressed strong support for the projects, indicating that they are reasonably priced and help CPA to reach the difficult baseload capacity category. Ted Bardacke, CEO, noted that although the Incremental Geysers project is not Net Present Value (NPV) positive, it was selected for compliance and resource diversity reasons.

Motion: Director Santangelo, Camarillo
Second: Director Parkhurst, Sierra Madre
Vote: Item 10 was approved by a roll call vote.

11. Approve Two Renewable Power Purchase Agreements (PPA's) with Pivot Energy and One Amendment to the PPA with Radiant BMT, LLC for Local Resources to Serve the Power Share Program and Authorize the Chief Executive Officer to Execute the Agreements

Mr. McNamara provided a presentation on two Pivot Energy long-term renewable PPAs and one Radiant PPA amendment. Mr. McNamara provided background for the Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs, reviewed the Power Share Request for Offers (RFO) timeline, shared the project overview and rationale for the two Pivot projects, and outlined the details of the Radiant PPA amendment and its CPUC approval requirements.

In response to Director Hicks' question about the criteria used for disadvantaged communities, Matt Langer, Chief Operating Officer, stated that the criteria is based on CalEnviroScreen, a state tool that determines factors in income and pollution burden, among other factors. In response to Director Mahmud's questions concerning the PG&E amendment used as a reference to for the Radiant proposal, staff indicated that the CPA Radiant amendment remains under the confidential price cap. Director Parkhurst asked several questions regarding DAC-GT targets, comparison to other Load Serving Entities (LSEs), and CS-GT allocations. Staff clarified that the two Pivot projects would go towards CS-GT program requirements, and CPA will still have 80% left of its allocation requirement. The Radiant project, in addition to the five previously approved projects, make up about 75% of CPA's DAC-GT allocation, and staff will issue a new Power Share RFO once the CPUC approves the solicitation guidelines. Compared to other LSEs, CPA is further ahead and is one of the few utilities implementing the program. CPA is serving DAC-GT customers with interim resources so those customers can reach 100% Green energy sooner. SCE has not enrolled its' customers in the program. In response to Director Perello's questions about the confidential price cap, Mr. Langer explained that it is set by the CPUC based on an average of prices

for similarly sized projects in other programs in the past. Director Luevanos expressed support for the DAC-GT program and applauded staff for making CPA a leader in this program. Director Mahmud expressed a desire for staff to focus the next distribution on DAC's that have not previously been recipients of projects under this program.

Craig Perkins provided public comment.

Motion: Director Mahmud, South Pasadena
Second: Director Erickson, West Hollywood
Vote: Item 11 was approved by a roll call vote.

12. CPA Salary Grades, Development of Retention Incentives, Contract Amendments for Chief Executive Officer and General Counsel, Employee Handbook Updates and Revisions
 - a. Adopt Salary Grades for CPA Employees
 - b. Direct Staff to Develop Options for a Retention Incentive Program for Board Consideration in 2023
 - c. Approve and Authorize the Board Chair to Execute the Amended and Restated Employment Agreement with the Chief Executive Officer at a base annual salary of \$450,000
 - d. Approve and Authorize the Board Chair to Execute the Amended and Restated Employment Agreement with the General Counsel at a base annual salary of \$413,919
 - e. Adopt Resolution 22-12-045 Modifying CPA's Employee Handbook

Mr. Bardacke provided a presentation on updates to CPA salaries, benefits, and the employee handbook. Given the stiff labor market competition, CPA has re-engaged compensation consultant Mercer to assist with salary benchmarking and strategies to better equip CPA to retain and recruit staff, particularly at the executive and senior level positions. Mr. Bardacke reviewed the five recommendations made by the Executive Committee and their fiscal impacts, noting that all can be accommodated within the current year's staffing budget without an adjustment.

Chair Gold noted that the Board received a memo summarizing the Executive Committee's discussion on the item and fully supported the recommendations. Vice Chair Kuehl expressed strong support for the adoption of the updates, adding that the knowledge and skills held by CPA staff are highly sought after in the industry; the recommendations bring stability that improves staff retention. Director Hicks commented on CPA's policy approach to setting a standard for re-evaluating salaries and target percentage levels within the salary ranges. Director Parkhurst expressed support for the adjustments, opining that future success hinges on the talent CPA can attract and retain. In response to Director Hicks' and Parkhurst's questions, Mr. Bardacke clarified that CPA plans to evaluate salaries ranges every two years, in addition to annual Cost-of-Living Adjustments (COLA), and that the general target for salaries is the mid-point of the range, but that is not based on policy as experience differs among staff within those ranges. Mr. Bardacke indicated that CPA staffing fluctuates between 50-65 people, with a general vacancy rate of 20% of overall staff positions. Lastly, Mr. Bardacke indicated staff will look at long-term retention incentive structures. Vice Chair Parks requested

that staff explore lifestyle advantage options to attract future employees. In response to Director Mahmud's question, Mr. Bardacke indicated that the recent budget and proposed salary adjustments place CPA at the low to mid-range in overhead/salary comparisons amongst CCAs. Director Mahmud echoed strong support for the adjustments, opining that CPA is faced with a retention challenge as there are no additional allowances for travel or living expenses and no retirement pension plan offered. Director Luevanos asked several questions on director salaries, at-will employment, parental leave, and aging parent accommodations. Staff clarified that if salary adjustments are approved, the CAO, CFO, COO and the Vice President of Power Supply will move to the midpoint of the salary range; CPA employees have always been at-will as CPA is not a civil service organization; the employee handbook changes include an extension to the parental leave to 12 weeks of paid leave with the ability to use vacation or other accumulated leave beyond the 12 weeks and then apply for FMLA. Lastly, staff indicated that employees are eligible under FMLA to care for themselves or an immediate family member, such as an aging parent, and staff may use vacation time in that instance as well. Director Lopez expressed support for the salary adjustments, adding that there are unseen costs with onboarding new employees, such as recruitment, training, and the loss of fluidity and institutional knowledge; therefore, retention is pivotal. Director Santangelo echoed the supportive comments, adding that the 20% vacancy rate requires current employees to complete additional work. Director Erickson opined that the best investment a company can make is in its employees and thanked staff for the onboarding work done on his behalf. Director Perello encouraged staff to continue to evaluate salary ranges and requested that staff look at the limit of paid family leave offered to employees. Director Zuckerman expressed a desire for staff to consider future ways to institute longevity incentives for employees, such as deferred salaries or additional contributions to retirement accounts.

Motion: Director Erickson, West Hollywood
Second: Director Lopez, Agoura Hills
Vote: Item 12 was approved by a roll call vote.

MANAGEMENT REPORT

Mr. Bardacke noted that CPA and SCE received the second round of California Arrearage Payment Program (CAPP) relief funds, and staff is working to apply the funds to approximately 55,000 CPA customers with outstanding debt incurred during the pandemic. The statutory requirement mandates the application of the credits by the end of February. Mr. Bardacke also informed that Board that the Resource Adequacy market remained very tight and that CPA will have difficulty meeting its first compliance filing.

COMMITTEE CHAIR UPDATES

Director Deborah Klein Lopez, Chair, Legislative & Regulatory Committee, advised the Board that the Committee is exploring the expansion of the 2023-2024 Legislative & Regulatory Platform to ensure CPA has the ability to react quickly during the legislative session.

Director Steve Zuckerman, Finance Committee member reported on behalf of Finance Committee Chair, Susan Santangelo. Director Zuckerman shared that the Board's decision to expand the line of credit contributed to an overall healthy economic position.

Director Robert Parkhurst, Chair, Energy Planning & Resources Committee, pointed to the work done by the Energy Committee to bring the five project approvals to the Board; thanked staff and the Energy Committee members for their hard work over the past year.

BOARD MEMBER COMMENTS AND OUTGOING BOARD MEMBER RECOGNITION

Mr. Bardacke and various Board Members offered words of support, praise, and appreciation for the 10 Board members departing from their current role, including Vice Chair Sheila Kuehl, Vice Chair Linda Parks, Directors Diana Mahmud, Steve Zuckerman, Sho Tay, Mary Sue Maurer, Daniel Lee, Mikke Pierson, Hildy Stern, Ruth Luevanos, Lindsey Horvath, and Janice Parvin. Staff has proposed the creation of the Sheila Kuehl Fellowship Program in the 2023 budget to attract new employee talent. Various Board members expressed their appreciation for the dedication and hard work of CPA staff.

REPORT FROM THE CHAIR

Chair Gold heralded the coherence and commitment of the Board and its alignment with staff in pursuit of CPA's mission. Chair Gold thanked both CPA staff and all Board Members for their past, present, and future hard work on behalf of CPA.

ADJOURN

Chair Gold adjourned the meeting at 4:28 p.m.