

MINUTES

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

Wednesday, August 17, 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 Gabby 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	Ann McIntosh	Alternate Committee Member	Remote

All votes are unanimous unless otherwise stated.

The Committee recognized a moment of silence in honor of Ventura County Supervisor Carmen Ramirez.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from June 15, 2022 Executive Committee Meeting

Motion: Committee Member Mahmud, South Pasadena

Second: Committee Member Monteiro, Hawthorne
Vote: Item 1 was approved by a roll call vote with abstention by Committee Members Monteiro and Parkhurst.

REGULAR AGENDA

2. Oral Update from the Chief Executive Officer on CPA Operations

Ted Bardacke, CEO, provided a presentation on the Inflation Reduction Act (IRA) and its implications for CPA, highlighted the four major items associated with the IRA, summarized its effects on clean energy, outlined potential opportunities available to CPA, and reviewed a climate impact graph. Committee Member Mahmud inquired whether the financial advantages of issuing tax exempt bonds would be roughly equivalent to financial advantages associated with prepayment bonds. Mr. Bardacke indicated it's not clear and would depend partly on CPA's costs for acquisition and bond issuance rates. Responding to Committee Member Mahmud's question regarding program funding, Mr. Bardacke identified a variety of ways it would be administered, including tax credits administered by the IRS; rebates and programs via state funding. Responding to Committee Member Parkhurst's question concerning transmission funding, Mr. Bardacke indicated that tax credits for new transmission projects were included in the original Build Back Better program but not in the Inflation Reduction Act, though there was a promise that permitting processes would be addressed in subsequent legislation. Vice Chair Parks inquired if CPA staff will do an analysis of the benefits of owning energy assets; Mr. Bardacke said the analysis will be a sizable organizational undertaking.

Mr. Bardacke reviewed the timeline for upcoming CPA customer noticing which includes the annual Joint Rate Comparison (JRC) mailer, annual Power Content Label mailers, default change notice mailers, and messages regarding the end of the California Alternate Rates for Energy (CARE) rate freeze. In response to questions from the Committee, staff explained that the JRC would list CPA's three rates and Southern California Edison's (SCE) three rates. Mailers may yield an increase in calls to CPA's call center but historically, mailers have not had a significant impact on opt-outs. With regard to SCE customers and its renewables rates, staff indicated that the mailers would include fine print disclosing that SCE renewable rates are no longer available to new customers, with the specific format developed in collaboration with SCE and the California Public Utilities Commission (CPUC). SCE plans to add new energy resources, however, their program is still capped.

CLOSED SESSION

3. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

Nancy Whang, General Counsel, reported that no reportable action was taken.

REGULAR AGENDA (Continued)

4. Review Draft Agenda for the September 1, 2022, Board of Directors Meeting
Mr. Bardacke discussed items on the agenda, including the annual load by jurisdiction report to be used in the case of a weighted Board vote; an update on the 2022 Integrated Resources Plan (IRP), with the request that the Board delegate its approval authority to the Energy Committee; and approval of a Geothermal renewable energy project if successfully negotiated over the next few weeks.
5. Review Proposed Expansion Invitations and Provide Input
Mr. Bardacke provided a presentation on proposed 2022 expansion invitations and reviewed three expansion priorities. Out of all the potential candidates, Hermosa Beach, Monrovia, and Santa Paula decided to move forward with the application process this year. Mr. Bardacke reviewed data reflecting new cities' load percentages, listed expansion benefits, risks, and mitigants. Mr. Bardacke emphasized that while there are risks to expansion, the addition of these cities presents low risk due to their small size, similarities with communities in the same climate zones, and similar load profiles. In addition, each city contributed to a feasibility study to determine the financial impact to CPA's existing customers, and to identify unusual customer or load configurations and potential flaws. Mr. Bardacke reviewed projected first-year net revenue impacts and projected bill impacts to current customers, which illustrate minimal upward pressure on rates. Lastly, Mr. Bardacke outlined the process and timeline for the proposed expansion and requested feedback from the Executive Committee.

In response to Vice Chair Kuehl's question regarding the manner in which cities expressed interest, Mr. Bardacke indicated that the cities of Hermosa Beach and Santa Paula both took a formal City Council vote to express interest and to conduct the feasibility study. In the case on Monrovia, the Mayor and the City Manager expressed interest in moving forward. Vice Chair Kuehl expressed concern that the November elections are approaching, and new city councils may decide against joining CPA and asked what the process would be for CPA if there was a change due to new City Councils. Mr. Bardacke indicated that in general, cities that vote to withdraw from CPA would be required to financially reimburse CPA for power acquired on their behalf; Monrovia's City Council elections were in June so there will be no transition this year; Hermosa Beach and Santa Paula have gone through several election cycles but have always been interested in joining a Community Choice Aggregation (CCA). Karen Schmidt, Director of Rates & Strategy, noted that in conversations with other cities, a few pointed to the upcoming elections and anticipated changeover as reasons for not moving forward with CPA. Committee Member Parkhurst asked questions regarding the cost component of the expansion and the impact on CPA's 2024 compliance obligations. Mr. Langer clarified that the cost of energy could go up \$0.12 to \$0.15 cents per customer, per month because of the need to procure new energy for new customers. Mr. Langer indicated that compliance obligations for renewables extend over multiple-year compliance periods; new customers would impact CPA's compliance period only after CPA has begun serving an energy load to those customers. The Midterm Reliability (MTR) obligations are locked in; therefore, the expansion will not increase the number of megawatts needed for the MTR; there is no additional regulatory risk associated with the expansion. Committee Member Mahmud inquired if CPA intended to defer serving load to new cities so as to avoid exacerbating compliance with CPA's MTR objectives, and Mr. Langer indicated

that was not the case; however, it does makes financial sense to avoid the high cost of resource adequacy in the summer months. Committee Member Lopez noted that the City of Santa Paula is known to have had its start as an 'oil town' that is now moving towards clean energy, and this is an opportunity to illustrate CPA's progress. Vice Chair Parks echoed Committee Member Lopez's comment, adding that Santa Paula is a disadvantaged community as well and with the expansion comes with more land opportunities for new facilities. Chair Gold opined that the price of energy will continue to fluctuate, but the goal of CPA should be to affordably accumulate as many communities as possible, expressing support for the expansion of all three cities.

COMMITTEE MEMBER COMMENTS

Committee Member Mahmud suggested that the upcoming Board of Directors meeting adjourn in memory of Ventura County Supervisor Carmen Ramirez, and Chair Gold concurred. Committee Member Lopez announced that the City of Agoura Hills recently approved a Memorandum of Understanding with CPA for the Power Ready Program.

ADJOURN

Chair Gold adjourned the meeting in memory of Ventura County Supervisor Ramirez at 3:28 p.m.