

MINUTES

Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Regular Meeting
Wednesday, March 22, 2023, 12:15 p.m.

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

Committee Members participated in this meeting from the following locations:

Manhattan Beach City Hall City Manager Conference Room 1400 Highland Avenue Manhattan Beach, CA 90266	CPA Office 801 S. Grand Ave., Suite 400 Los Angeles, CA 90017
Alhambra City Hall Conference Room A 111 S. First Street Alhambra, CA 91802	Carson City Hall Executive Conference Room 701 East Carson Street Carson, CA 90745
Sierra Madre City Hall Council Chambers 232 W. Sierra Madre Blvd. Sierra Madre, CA 91024	Thousand Oaks City Hall Public Works Conference Room 2100 Thousand Oaks Blvd. Thousand Oaks, CA 91362
City of Oxnard Service Center 1 East Conference Room 214 South C Street Oxnard, CA 93030	West Hollywood City Hall 3rd Floor Conference Room 8300 Santa Monica Blvd. West Hollywood, CA 90069

CALL TO ORDER & ROLL CALL

Committee Member Lesser, acting as Committee Chair, called the meeting to order at 12:15 p.m. and Gabriela Monzon, Board Clerk, conducted roll call.

ROLL CALL			
Alhambra	Jeff Maloney	Committee Member	Absent
Carson	Reata Kulcsar	Committee Member	Remote
Manhattan Beach	David Lesser	Substitute Chair	Remote
Oxnard	Kathleen Mallory	Committee Member	Remote
Sierra Madre	Robert Parkhurst	Committee Chair	Absent
South Pasadena	Diana Mahmud	Committee Member	Absent
Thousand Oaks	Helen Cox	Committee Member	Remote
West Hollywood	Chelsea Byers	Committee Member	Remote

All votes are unanimous, unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from January 25, 2023, Energy Committee Meeting
2. Receive and File January and February 2023 Risk Management Team Reports

Motion: Committee Member Cox, Thousand Oaks

Second: Committee Member Mallory, Oxnard

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

REGULAR AGENDA

3. Approve Entering into Negotiations for Bilateral Offer(s) for Power and Resource Adequacy Purchase Agreements as Recommended by the Review Team

John McNamara, Director, Structured Contracts, provided a presentation on the two bilateral offers for power and Resource Adequacy (RA) purchase agreements. Mr. McNamara reviewed CPA's typical process for entering into long-term contracts as well as "bilateral" offers, which are proposals received outside of the Request for Offers (RFO) process. Mr. McNamara indicated that the recent MTR decision issued by the California Public Utilities Commission (CPUC) was a favorable one for CPA and explained CPA's current MTR procurement need. CPA is unlikely to meet its RA compliance obligations through short-term transactions alone and may need to enter into long-term contracts to help contribute to CPA's 2024 and 2025 RA compliance obligations. Mr. McNamara noted that the contracts recommended for approval will not bring CPA into compliance for RA but will help lessen CPA's short position. Mr. McNamara provided the project overview, rationale, and evaluation summary for Project A, standalone storage for energy and RA, and Project B, standalone storage with an RA-only offer.

Committee Member Byers inquired about the timeframe of the two projects and requested more background on the process. Matt Langer, Chief Operating Officer, noted that Project B was part of CPA's short-term RA solicitations and became a bilateral offer, as it did not conform to the usual offers. Ted Bardacke, CEO, commented that staff is often approached to enter into negotiations outside of the RFOs and most are directed to an upcoming RFO; only those contracts with unique criteria are advanced to a Review Team. Committee Member Lesser inquired about the number of vendors approaching CPA staff with potential RA opportunities and asked about potential penalties for non-compliance. Mr. Langer indicated that it is rare for staff to receive proposals with 2023/2024 volumes, which is where there are compliance challenges. CPA has two departments within the Power Supply group that handle procurement, Structured Contracts, which generally handle long-term contracts typically focused on energy storage and renewable energy facilities, and a team that focuses on filling the 2023/2024 requirement with short-term transactions including short-term energy hedging, RA, and short-term renewable energy carbon-free products. Regarding penalties, Mr. Langer specified that if CPA cannot meet compliance requirements there will be fines; although there have been discussions at the CPUC and legislative level about additional fines and penalties on top of the existing ones, no decisions have been made. Mr. Langer indicated that there is a multiplier escalating the fine if the compliance requirement is missed consecutively, but this is the first time CPA may fall short of compliance so it is not in the multiplier category this year. Committee Member Lesser expressed a desire to communicate with the legislature, as it

appears counterintuitive to penalize due to market conditions beyond CPA's control. Mr. Bardacke agreed that although a penalty structure is needed, increased penalties do not create a supply market increase.

Motion: Committee Member Byers, West Hollywood
Second: Committee Member Cox, Thousand Oaks
Vote: Item 3 was approved by a roll call vote.

COMMITTEE MEMBER COMMENTS

Committee Member Byers introduced herself to the Energy Committee and expressed gratitude to CPA staff for the onboarding process.

ADJOURN

Acting Chair Lesser adjourned the meeting at 12:47 p.m.