

Meeting of the Board of Directors of the
Los Angeles Community Choice Energy Authority (LACCE)

Wednesday, January 17th, 2018, 2:00pm
Metropolitan Water District
Committee Room 2-145
700 N. Alameda Street, Los Angeles, CA 90012

MINUTES

I. WELCOME AND ROLL CALL

Acting Chair Horvath called the meeting to order at 2:00pm.

Roll Call				
1	Agoura Hills	Louis Celaya	Alternate	Calling in
2	Alhambra	Martin Ray	Alternate	Present (late)
3	Arcadia	Tom Tait	Alternate	Present
4	Beverly Hills	Robert Wunderlich	Alternate	Present (late)
5	Calabasas	John Bingham Alicia Weintraub (late)	Alternate Director	Calling in
6	Carson	Reata Kulcsar	Alternate	Present
7	Claremont	Corey Calaycay	Director	Present
8	Culver City	Meghan Sahli-Wells	Director	Present
9	Downey	Alex Saab	Director	Present
10	Hawaiian Gardens	Hank Trimble	Alternate	Present
11	Hawthorne	Angie Reyes English	Director	Present
12	Los Angeles County	Sheila Kuehl	Director	Present
13	Malibu	Craig George	Alternate	Present (late)
14	Manhattan Beach	Amy Howorth	Director	Present
15	Ojai	Johnny Johnson	Director	Calling In
16	Paramount	Chris Cash	Alternate	Present
17	Rolling Hills Estates	Steve Zuckerman	Director	Present

18	Santa Monica	Kevin McKeown	Director	Present
19	Sierra Madre	John Harabedian	Director	Present
20	South Pasadena	Diana Mahmud	Director	Present
21	Ventura County	Linda Parks	Director	Calling in
22	West Hollywood	Lindsey Horvath	Director	Present

A quorum was established.

II. PUBLIC COMMENT

Joe Sullivan (IBEW Local 11 and NECA): Made comments that Santa Monica's requests from the previous meeting were in line with creating a DER focused CCA and that he was supportive of that direction.

III. REGULAR AGENDA

1. Appoint Chair and Vice-Chair, Establish a Finance Committee and Appoint a Committee Chair, and Consider Options for an Executive Committee

Interim Executive Director Bill Carnahan gave the staff report for the item. He reminded the Board that it has been rotating Chair and Vice Chair until full Board was formed.

Acting Chair Horvath opened nominations for Chair.

Acting Vice Chair Kuehl nominated Director Diana Mahmud for Chair. Director Calaycay seconded. The nomination was accepted by Director Mahmud. All Directors present and on the phone voted unanimously in favor.

Chair Mahmud opened nominations for Vice-Chair.

Director Howorth nominated Director Horvath. Director Horvath expressed gratitude for the nomination, although she did not accept, instead nominating Director Kuehl as Vice-Chair. All Directors present and on the phone voted unanimously in favor.

Finance Committee discussion: Mr. Carnahan noted that the Banking and Credit services RFP was currently open, and that staff would like to ask for volunteers for the Finance Committee in the near term to help evaluate those RFP responses. Director Horvath noted that Director Gold

has expressed interest, and Director Horvath volunteered her service on this committee as well.

Chair Mahmud reiterated the importance of the Finance Committee and asked Board members to think about volunteering and let Board Secretary Julie Gomez know if they are interested. Clarified that Secretary Gomez would also be the point person going forward for Board communications.

Director Calaycay asked Mr. Carnahan about the time commitment for this committee. He replied the committee would most likely meet once per month by phone, and noted that the committee would also be involved in drafting the budget. Director Calaycay then volunteered to be on the Finance Committee. Director Howorth volunteered as well.

Director Calaycay moved to create the Finance Committee with Claremont, West Hollywood, Beverly Hills and Manhattan Beach as members, as well as being open to any others who may want to join in the future. Motion was seconded by Director Reyes English. The motion passed unanimously.

Consideration of options for Executive Committee: Mr. Carnahan noted staff had looked at best practices of other CCAs and JPAs for Executive Committee best practices. Staff put forth a straw proposal that the Executive Committee could be populated with Board officers, with 3 at-large seats to satisfy diversity of size and geography and to get balanced input from the committee.

The Board commenced discussion of the staff proposal, with many stating they felt the proposed committee was too small.

Director Calaycay moved that staff take the feedback received from the Board discussion and bring a hybrid proposal back with some options to the overall Board at the March 1 meeting. Director Howorth seconded.

The motion passed unanimously.

Mr. Carnahan announced that all additional suggestions for Committee formation were welcome and could be emailed to him.

At this time Director McKeown suggested that future meetings be live streamed and archived for the public. Chair Mahmud noted that staff had tried to find a location that could accommodate but was unable to this month. Director Calaycay noted that staff might reach out to County library to inquire about their system Spark, where video conferencing could be set up between county libraries.

2. Approval of minutes from the December 7, 2017 and December 19, 2017 Board Meetings

Chair Mahmud asked to take the approval of each meeting's minutes separately.

Approval of December 7, 2017 minutes:

Director Sahli-Wells moved to approve. Vice Chair Kuehl seconded.

Corrections:

Director Bingham asked that the minutes reflect Director Weintraub attempted to join the meeting via phone but was unable due to technical problems.

Director Calaycay noted that in the roll call for Items 3 and 5 that the Directors for Downey and Claremont were switched and should be corrected.

Director Horvath asked as a matter of clarification if Item 5 should reflect Phase 1 power supply as 25% carbon free as it is currently stated in the minutes, or 85% carbon free as stated in staff update. Mr. Gero clarified that the 25% referred to non-renewable carbon free, with the total power mix being 85% carbon free which includes 60% renewables. He confirmed that staff would clarify in the minutes.

Director McKeown requested to have Item 6 updated to show his comments urging staff to include the Community Advisory Committee in the naming process. He also requested Staff and Board Announcements be updated to reflect his comments urging staff to solicit bids for data and billing serves that can support Distributed Energy Resources (DER), and that LACCE also hire staff with DER and energy risk management experience.

Vice Chair Kuehl noted that Director Schwarz's name appeared in the minutes with an incorrect spelling, and asked for this correction.

The motion to approve the December 7, 2017 minutes as amended passed with Directors English and Cash, and Chair Mahmud abstaining.

Approval of December 19, 2017 minutes:

No proposed corrections. Director Mahmud entertained a motion to approve the December 19 minutes. Motion was approved unanimously.

3. Adopt Resolution Adjusting Rate Schedules for Phase 1 Accounts

Mr. Carnahan gave the staff presentation in which he explained there was a small error in the original Phase 1 rate schedules that were approved by the Board at its December 7 meeting.

Director McKeown moved to approve the correction.

Chair Mahmud recommended that it be specified in the text of the resolution itself the particular rate schedule being amended rather than referencing an attachment, in the event the attachment is not available. She requested to amend the resolution to show that the rate being adjusted is TOU-GS-2-R.

Director McKeown accepted the amendment. The amended motion was approved unanimously.

4. Approve Mid-Year Budget Adjustments

Mr. Carnahan gave the staff presentation explaining the proposed budget adjustments to the Board and noting that because LACCE now has more detailed load information, it has reduced projected revenues and the projected loan. Also added smaller line items like temporary staff and Board travel on LACCE's behalf.

Board commenced discussion of the item.

Rachelle Anema from the LA County Auditor Controller was present and provided clarification on a question of why the power supply cash collateral was shown as an expenditure in the budget. She noted in financial statements at the end of the year that the cash collateral would be shown as an asset but noted that the budget is not a financial statement and is purely for informational purposes so including it as an expenditure was reasonable and appropriate.

Director Zuckerman asked to consider including a specific line item for PCIA reserve adequacy in the budget.

Director Harabedian moved to approve the budget adjustment and Director Horvath seconded.

The motion passed unanimously.

5. Approve Grace Period Extension and Related Requests

Mr. Gero gave the staff presentation. Two grace-period extension requests to join LACCE at no cost due to the wildfire exception were received by LACCE: one from Camarillo and one from Simi Valley. Similarly, although at the discretion of the Board, Mr. Gero noted that the City of Redondo Beach had voted to adopt the ordinance on both first and second reading, and adopted the Joint Powers Agreement by the December 27 deadline. However, he stated that their Mayor vetoed those items and the City Council was scheduled to consider overriding that veto. Since the Council's intent was to join by the deadline, staff's recommendation is for the Board to approve the no-cost grace period for all three cities.

Board commenced discussion of the item.

In light of Board discussion of the item, Chair Mahmud recommended that the Board take two votes, one on the issue of Simi Valley and Camarillo joining, and a second on Redondo Beach.

Chair Mahmud entertained a motion to approve a waiver of any costs that might be incurred for Camarillo and Simi Valley joining after the cutoff date due to extenuating circumstances related to the recent wildfires. Director Parks asked if this motion could be amended to include the City of Moorpark since they faced similar circumstances with regards to the fires. Chair Mahmud accepted the amendment. Vice Chair Kuehl seconded. The motion passed unanimously.

Director Howorth made a motion to defer a decision on Redondo Beach until the March 1st Board meeting. Director Kuehl seconded.

Director McKeown made a substitute motion that in order to help encourage Redondo Beach City Council, that they be offered the no cost grace period if they decide to override the mayoral veto at their February 13th City Council meeting. Director Howorth seconded the substitute motion.

The motion passed with two nays and no abstentions, with Claremont and Hawaiian Gardens voting nay.

6. Approve Power Procurement Approach for 2018

Mr. Carnahan introduced the item. He noted that LACCE went with a bundled procurement approach for Phase 1 but that for Phase 2 LACCE would likely want to unbundle the various energy products to have more control over the portfolio and take advantage of lower costs. Staff is proposing working with The Energy Authority (TEA), with whom LACCE is

already under contract for many related portfolio management services, to tailor an approach for Phase 2. Jeff Fuller of TEA gave the presentation.

Board commenced discussion of the item.

Vice Chair Kuehl requested to move on staff's recommendation for Phase 2 procurement only. Director Zuckerman seconded. The motion passed unanimously.

Chair Mahmud then asked if Board wanted to continue discussions on Phase 3 procurement approach. Director Horvath suggested to table the discussion for Phase 3 and perhaps involve the future Community Advisory Committee in the discussion to give opportunity for more community engagement.

Public Comment:

Joe Sullivan speaking on behalf of Jennifer Kropke of IBEW Local 11): Mr. Sullivan stated that Ms. Kropke is extremely encouraged by IBEW's working relationship with LACCE and that she is in support of TEA and LACCE staff in their suggested approach for Phase 2. She also heavily supports preference for power resources located in LA County and California and wants to work with staff to flesh out policies on local hire, veteran hire, and disadvantaged communities. Ms. Kropke also supports LACCE's commitments to no coal, no nuclear, and no unspecified resources.

Chair Mahmud asked the record to show that the vote for Phase 2 procurement approach was a vote for Option 2 outlined in the staff report.

Director Parks made note to ensure Ventura County is included in any definitions of local generation.

7. Adopt Proposal to Establish a Community Advisory Committee

Mr. Carnahan gave staff report. He noted that staff had prepared a straw proposal for Board consideration and discussion, and that staff would like to solicit input from the Board.

Board commenced discussion of the item.

Public Comment:

Veronica Soto (Emerald Cities Collaborative): Ms. Soto gave comment that she thought the proposal was moving the right direction but has recommendations for additional consideration. She felt the mission statement needs to be more specific, and that the Advisory Committee

should be able to advise the Board. She also wants to ensure that the Committee is used as a tool to educate members in their own communities and include underrepresented groups. Ms. Soto made additional comments regarding the selection process for committee members, stating she felt the current proposal was too focused on individuals rather than groups. She stated that she looks forward to engaging further with staff.

Joe Sullivan (IBEW Local 11 and NECA): Mr. Sullivan thanked staff for being open to communicating about the Community Advisory Committee, but feels current proposal lacks a clear charter and role for the Committee, and that LACCE needs a ratepayer advocacy group. Mr. Sullivan thinks the committee needs to have real access to documents as well as have ex-officio member of the board.

Director Zuckerman noted that LACCE still does not have a permanent Executive Director, and that the Executive Director may want to have a role in shaping the Community Advisory Committee. In light of that, Director Zuckerman moved to continue the item until the March meeting. Director Johnson seconded.

Director Howorth requested that staff take all input received and return to the Board with an updated proposal or recommendation, and noted that the Board needs to carefully consider and understand what the authority and purpose of the committee will be.

Director Parks and Director Horvath also made comments supporting the deferment of the item specifically so that more outreach could be conducted.

Chair Mahmud asked if the motion to defer consideration of the item also meant that the opening of the application would be deferred as well. The Board confirmed that the application should also be deferred.

Director English introduced the friendly amendment that in the interim until the item comes back to the Board for consideration, that Board members go out into their respective communities and notify constituents of the impending formation of the committee. The amendment was accepted.

The motion passed unanimously.

8. Legislative and Regulatory Update

Mr. Carnahan noted that due to the late hour he would give an abbreviated version of the staff report. He noted that the most important

regulatory update was that the CPUC had held a PCIA workshop the day prior, and that Cal CCA's comments were very well prepared. Mr. Carnahan feels that LACCE and the CCA community are well postured in the PCIA proceedings. Chair Mahmud was present at the workshop and provided additional details regarding the current PCIA proceedings.

Director Horvath commented on the fact that the League of California Cities is tracking CCA legislation and is defending CCA on the basis of protecting local control.

Chair Mahmud emphasized the importance of forming the Regulatory and Legislative Committee as soon as possible, as it would likely be another busy year for CCA in the legislature.

IV. STAFF AND BOARD ANNOUNCEMENTS

Chair Mahmud continued with a discussion of Board committees, noting the importance of forming a Procurement Committee as soon as possible. Chair Mahmud additionally raised the issue of the need for a Personnel ad-hoc committee to develop personnel policies and benefits as well as a Bylaws ad-hoc committee to form operating policies and procedures. Chair Mahmud also stated her hope that the name change ad-hoc committee would be bringing options to the Board for consideration by the February 1 meeting.

Vice Chair Kuehl noted it may be very difficult to have the next meeting in two weeks, as the February Board meeting is scheduled for February 1st, and that skipping February's meeting would give staff the opportunity to communicate with every Board member about committees. Vice Chair Kuehl volunteered to work with staff on committee communications to find out who might like to serve on which committees.

Staff reminded the Board that it does have to consider the name change and the approval of the Executive Director contract at the February meeting, but noted the meeting could be kept very short.

Mr. Carnahan announced that Cal CCA would be holding a two-day legislative rally in Sacramento and stated he would share all the materials with board.

Chair Mahmud moved to adjourn to closed session.

V. CLOSED SESSION

The Board entered closed session. No action was taken.

VI. ADJOURN

The meeting was adjourned at 5:25pm.