

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

Thursday, November 2, 2017, 1:00pm
Los Angeles Cleantech Incubator, Training Room 401
525 S. Hewitt, Los Angeles, CA 90013

MINUTES

I. WELCOME AND ROLL CALL

Chair Mahmud called the meeting to order at 1:00pm. Chair Mahmud, Vice Chair Weintraub (by phone), and Directors Kuehl, Horvath, and Sham being present, a quorum was established. Director Zuckerman was absent at time of roll call.

Alhambra was welcomed as the newest member of LACCE, with Mayor Stephen Sham serving as the Board representative.

II. PUBLIC COMMENT

No members of the public requested to speak on items not on the agenda.

III. REGULAR AGENDA

1. Appoint Acting Chair and Vice Chair

Although the Board agreed to rotate chairmanship each month, as Director Weintraub was not physically present at the meeting, it was suggested she remain Vice Chair until the December meeting when she could then assume chairmanship. Chair Mahmud then nominated Director Horvath as Acting Chair, and Director Kuehl seconded the nomination. The motion was approved unanimously.

2. Approval of minutes from the October 5, 2017 Board Meeting

Director Mahmud moved to approve, and Director Kuehl seconded.

No request for public comment was received on this item.

Motion was approved, with Director Sham abstaining, as he was not present at the October 5 Board meeting.

3. Thirty Days Advance Notice of Proposed Amendment #1 to the Los Angeles Community Choice Energy Joint Powers Authority Agreement

Staff has recommended an amendment to the JPA to make explicit the policy regarding how the authority will dispose of power contracts in the event a city departs.

Chair Horvath moved to approve the staff recommendation to place this item on the December Board agenda in accordance with today's meeting serving as 30 days advance notice. Director Kuehl and Director Mahmud both seconded.

No request for public comment was received on this item. The motion was approved unanimously.

4. Approve the assignment of the contract with Calpine Energy Solutions for data management services for Phase 1 accounts

Los Angeles County contracted with Calpine to manage the complex data transfers that take place between the IOU and the CCA. Calpine is currently providing services to the LACCE Authority through the Memorandum of Understanding between LACCE and the County executed on August 4, 2017. Staff recommended to the Board that LACCE:

1. Approve the assignment to the LACCE Authority of Los Angeles County's contract with Calpine for data management services for Phase 1 accounts.
2. Delegate authority to the Executive Director, or designee, to take any necessary steps and execute agreements to effectuate assignment of the contract between the County of Los Angeles and Calpine to the LACCE Authority for an amount not to exceed \$10,000
3. Delegate authority to the Executive Director, or designee, to negotiate and execute amendments provided LACCE Authority counsel approval is obtained.
4. Delegate authority to the Executive Director, or designee, to terminate the contract as necessary provided LACCE Authority counsel approval is obtained

Drake Welch of Calpine gave a presentation providing an overview of Calpine and the services they provide for LACCE.

Public Comment:

Joe Sullivan, IBEW Local 11 and NECA – Mr. Sullivan stated in his public comment that he has concerns about Calpine. He referenced comments

made by MCE, another CCA, that Calpine did not have the services to support DER (Distributed Energy Resources), and that other CCAs have said Calpine does not effectively support demand response and energy efficiency programs.

Director Mahmud noted that she was uncomfortable with staff recommendations 3 & 4. She recommended limiting delegation of authority in staff recommendation 3 to only extend to amendments with no financial impact, and to exclude recommendation 4. Director Mahmud emphasized that any potential termination should come back to the Board and that a replacement vendor should be lined up before terminating.

Chair Horvath moved to approve staff recommendations 1-3, with the limitation to recommendation 3 proposed by Director Mahmud to only extend to amendments with no financial impact, and to exclude staff recommendation 4 from the motion.

Director Sham seconded. The motion was approved unanimously.

The Board requested that the Calpine Power Point presentation be shared with the Board and staff confirmed that it would be.

5. Approve the assignment of the contract with EES Consulting for technical and regulatory services

EES is currently providing services to the LACCE Authority through the Memorandum of Understanding between LACCE and the County executed on August 4, 2017. Staff recommended to the Board that LACCE:

1. Approve the assignment to the LACCE Authority of Los Angeles County's contract with EES Consulting, Inc. for technical and regulatory services.
2. Delegate authority to the Executive Director, or designee, to take any necessary steps and execute agreements to effectuate assignment of the contract between the County of Los Angeles and EES to the LACCE Authority for an amount not to exceed \$160,000
3. Delegate authority to the Executive Director, or designee, to negotiate and execute amendments provided LACCE Authority counsel approval is obtained.
4. Delegate authority to the Executive Director, or designee, to terminate the contract as necessary provided LACCE Authority counsel approval is obtained

Gary Saleba and Anne Falcon of EES gave a presentation providing an overview of EES and the services they provide for LACCE.

Public Comment:

Joe Sullivan of IBEW Local 11 and NECA – Mr. Sullivan stated in his public comment that he understands the limitations of staff, but that he was surprised by the scope of work for EES. He said that the contract never went out for public bid and that the scope seems to have grown. He expressed that for Phases 2 & 3 he would like to see LACCE move away from a consultant model and toward a portfolio manager model, like what Valley Clean Energy did with SMUD. He stated his concerns lay with local job creation.

Jim Stewart – Mr. Stewart called for the Board to put this contract on hold on the basis of conflict of interest and performance. He expressed concern about a possible conflict of interest over the fact that Howard Choi formerly worked for EES, and that Mr. Choi hired EES. He also expressed concern that EES designed the implementation plan and was now implementing it, rather than the plan going out to bid. He said that he felt it was a conflict of interest that Mr. Carnahan was listed on the EES contract with the Alameda County CCA, and additionally stated that Alameda County had fired EES for non-performance.

In response to public comment, General Counsel confirmed that EES's contract had been carefully vetted for conflicts of interest and that it had gone through the proper RFP process for Los Angeles County.

Director Kuehl asked for confirmation of the contract term end date, which staff confirmed to be August 19, 2018.

The Board allowed Mr. Saleba to respond to Mr. Stewart's comment, and Mr. Saleba confirmed that EES was still under contract with Alameda County for services to East Bay Clean Energy.

Director Kuehl reiterated that that Los Angeles County Board of Supervisors scrutinizes every contract into which the County enters.

Director Mahmud moved to approve staff recommendations 1-3, with the same exception applied to the Calpine contract that would limit recommendation 3 to amendments with no financial impact, and to exclude staff recommendation 4.

Director Kuehl seconded. The motion was approved unanimously.

6. Approve cost sharing agreements with the Western Riverside Council of Governments and the Coachella Valley Association of Governments for legal and technical services

Staff and General Counsel confirmed the agreements were currently being reviewed for potential conflicts, and that they would report back to the Board and explore conflict waivers if necessary.

No request for public comment was received on this item.

Director Mahmud moved to approve. Director Kuehl seconded. The motion was approved unanimously.

7. Presentation: California Community Choice Association

Beth Vaughn, the new Executive Director of California Community Choice Association (CalCCA) gave a presentation providing an overview of the organization and speaking about its strategic priorities for 2018.

Director Zuckerman attempted to call in during this agenda item, but seemed to be experiencing difficulties and hung up.

No request for public comment was received on this item.

At this point Executive Director Bill Carnahan recommended that the Board hear Item #9 out of order, as EES was present and would be presenting on that item.

9. Legislative and Regulatory Updates

Gary Saleba and Anne Falcon of EES gave a presentation about the legislative and regulatory landscape for CCAs in California, and what to expect in the 2018 legislative session.

No request for public comment was received on this item.

8. Discussion Item: Logo designs for Los Angeles Community Choice Energy

The Board reviewed and discussed the three logo options presented. Director Kuehl mentioned that she thought the Board should discuss whether they wanted the name of the LACCE Authority to change in order to deemphasize Los Angeles. The Board directed staff to hold off on moving forward with any logo decision and to return at the December meeting with potential alternate names for LACCE and to advise on legal implications of a name change.

No request for public comment was received on this item.

IV. STAFF AND BOARD ANNOUNCEMENTS

As throughout the meeting the Board was provided with very detailed updates and reports that covered many issues, Mr. Carnahan stated he would refrain from giving his full update and would just let the Board ask questions of staff.

Mr. Carnahan did announce that staff was planning to conduct a community workshop in Culver City on November 16th to solicit community input on the Community Advisory Committee.

The Board asked for updates on new city membership, power supply contract negotiations, and budget tracking method.

No public comment was received on this item.

V. CLOSED SESSION

The Board entered closed session. No action was taken.

VI. ADJOURN

The meeting was adjourned at 3:50pm.