



MEETING of the Finance Committee of the Clean Power Alliance of Southern California

Wednesday, April 24, 2019

11:00 a.m.

555 W. 5th Street, 35th Floor

Los Angeles, CA 90013

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Jacquelyn Betha, at least two (2) working days before the meeting at jbetha@cleanpoweralliance.org or (213) 269-5870, ext.1001. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.

In addition, members of the Public are encouraged to submit written comments on any agenda item. To enable an opportunity for review, written comments should be submitted at least 72 hours but no later than 24 hours in advance of the noticed Committee meeting date. Any written materials submitted thereafter will be distributed to the Committee at the Committee meeting. Any written submissions must

Clean Power Alliance Finance Committee
April 24, 2019

specify the Agenda Item by number, otherwise they will be considered General Public Comment. Any written comments can be submitted to publiccomment@cleanpoweralliance.org.

Members of the public may also participate in this meeting remotely at the following addresses:

Beverly Hills City Hall
4th Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA 90210

Camarillo City Hall
Executive Conference Room
601 Carmen Drive, Camarillo, CA 93010

Rolling Hills Estates City Hall
4045 Palos Verdes Drive N., Rolling Hills
Estates, CA 90274

I. WELCOME & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from March 27, 2019 Finance Committee Meeting
2. Receive and file February 2019 Monthly Financial Dashboard
3. Receive and file April 2019 Risk Management Team Report

IV. REGULAR AGENDA

4. Report from the Chief Financial Officer
5. Review Draft Fiscal Year 2019/20 Annual Budget
6. Review Proposed Changes to Interim Financial Reporting

V. COMMITTEE MEMBER COMMENTS

VI. ADJOURN

Public Records: *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The Board has designated Clean Power Alliance, 555 W. 5th Street, 35th Floor, Los Angeles, CA 90013, as the location where those public records will be available for inspection. The documents are also available online at www.cleanpoweralliance.org.*

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, March 27, 2019, 11:00 a.m.

MINUTES

*555 W. 5th Street, 35TH Floor
Los Angeles, CA 90013*

*Beverly Hills City Hall
4PthP Floor, Conference Room 4B
455 N. Rexford Drive, Beverly Hills, CA
90210*

*Camarillo City Hall
601 Carmen Drive, Camarillo, CA 93010*

*Carson City Hall
Executive Conference Room
701 E. Carson Street, Carson, CA 90745*

*Rolling Hills Estates City Hall
4045 Palos Verdes Drive N., Rolling Hills
Estates, CA 90274*

*2242 Torrey Pines Dr. NW
Bend, OR 97703*

I. WELCOME & ROLL CALL

Acting Chair Steve Zuckerman called the meeting to order and the Board Secretary Jacquelyn Betha Isidore conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Camarillo	Tony Trembley	Committee Member	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

The following individual provided general comments: Harvey Eder (Public Solar Power Coalition).

III. CONSENT AGENDA

1. Approved Minutes from February 27, 2019 Finance Committee Meeting
2. Received January 2019 Monthly Financial Dashboard

3. Received March 2019 Risk Management Team Report

The following individual provided comments on the Consent Agenda: Harvey Eder (Public Solar Power Coalition).

Motion: Committee Member Zuckerman, Rolling Hills Estates

Second: Committee Member O'Connor, Santa Monica

Vote: Items 1 through 3 were approved by a unanimous roll call vote.

IV. REGULAR AGENDA

4. Received report from the Chief Financial Officer

David McNeil, Chief Financial Officer, provide a summary of CPA's financial progression, highlighting that our year to date performance was ahead of budget. In February CPA completed its Phase 3 enrollment and the opt out rate is about 3% and we are now receiving revenues from that phase. February was also a volatile weather month which caused volatility in the energy market prices, and CPA effectively handled this through our procurement strategy. Staff is working on building out the financial model to be able to do daily cash flow projections. CPA is in the process of hiring a Manager of Financial Planning & Analysis.

Committee Member Zuckerman asked if we have pretty well secured power for the rest of the year and Mr. McNeil responded that we have some open positions, but we are well prepared, and that this includes both delivery and price.

Chair Gold asked about daily cash flow, and Mr. McNeil indicated that he intends for CPA to be able to project on a daily basis all of the cash flow components and align the financial model's future projections with historical data.

This item was for informational purposes only.

5. Discussed Draft First Amendment to Credit Agreement with River City Bank

Mr. McNeil provided an update on CPA's efforts to amend its credit agreement with River City Bank. The proposed amendment will include the following changes: increase line of credit from \$20 million to \$37 million; extend term through March 2021; reduce interest rate; adjust the required cash collateral amount; update credit

covenants; and implement a 0.15% non-utilization fee and a non-refundable 0.25% annual loan fee; along with other administrative changes. Staff is planning to present this amendment to the Board on April 4.

Committee Member Trembley asked if these fees were typical of these types of credit agreements in Mr. McNeil's experience, and he responded that they are in line with what we should expect.

Committee Member Zuckerman asked about the other changes to the agreement, and Mr. McNeil added that the cash collateral requirement was 10% of the total amount and as part of the negotiation River City Bank reduced this requirement to 10% of the outstanding balance.

This item was for informational purposes only.

6. Discussed and provided input on Fiscal Year 2019/20 Annual Budget development

Mr. McNeil provided an overview of CPA's process to develop its FY 19/20 annual budget, focusing on timeline and priorities. After this Finance Committee presentation, staff plans to review the budget priorities with the Executive Committee and Board, followed by a preview of the Draft FY 19/20 Budget again with each body. Overall agency objectives for this upcoming fiscal year include: providing cost competitive electric service, reducing greenhouse gas emissions, stimulating renewable energy development, implementing local programs and distributed energy resources; and sustaining long-term rate stability. The numbers included are for demonstration purposes to show the proportion of our budget categories but are not actual budget projections, and our most significant line item is cost of energy. For local programs, the plan is to come back with a budget amendment once the strategic goals and priorities process for local programs is complete. In addition to its overall agency priorities, CPA also intends to reflect in its upcoming budget resources for hiring additional staff and securing permanent office space.

Committee Member Trembley asked for a definition to be included of what technical services entails and Mr. McNeil indicated he would provide that additional detail in the staff report.

Committee Member Kulcsar recommended that the priority for local programs be made more prominent in the presentation of the budget as this is a significant topic for many CPA members, and staff indicated it would do so. She also asked for additional details or a sample org chart with regards to the staffing priority for the budget and Mr. Bardacke stated that he plans to present an updated org chart, and the intention is to move core operations from consultants to internal staff.

Committee Member O'Connor suggested that a glossary page be included with the budget.

Chair Gold reported that the Finance Committee's role should be to ask questions regarding financial implications of CPA growing its staff and to provide that perspective to the Executive Committee who will be making the policy decisions.

The following member of the public provided comments on Item 6: Harvey Eder (Public Solar Power Coalition).

This item was for informational purposes only.

7. Postponed discussion on proposed changes to interim financial reporting

This item was postponed to the next Finance Committee meeting.

V. COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

VI. ADJOURNED

Chair Gold adjourned the meeting.



Financial Dashboard

Summary of Financial Results

YTD
February
2019

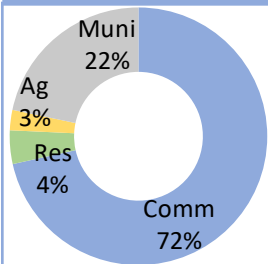
Active Accounts

955,000

Opt-Out %

2.6%

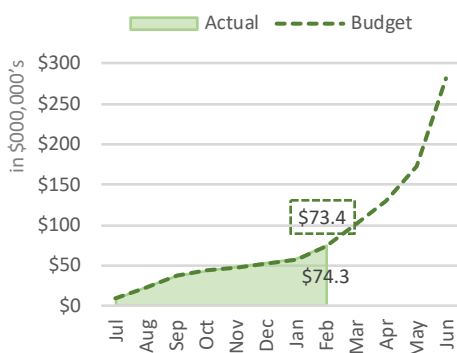
YTD Sales Volume
1240 GWh



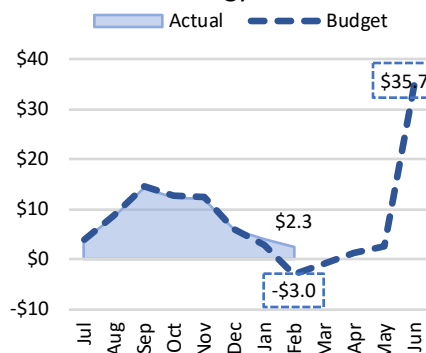
in \$000,000's	February				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Energy Revenues	\$17.0	\$15.9	\$1.0	7%	74.3	73.4	0.9	1%
Cost of Energy	\$18.5	\$21.8	-\$3.3	-15%	71.9	76.4	-4.5	-6%
Net Energy Revenue	-\$1.6	-\$5.9	\$4.3		2.3	-3.0	5.4	
Operating Expenditures	\$1.5	\$1.9	-\$0.4	-20%	5.0	5.9	-0.9	-15%
Net Income	-\$3.1	-\$7.8	\$4.7		-2.6	-8.9	6.2	

- CPA recorded positive financial results for the period. Expenditures remain within authorized budget limits.
- Year-to-date Revenues were \$74.2 million or 1% above amended budget revenues.
- Cost of energy was \$71.9 million or 6% below budgeted energy costs. Energy costs were lower than budgeted due to the non utilization of contingencies.
- Operating expenditures were 15% lower than budgeted due to lower than budgeted staffing, Southern California Edison fees, general, administrative and occupancy costs.
- Net income was \$4.7 million greater than budgeted net loss.
- Management believes that available liquidity and bank lines of credit are sufficient for CPA to continue to meet its obligations as agreed.

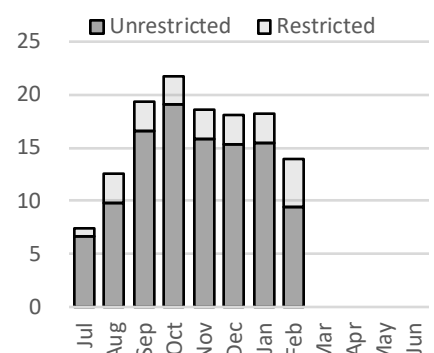
Cumulative Revenue



Net Energy Revenue



Cash & Cash Equivalents



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA

Opt-out %: Customer accounts opted out divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2018₇



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Finance Committee
From: Matthew Langer, Chief Operating Officer
Approved by: Ted Bardacke, Executive Director
Subject: April 2019 Risk Management Team Report
Date: April 24, 2019

SUMMARY

Key Actions

- Evaluated March market performance, including impacts of cold weather in early March and low day-time prices due to spring conditions later in the month, including low demands and high solar generation.
- Reviewed updated long-term load forecast that incorporates refreshed opt out rate assumptions. The load forecast will continue to be updated with actual Phase 4 customer opt out trends.
- Reviewed newly-implemented risk modeling tool and hedging scenarios to be evaluated in the future.
- Reviewed open positions and approved purchase of energy hedges covering the period of May 2019 through December 2021.

Policy Compliance

No new policy compliance issues to report.



Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Approved By: Ted Bardacke, Executive Director
Subject: Review Draft Fiscal Year 2019/20 Annual Budget
Date: April 24, 2019

SUMMARY

Each year CPA develops an annual budget to govern the receipt of revenues and disbursement of expenditures during the upcoming fiscal year. Staff plan to present the Fiscal Year (FY) 2019/20 Budget for the fiscal year beginning July 1, 2019 for approval by the Board at its June 6, 2019 meeting. The FY 2019/20 Budget is being developed in accordance with the timeline and priorities summarized in FY 2019-20 Budget Priorities and Timeline presentation (provided as Attachment 1) and reflects the input of the Finance and Executive Committees.

Year over year revenue and cost increases in the Draft FY 2019/20 Budget (provided as Attachment 2) arise from the following changes to CPA operating conditions.

1. The full year impact of Phase 3 (Residential) and Phase 4 (Commercial) enrollments
2. The “insourcing” of activities currently provided by third party service providers
3. The development of information systems that reduce costs and risks and allow CPA to deliver on its mission
4. A move to new, permanent agency offices in downtown Los Angeles

Revenues are based in part on CPA’s rate and competitive objectives, estimates of SCE rates that will take effect on June 1, 2019 and new SCE rates that will take effect in 2020,

and estimates of CPA load and Phase 4 opt out rate assumptions. Revenue estimates are subject to change prior to the presentation of the FY 2019/20 Budget at the June Board meeting.

The Draft FY 2019/20 Budget sets forth changes to the following budget line items:

Revenue – electricity (+\$731,190,000; 259% increase): Budgeted electricity revenues are based on estimates of customer electricity usage, and retail electricity rates. Retail electricity rates include rates approved by the Board and rates that staff expects to propose to the Board for approval at the June Board meeting. The increase in revenue results primarily from the full year effect of enrolling residential and commercial customers in February and May 2019 respectively. Electricity revenues include an allowance for uncollectable accounts.

Other revenue (+\$10,000, no change): Other revenue includes operating revenue that does not represent sales of electricity and frequently relates to unanticipated events that occur during the year.

Cost of energy (+\$711,189,000; 289% increase): Cost of energy includes expenses associated with the purchase of energy, charges by the California Independent Systems Operator (CAISO) for load, and services performed by the CAISO. CAISO charges for load are based on customer energy use and the prices at the Default Load Aggregation Point (DLAP). Credits for energy generation scheduled into the CAISO market and revenues arising from Congestion Revenue Rights (CRRs) are netted from the cost of energy. CAISO credits for energy generation are based on wholesale energy deliveries and Locational Margin Prices (LMPs). CRRs are financial instruments created by the CAISO which enable load serving entities, such as CPA, to manage price differences between wholesale energy delivery locations and retail use points. Increased energy costs result primarily from the full year effect of enrolling residential and commercial customers in February and May 2019 respectively. Cost of energy is subject to change prior to the presentation of the FY 2019/20 Budget at the June Board meeting due to updates of the load forecast following receipt of additional historical usage data, opt out

rates from the May enrollment becoming clearer, and changes in market prices which impact the cost of energy.

Staffing (+\$2,384,813; 97% increase): Staffing costs include salaries and benefits payable in accordance with CPA's Board approved Employee Handbook. Increased costs result from the full year effect of staff hired during FY 2018/19, the insourcing of core activities, hiring of new staff as described in the organization chart appearing in Attachment 1, and a budget allowance for increased staff benefits equal to 6.5% of salaries. Staff plan to present revisions to staff benefits to the Executive Committee in the first quarter of FY 2019/20.

Technical services (+\$72,000; 4% increase): Technical services include rate setting and energy management related services such as scheduling coordination, rate setting, energy portfolio management consulting services, including assistance with risk management, and support for the 2020 Request for Offers for Long Term Clean Energy Resources (Long Term RFO). Providers of technical services include The Energy Authority (portfolio/risk management and scheduling) and MRW Associates (rates and revenue modeling). In nearly all cases, contracts for technical services for FY 2019/20 are under negotiation or RFOs for technical services have not yet occurred. The 4% increase reflects the insourcing of portfolio management and rate setting services.

Legal services (+\$367,000; 52% increase): Legal services support CPA's contracting, including contracting for short term energy and resource adequacy and long term renewable energy and other activities. Increased costs will support current and additional contracting for long term renewable energy, increased regulatory activity, and a review of CPA's Employee Handbook. Providers of Legal Services include Hall Energy Law and Clean Energy Counsel (energy contracting), Braun Blasing Smith Wynne (CPUC compliance) and Buchalter (CPUC rate and other proceedings).

Other services (+\$129,000; 31% increase): Other services represent professional services not budgeted under Technical or Legal services and include costs associated with support for the local programs strategic planning project (Arup), financial auditing

(TBD), planning and brokerage services associated with CPA's move to permanent offices (TBD), strategic planning services that will support the development of a technology road map (TBD), information technology (Neutrino Networks) and support related services. The 31% increase reflects the insourcing of accounting services.

Customer notices and mailing services (-\$2,277,000, 88% decrease): FY 2018/19 budgeted notices and mailing services supported the enrollment of residential and commercial customers in February and May 2019 respectively. Budgeted FY 2019/20 notices and mailing services represent a contingency.

Communications and marketing services (-\$84,000; 19% decrease): Communications and related services include costs associated with customer outreach, marketing, branding, website management, translation, advertising, special events and sponsorships. Decreased budgeted costs arise from reduced activity associated with customer enrollments in FY 2019/20 and the insourcing of marketing activities.

Data management services (+\$6,910,000; 138% increase): Data manager costs are based on the number of customer meters served by CPA and per-meter rates charged by CPA's data manager. Increased data manager costs arise from the full year effect of enrolling residential and commercial customers in February and May 2019 respectively.

Service fees – SCE (+\$989,000; 81% increase): Service fees are charged by SCE for a variety of billing and administrative services provided by SCE. Increased SCE fees arise from the full year effect of enrolling residential and commercial customers in February and May 2019 respectively.

General and administration (+\$198,000; 33% increase): General and administration costs include office supplies, phone, internet, travel, dues and subscriptions, and other related expenses and include fees associated with CPA's membership in the CCA trade organization California Community Choice Association (CalCCA). Increased general and administrative charges arise from increased staffing and the planned move into permanent offices.

Occupancy (+\$258,000; 165% increase): Occupancy costs include the costs of leasing CPA's offices, temporary accommodation for board meetings, educational events, and utility costs. The increase in occupancy costs arises from increased staffing and the planned move into permanent offices.

Customer Programs (+\$1,200,000, new): Customer programs represent direct costs associated with providing energy programs to CPA customers. Direct costs typically support customer rebates and program implementation. Costs associated with customer programs will support the implementation of a to be determined distributed energy resources pilot program. Staff plans to provide additional information regarding customer programs to the Finance Committee in May 2019 once additional program planning and design work has occurred.

Finance and interest expense (+\$309,000; 111% increase): Finance and interest expenses represent fees, borrowing and letter of credit costs associated with CPA's loan facility. The increase reflects expected utilization of the line of credit in the first quarter of FY 2019/20, payment of loan and non-utilization fees to River City Bank and includes a contingency.

Interest income (+\$780,000; 1130% increase): Increased interest income results from higher balances in savings accounts.

Capital outlay (+\$551,000): Expenditures associated with capital outlay will support the purchase of furniture, computers, audio visual equipment used at Board and other meetings, and a contingency for leasehold improvements. Increased capital outlay arises from increased staffing and planned move into permanent offices.

Attachments:

- 1) FY 2019-20 Budget Priorities and Timeline
- 2) Draft FY 2019-20 Budget



FY 2019/20 Budget Timeline and Priorities

April 24, 2019

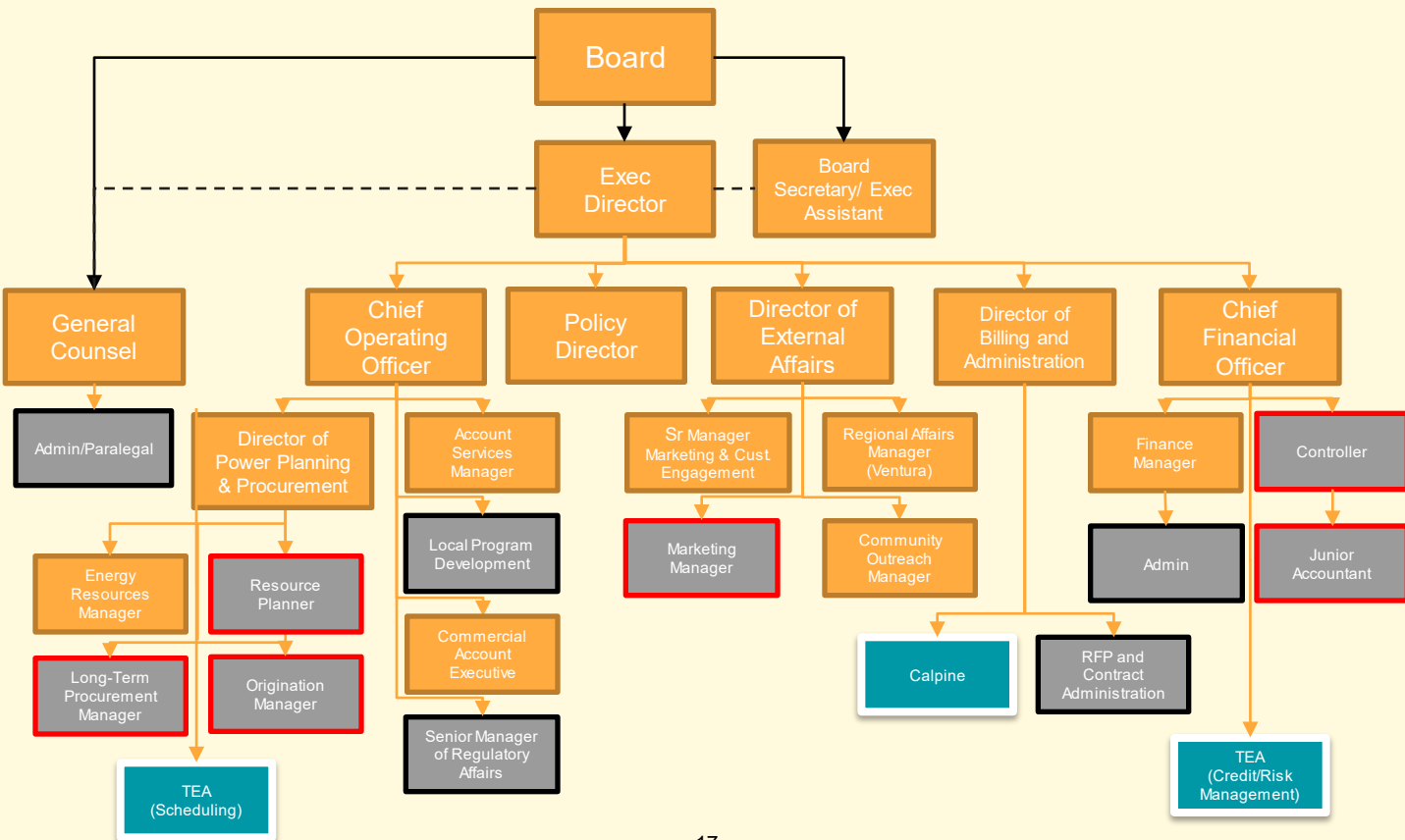
FY 2019/20 Budget – Board & Committee Schedule

- ✓ March 27, 2019 (Finance) – Budget Priorities
- ✓ April 17, 2019 (Executive) – Budget Priorities
 - April 24, 2019 (Finance) – Draft FY 2019/20 Budget
 - May 2, 2019 (Board) – Budget Priorities
 - May 15, 2019 (Executive) – Draft FY 2019/20 Budget
 - May 22, 2019 (Finance) – Proposed FY 2019/20 Budget
 - June 6, 2019 (Board) – Proposed FY 2019/20 Budget

Budget Priorities: Programs

- Distributed Energy Resources (DER) Pilot
 - Planning costs included in the Calpine contract.
 - Implementation costs included in the Draft FY 2019/20 Budget as a placeholder only. Process of determining program parameters is ongoing and will conclude by mid May
- Customer Programs
 - Strategic planning kick off this month. Expected completion by end of calendar year 2019.
 - Staffing and implementation costs for customer programs to be included in a budget amendment planned for late 2019 upon completion of the strategic planning process.

Budget Priorities: People



Budget Priorities: Place

- Accommodation for Board and other public meetings
- Accommodation for additional staff
- Affordable centrally located with access to public transportation
- Advanced video conferencing system to provide better collaboration from remote meeting locations
- Draft FY 2019/20 Budget allows CPA to relocate to its own offices in DTLA by January 2020
- Costs would include real estate broker (other services), rent and utilities (occupancy) and other office related expenses (G&A) and furniture, audio visual and IT equipment (capital assets)

Budget Priorities: Systems

- Leverage big data and energy portfolio management systems to optimize energy procurement and risk management, reduce GHG emissions, and create a platform to deliver enhanced energy services and local programs
- Energy Contract and Portfolio Risk Management System – Funding for a new system included in the Draft FY 2019/20 Budget
- Systems Planning Roadmap – Draft FY 2019/20 Budget includes funding to develop a 5-year systems planning roadmap that addresses energy contract and risk management, billing and data management, hourly customer level usage information, and accounting/payables

CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA				
FY 2019/2020 BUDGET				
DRAFT				
A	B	C	D	E
	FY 2018/19 Budget (Amended)	FY 2019/20 Budget	Change	% Change
1 Revenue - Electricity net	281,801,000	1,012,991,000	731,190,000	259%
2 Other revenue	10,000	10,000	-	0%
TOTAL REVENUE	281,811,000	1,013,001,000	731,190,000	259%
3 Cost of energy	246,053,000	957,242,000	711,189,000	289%
TOTAL ENERGY COSTS	246,053,000	957,242,000	711,189,000	289%
4 NET ENERGY REVENUE	35,758,000	55,759,000	20,001,000	56%
OPERATING EXPENSES				
5 Staffing	2,467,000	4,852,000	2,385,000	97%
6 Technical services	1,705,000	1,777,000	72,000	4%
7 Legal services	713,000	1,080,000	367,000	51%
8 Other services	410,000	539,000	129,000	31%
9 Communications and marketing services	433,000	349,000	(84,000)	-19%
10 Customer notices and mailing services	2,577,000	300,000	(2,277,000)	-88%
11 Data management services	5,020,000	11,930,000	6,910,000	138%
12 Service fees - SCE	1,226,000	2,215,000	989,000	81%
13 Local programs	-	1,200,000	1,200,000	
14 General and administration	609,000	807,000	198,000	33%
15 Occupancy	156,000	414,000	258,000	165%
16 TOTAL OPERATING EXPENSES	15,316,000	25,463,000	10,147,000	66%
17 OPERATING INCOME	20,442,000	30,296,000	9,854,000	48%
18 Finance and interest expense	279,000	588,000	309,000	111%
19 Depreciation	6,000	12,000	6,000	100%
20 TOTAL NON OPERATING EXPENSES	285,000	600,000	315,000	111%
21 Interest Income	69,000	849,000	780,000	1130%
22 TOTAL NON OPERATING REVENUE	69,000	849,000	780,000	1130%
23 CHANGE IN NET POSITION	20,226,000	30,545,000	10,319,000	51%
24 NET POSITION BEGINNING OF PERIOD	(2,676,840)	17,549,160	(2,676,840)	100%
25 NET POSITION END OF PERIOD	17,549,160	48,094,160	7,642,160	44%
<i>Other Uses</i>				
27 Capital Outlay	22,500	573,600	551,100	2449%
28 Depreciation	(6,000)	(12,000)	(6,000)	100%
29 CHANGE IN FUND BALANCE	20,209,500	29,959,400	9,761,900	48%



Staff Report – Agenda Item 6

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Approved By: Ted Bardacke, Executive Director
Subject: Proposed Changes to Interim Financial Reporting
Date: April 24, 2019

SUMMARY

At the February 27, 2019 Finance Committee meeting Staff presented financial reporting alternatives and received input from the Finance Committee.

Staff proposes to;

- Use the Financial Dashboard and Budget to Actual reporting format as it appears in the February 2019 monthly Dashboard (presented as Item 2 on the Consent Agenda), and the Budget to Actual report attached.
- Provide these reports to the Finance Committee on a quarterly basis beginning in the fall of 2019
- Review interim financial reporting with the Finance Committee at that time and make further adjustments as needed once the 2019 customer enrollments are complete and the potential variability of CPA's finances has narrowed

Attachment: 1) Proposed FY 2018-19 Budget to Actual Report – YTD February 2019

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
July 1, 2018 through February 28, 2019

	2018/19 YTD Amended Budget	2018/19 YTD Actual	2018/19 YTD Amended Budget Variance (Under) Over	2018/19 YTD Actual / Amended Budget %	2018/19 Annual Amended Budget	2018/19 Remaining Amended Budget	2018/19 Remaining Amended Budget %
Operating Revenues							
Revenue - electricity, net	\$ 73,387,488	\$ 74,253,802	\$ 866,314	101%	\$ 281,801,000	\$ 207,547,198	74%
Other revenues	6,000	6,000	-	100%	10,000	4,000	40%
Total Operating Revenues	73,393,488	74,259,802	866,314	101%	281,811,000	207,551,198	74%
Energy Costs							
Energy procurement	76,415,116	71,933,853	(4,481,263)	94%	246,053,000	174,119,147	71%
Operating Revenues less Energy Costs	(3,021,627)	2,325,949	5,347,576	-77%	35,758,000	33,432,051	93%
Operating Expenditures							
Staffing	1,499,636	1,247,766	(251,870)	83%	2,467,000	1,219,234	49%
Technical services	1,136,667	1,191,524	54,857	105%	1,705,000	513,476	30%
Legal services	475,333	283,381	(191,952)	60%	713,000	429,619	60%
Other services	273,333	221,369	(51,964)	81%	410,000	188,631	46%
Communications and marketing	297,758	285,746	(12,012)	96%	433,000	147,254	34%
Customer notices and mailing	80,000	58,713	(21,287)	73%	2,577,000	2,518,287	98%
Data management services	1,164,274	1,012,846	(151,428)	87%	5,020,000	4,007,154	80%
Service fees- SCE	377,539	291,347	(86,192)	77%	1,226,000	934,653	76%
General and administration	387,563	315,643	(71,920)	81%	609,000	293,357	48%
Occupancy	104,000	78,121	(25,879)	75%	156,000	77,879	50%
Total Operating Expenditures	5,796,104	4,986,456	(809,648)	86%	15,316,000	10,329,544	67%
Operating Income	(8,817,731)	(2,660,507)	6,157,224		20,442,000	23,102,507	113%
Non-Operating and Other Revenues (Expenditures)							
Investment Income	23,000	103,657	80,657	451%	69,000	(34,657)	-50%
Interest expense and bank fees	(72,548)	(72,587)	(39)	100%	(279,000)	(206,413)	74%
Depreciation	(4,000)	(3,591)	409	90%	(6,000)	(2,409)	40%
Total Non-Operating Revenues (Expenditures)	(53,548)	27,479	81,027		(216,000)	(243,479)	113%
Change in Net Position	(8,871,279)	(2,633,028)	6,238,251		20,226,000	22,859,028	113%
Other Uses							
Capital outlay	15,000	4,347	(10,653)	29%	22,500	18,153	81%
Depreciation	(4,000)	(3,591)	409	90%	(6,000)	(2,409)	40%
Total Other Uses	11,000	756	(10,244)		16,500		
Change in Fund Balance	\$ (8,882,279)	\$ (2,633,784)	\$ 6,248,495		\$ 20,209,500		