

Board of Directors Meeting

Thursday, April 4, 2019
2:00 p.m.

I. Welcome & Roll Call

II. General Public Comment

III. Closed Session

Item 1

PUBLIC EMPLOYEE – LABOR NEGOTIATION
(Government Code Section 54957.6)

IV. Consent Agenda

Item 1

Appoint Julie Gomez as Acting Board Secretary
for this April Board of Directors meeting

Item 2

Approve Minutes from March 7, 2019 Board of Directors Meeting

Item 3

Authorize Staff to Change Default Rate for Master Metered Accounts with sub-metered CARE, FERA, or Medical Baseline customers in 100% Green Power Default Communities

Item 4

Approval of Master Agreement and Task Order No. 1 with ARUP for CPA Local Programs Goals and Priorities Consulting Services for an amount NTE \$125,000

Item 5

Approve Amendment to Professional Services Agreement between CPA and The Energy Coalition (TEC) for additional translation of CPA outreach and marketing materials and website, and services related to CPA's Green Business Recognition Program for an amount NTE \$50,000

Item 6

Authorize the Executive Director to Execute a Professional Legal Services Agreement between CPA and Buchalter, a law firm, for legal services for an amount NTE \$90,000

Item 7

Receive and File Report from the Community
Advisory Committee March 14, 2019 Meeting

V. Regular Agenda

Item 8

Approve Employment Agreement with Executive Director Ted Bardacke as revised

Item 9

Adopt Resolution No. 19-04-005 to Approve 2019 Rates for Phase 1 & 2 Non-Residential Customers, Resolution No. 19-04-006 to Approve 2019 Rates for Phase 4 Non-Residential Customers, and Resolution No. 19-04-007 to Approve 2019 Rates for Phase 3 Residential Customers



April 2019 Rate Changes

April 4, 2019

April Rate Changes

- As of April 4th, SCE is implementing the ERRA Trigger in order to recover part of its costs related to its \$825 million 2018 undercollection
 - The trigger will result in a one-year increase to the PCIA paid by CPA's Phase 3 & 4 customers. Bundled SCE customers will see an increase to their generation rate
- It is necessary for CPA to adjust its rates to maintain the Board approved rate comparison ranges even with the increased PCIA
- CPA rates presented today will be effective as of April 4th. Since these rate changes are not structural in nature, they will take effect for all customers on April 4th
- For the majority of CPA customers (Phases 3 & 4), CPA's generation rates are decreasing to account for the larger PCIA

Rate Bifurcation

CPA's phase 1 & 2 customers are charged a different PCIA by SCE than Phase 3 & 4 customers because they were enrolled in different "vintage" years

- This difference is accounted for in CPA's rates so that all customers on the same rate schedule pay the same net rate, after the PCIA is taken into account
- This is the reason why staff is presenting separate resolutions adopting "bifurcated" non-residential rates for Phase 1 & 2 customers and for Phase 4 customers
- Staff expects this bifurcation to collapse back into one set of rates in 2020, when the PCIA becomes more homogeneous

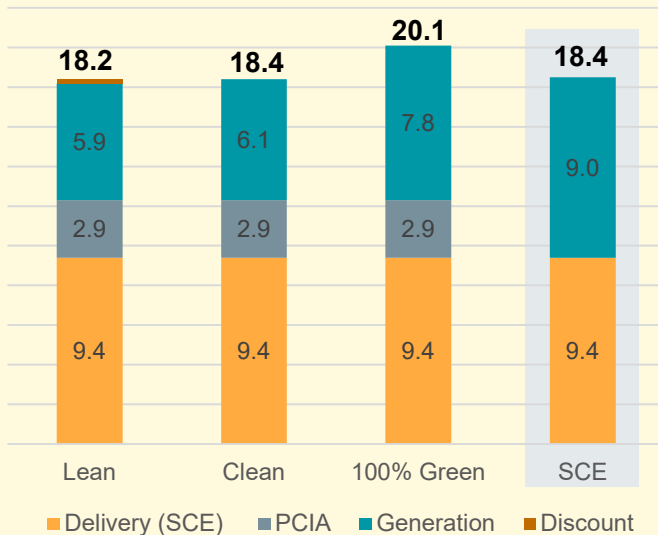
Balancing Account and Delivery Rate Changes

- SCE's April 4th rates also incorporate other changes
 - Balancing Account Updates – included in SCE's rate changes are adjustments to rates to collect or refund revenue from a variety of balancing accounts
 - CPA is also adjusting for these rate changes where they affect generation rates to stay within the Board-approved rate ranges
- The average net effect of today's rate changes will be a rate increase of under 1% for most customers
 - Although the PCIA and SCE generation rates are increasing significantly, SCE's delivery rates are decreasing by a similar amount
 - An additional rate change in June will result in a total in total bill increase of approximately 5%

Today's Rate Adjustment

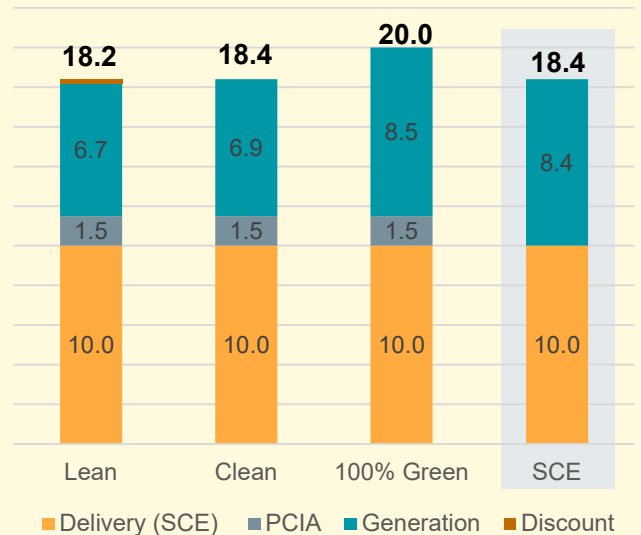
Today's Proposed Rates

DOMESTIC Rate (cents/kWh)



Rates Approved March 7th

DOMESTIC Rates (cents/kWh)



DOMESTIC is the most common residential rate.

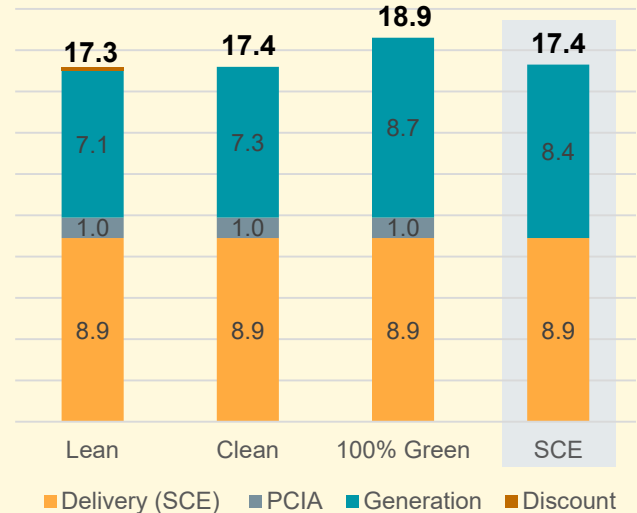
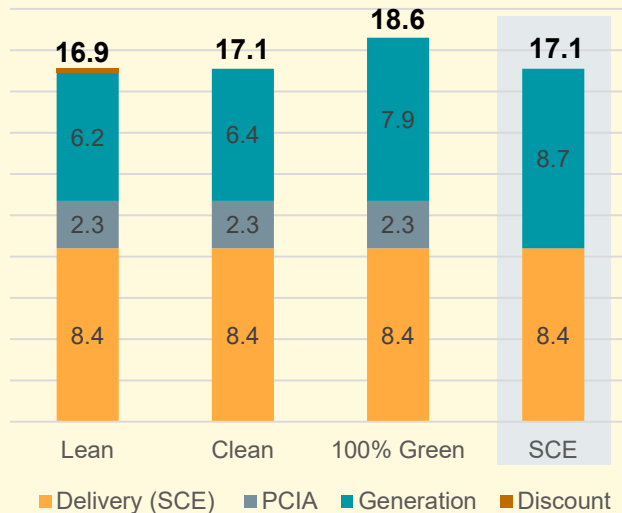
Today's Rate Adjustment

**Today's Proposed Rates
(Phase 4)**

Rates Approved March 7th

TOU-GS-1-E Rate (cents/kWh)

TOU-GS-1-E Rate (cents/kWh)



TOU-GS-1-E is the most common commercial rate.

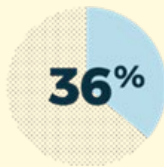
What happens next?

One additional rate change is expected in the next few months

- **May or June Board Meeting (TBD)**
 - Rate change will encompass new ERRA rates and PCIA updates separate from the trigger, including brown power true-up (approved by CPUC on 2/21)
 - Due to implementation of the new ERRA rates, rates are expected to go up for both SCE and CPA customers by about 5%
- Staff will propose rate updates to the Board in conjunction with these changes in order to maintain the Board approved rate comparison ranges
- This rate setting process is unprecedented and unlikely to be repeated in 2020 – numerous rate changes largely a result of SCE's power market losses and TOU structural changes overlapping with CPA's mass enrollment period

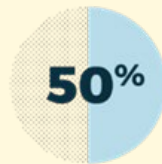
2019 Rate Setting Messaging

- This rate setting process is unprecedented and unlikely to be repeated in 2020
- Regardless of changes in SCE rates and PCIA, we will consistently communicate that CPA rates fall within the following ranges



Lean Power

36% renewable energy that offers a **1%-2%** discount to overall Southern California Edison (SCE) bill as compared to SCE 2019 base rates.



Clean Power

50% renewable energy that offers a **0%-1%** overall bill discount to SCE 2019 base rates.



100% Green Power

100% renewable energy that is a **7%-9%** overall bill premium to SCE 2019 base rates for non-CARE / FERA / Medical Baseline customers.

Offers parity with SCE rates for CARE / FERA / Medical Baseline customers.

Item 10

Adopt Resolution 19-04-008 Authorizing and Approving Entry into a First Amended Revolving Credit Agreement and Specified Related Amended Agreements with River City Bank, and Delegating Authority to the Clean Power Alliance Authorized Representatives to Execute and Deliver the Same

VI. Management Update

VII. General Counsel Update

VIII. Committee Chair Updates



Legislative & Regulatory Committee Chair

Finance Committee Chair

Energy Planning & Resources Committee Chair

Communications & Outreach Ad Hoc Chair

IX. Board Member Comments

X. Report from the Chair

XI. Adjourn

Next Meeting – May 2, 2019

