



**MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California**

Wednesday, June 26, 2019

12:15 p.m.

555 W. 5th Street, 35th Floor

Los Angeles, CA 90013

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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 PublicComments@cleanpowerallianc.org. 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

Clean Power Alliance Energy Planning & Resources Committee
June 26, 2019

meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.

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

Arcadia Public Works Service Center
11800 Goldring Road, Arcadia, CA 90166

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

Oxnard City Hall Annex
4th Floor, Conference Room
300 W. Third Street, Oxnard, CA 93030

Santa Monica City Hall – Room 201
1685 Main Street, Santa Monica, CA 90401

Thousand Oaks City Hall
Public Works Conference Room
2100 Thousand Oaks Blvd.,
Thousand Oaks, CA 91362

I. WELCOME & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from April 24, 2019 Energy Committee Meeting

IV. REGULAR AGENDA

2. Staff Recommendations for Distributed Energy Resources (DER) Pilot Program
3. Staff Update on Long-Term Power Purchase Agreements (PPAs)
4. June 2019 Risk Management Team Report

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 Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, April 24, 2019, 12:15 p.m.

MINUTES

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

*Santa Monica City Hall – Room 201
1685 Main St., Santa Monica, CA 90401*

*Arcadia Public Works Service Center
11800 Goldring Rd., Arcadia, CA 90166*

*Thousand Oaks City Hall
Public Works Conference Room
2100 Thousand Oaks Blvd., Thousand
Oaks, CA 91362*

*Oxnard City Hall Annex
4th Floor Conference Room
300 W. Third St., Oxnard, CA 93030*

I. WELCOME & ROLL CALL

Committee Chair Carmen Ramirez called the meeting to order. Interim Board Secretary Christian Cruz conducted roll call.

ROLL CALL			
Arcadia	Tom Tait	Committee Member	Remote
Carson	Reata Kulcsar	Committee Member	Absent
Malibu	Skylar Peak	Committee Member	Absent
Oxnard	Carmen Ramirez	Committee Chair	Remote
Santa Monica	Kevin McKeown	Committee Member	Remote
Sierra Madre	John Harabedian	Committee Member	Present
Thousand Oaks	Helen Cox	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

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

III. REGULAR AGENDA

1. Approved Minutes from March 27, 2019 Energy Planning & Resources Committee Meeting

Motion: Committee Member Harabedian, Sierra Madre.

Second: Committee Member McKeown, Santa Monica.

Vote: Item 1 was approved by a unanimous roll call vote.

3. Received Staff Update on Resource Adequacy (RA)

(Staff requested this item to be moved up in the Agenda, which the Committee allowed.)

Matt Langer, Chief Operating Officer, provided an update on Resource Adequacy (RA). Mr. Langer highlighted that currently there has been activity surrounding issues in the RA market. Additionally, there are currently several bills in the legislature around central procurement.

Mr. Langer also updated the Committee on the closing of gas fired power plants, which means thousands of megawatts going away, thus increasing scarcity in the market. This can cause those generators who remain in the market to gain a large market share. Additionally, more CCAs are participating in the market creating challenges.

Also, there are two big changes being considered at the CPUC. First, a decision was made around local capacity whereby multi-year procurement is now required. Second, the CPUC is looking at a framework for a central buyer for local RA. CPA supports a residual framework, whereby Load Serving Entities (LSE) can still procure local RA and should there be an energy shortfall then the Central Buyer would step in to fill in the gaps. Mr. Bardacke indicated that a residual framework would allow CCAs to go out and get carbon free resources, which would provide value and then could be monetized to allow CCAs to pursue green projects in a financially viable way.

Committee Member McKeown suggested CPA advocate for a framework that doesn't involve a central buyer, since any framework with a central buyer would severely limit the ability of CPA to lead the transition to true renewable energy. Mr. Bardacke did mention that there is currently legislation that will speak directly to that issue.

The following individual provided public comments on this Item: Harvey Eder (Public Solar Power Coalition).

This item was for informational purposes only.

2. Staff Update on Distributed Energy Resources (DER) Pilot Program

Natasha Keefer, Director of Power Planning & Procurement, provided a presentation on the DER Pilot Program, which is expected to launch in January 2020. Staff is working with Olivine, which has extensive experience piloting these kinds of programs. This program will allow CPA staff to gather data and experience on how best to run these types of programs, which in turn will feed into the local program strategic planning process. It is important to CPA to understand how DER technologies will grow in order to understand how we can utilize them for the benefit of CPA customers. In addition, DERs have the ability to save CPA money from a reduction in the need to procure RA, help meet environmental requirements, and would help improve customer engagement. Once the DER programs have been vetted, staff will bring back those option to the Committee for guidance.

Committee Member McKeown requested that CPA be vigilant, so as to not inadvertently pilot a program that would be using non-renewable solutions for DERs, such as natural gas. Ms. Keefer clarified that the selection criteria does include categories for improvement of air quality, local health, and reduction in GHG emissions, which are also key policy objectives.

Committee Member Harabedian asked staff whether the pilot is prioritizing sustainable green energy careers or workforce building. Ms. Keefer stated that it is a consideration on how the projects will be scored. Committee Member Harabedian also suggested that multiple pilots be considered, so as to learn as much about potential programs as possible.

The following individual provided public comments on this Item: Harvey Eder (Public Solar Power Coalition).

This item was for informational purposes only.

4. Received update on April 2019 Risk Management Team report

Ted Bardacke, Executive Director, noted that CPA is through its February residential enrollment month and CPA staff is shifting focus on the May commercial enrollment

while maintaining close tracking on opt-actions of customers. There were no other major RMT activities to report.

This item was for informational purposes only.

IV. COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

V. ADJOURN

Committee Chair Ramirez adjourned the meeting.



DER Pilot Program Update

June 26, 2019

Background

- CPA is working with Calpine Energy Solutions and Olivine to implement a Distributed Energy Resources (DER) Pilot Program, expected to launch by January 2020
- The DER Pilot Program will allow CPA to develop critical learning and capabilities in the DER space and inform the broader deployment of local programs
- During April – June, CPA has been working to evaluate various DER Pilot program options*
- Today, Staff is seeking input from the Energy Committee on its proposed Pilot program pillars

*The Appendix includes a description of pilot program options evaluated

Work Plan

- CPA, Olivine, and Calpine are currently working together to meet a 2020 DER Pilot Program launch date

Phase 1

DER Program
Opportunities
Defined

March 25 – June 14

- Evaluate DER program options
- Identify best practices
- Conduct deep dive analysis on top 3

Phase 2

Pilot Program Plan

June 15 – August 31

- Select pilot
- Develop design and implementation plan
- Conduct consumer focus or test groups

Phase 3

Implement Pilot

September 6 – Jan 2020

- Board approves DER Pilot Program
- Execute DER Mgmt. Agreement
- Conduct marketing and customer outreach

DER Pilot Program Goals

- Achieves CPA policy objectives
 - Includes air quality and public health, GHG reduction, target DACs, renewable integration, local needs and resilience, economic development
- Achieves benefits to CPA and customers, including rate savings
- Scalable and targets a diverse set of customer segments
- Allows CPA to test wholesale market participation
- Implementable (ease of adoption, technology maturity, etc.)
- \$1.49M budget: Mixture of new infrastructure installation and leveraging existing infrastructure to minimize costs

Proposed DER Pilot Program

- The program would be comprised of four pillars:

	<u>Description</u>	<u>Target Segment</u>
EV Charging	Incentivizes customers to shed EV charging load during peak times	Commercial & Municipal
Solar + Storage	Pairs onsite solar with battery to help customers manage costs and help CPA shift load	Residential & Commercial
Smart Home	Allows CPA to control customer load with smart technology	Residential, including DAC
DAC Community Solar	Low-income residents purchase energy from a solar array at a discounted price	DAC Residential

EV Charging

DER Type: (Load shift, load control)

- Commercial and municipal customers with existing EV smart charging infrastructure will participate in CPA curtailment events that will reduce their EV charging load by 10% during the evening peak ramp-up period (5pm-9pm)
- Events followed by two-hour load recovery period
- Customers receive a monthly or yearly incentive for participation (\$20/month or \$240/year)
- CPA benefits through avoided RA and wholesale energy costs. Also assumes revenue from CPA bidding event capacity into wholesale market

Value Rank to CPA: 1

Value Rank to Customer: 1

Target Segments:
Commercial and Municipal

Estimated participation:
40 customers

Solar + Storage

DER Type: (Distributed generation/storage, load shift)

- Residential and commercial customers pay a \$/kWh price for solar and a yearly lease on a battery to shift their load from low price periods in the middle of the day to higher priced time in evening.
- Customers charge battery with solar during low price periods and discharge battery during evening peak (4pm-9pm)
- Provides energy savings for customers, and additional demand charge savings for commercial customers (additional incentives could be provided in the form of decreased PPA price or battery lease costs to attract participation).*
- CPA benefits through avoided RA costs and ability to call on battery capacity when wholesale prices are high.

*TOU-GS-2 customers receive an additional yearly participation incentive to reach cost-effectiveness.

Value Rank to CPA: 2

Value Rank to Customer: 3

Target Segments:
Residential & Commercial

Projected participation:
1000 Residential customers
960 Commercial customers

Smart Home

DER Type: (Load control, energy efficiency)

- The smart home program is anchored by a smart thermostat which will produce energy savings for customers throughout the cooling period in exchange for participating in load control events called by CPA during the evening ramp (5-9pm)
- Further customer reduction benefits and curtailment possibility with other optional smart home load controls (smart plug(s), multi-purpose sensors, occupancy sensors and/or dimmer switches)
- CPA to provide \$50 enrollment incentive for smart thermostat / \$75 enrollment incentive for additional smart home controls
- CPA benefits through avoided RA costs and ability to activate load control events when wholesale prices are high. Also assumes revenue from CPA will bidding event capacity into wholesale market

Value Rank to CPA: 3

Value Rank to Customer: 2

Target Segment: Residential

Projected participation:
1,000 w existing t-stat
1,000 w new t-stat
1,000 w new t-stat + optional controls

DAC Community Solar

DER Type: (Distributed generation)

- Community solar programs are local solar arrays (front of the meter), sometimes on brownfield sites, used to serve multiple customers. Total system cost ideally lower than rooftop systems due to greater economies of scale
- Programs are geared towards residential customers without suitable site for solar (renters, people with inadequate roof, lower-income, etc)
- Customers subscribe to a portion of total system output in return for bill credits or reduced \$ per kWh energy cost
- CPA able to utilize funds available through the CPUC for projects that are both sited within and benefitting subscribers in a DAC
- CPA benefits through avoided RA costs, some limited wholesale energy savings, and customer PPA payments

Value Rank to CPA: 4

Value Rank to Customer: 4

Target Segment: Residential DACs

Projected participation:
TBD – Depends on level of CPUC funding

Summary and Next Steps

- Staff to incorporate the Energy Committee's feedback on the proposed DER Pilot Program pillars
- A detailed implementation plan will be developed for the DER Pilot during July and August
 - Will include more detailed budgeting for implementation during FY19-20 and first years of selected programs
- A final DER Pilot Program proposal will be presented to the Board of Directors in September 2019

APPENDIX

Overview of All Programs Reviewed

DER Type	DER Category
Solar PV	Generation
Community Solar	Generation
Solar plus Storage	Generation
Community Solar Plus Storage	Generation
Smart Home Package	Load Control
Electric Vehicle V1G	Load Control
Electric Vehicle V2G	Load Control
Smart Thermostat	Load Control
Resistance Water Heater	Load Control
Heat Pump Water Heater	Load Control
Behavioral Demand Response	Load Control
Pool Pump Load Control	Load Control
Residential Battery	Storage
Community Battery	Storage
Commercial Solar	Generation
Microgrid (PV + Storage)	Generation
CHP	Generation
Fuel Cell	Generation
Automated Demand Response	Load Control
A/C Cycling	Load Control
Pump Cycling	Load Control
Commercial Battery	Storage
Flywheel	Storage



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Energy Planning & Resources Committee

From: Ted Bardacke, Executive Director

Subject: Update on Power Purchase Agreements (PPAs)

Date: June 26, 2019

Staff will provide an oral report on CPA's current activities regarding Long-term Clean Energy Power Purchase Agreements (PPAs).



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Energy Planning & Resources Committee

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: June 2019 Risk Management Team Report

Date: June 26, 2019

SUMMARY

Key Actions

- Reviewed load forecast scenario and positions reflecting CPA’s latest opt out projections.
- Approved transactions for 2019, 2020, and 2021 energy hedges.
- Discussed proposed amendments to the Energy Risk Management Policy (ERMP), including new transaction types, to be presented to the Board of Directors for consideration in July 2019.

Policy Compliance

Policy Deviation	Required Action
Due to CPA’s revised load forecast, CPA is long PCC1 and carbon free in 2019.	CPA will sell excess PCC1 and carbon free for the balance of 2019.