



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

Wednesday, September 4, 2019

12:15 p.m.

Please Note Meeting Date

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@cleanpoweralliance.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
September 4, 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

Malibu City Hall
23825 Stuart Ranch Rd
Malibu, CA 90265

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

I. WELCOME & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. [Approve Minutes from June 26, 2019 Energy Committee Meeting](#)
2. [Receive and File July and August 2019 Risk Management Team Reports](#)

IV. REGULAR AGENDA

3. [Staff Update on 2019 Long-Term Clean Energy Request for Offers \(RFO\) Process](#)
4. [Review Bilateral PPA Opportunity – Wind Resource with 2020 Online Date](#)
5. [Staff Update on 2020 Integrated Resource Plan \(IRP\) Process](#)

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, June 26, 2019, 12:15 p.m.

MINUTES

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

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300 W. Third St., Oxnard, CA 93030*

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

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

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	Remote
Malibu	Skylar Peak	Committee Member	Present
Oxnard	Carmen Ramirez	Committee Chair	Remote
Santa Monica	Kevin McKeown	Committee Member	Remote
Sierra Madre			Absent
Thousand Oaks	Helen Cox	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

There were no general public comments.

III. REGULAR AGENDA

1. Approved Minutes from April 24, 2019 Energy Planning & Resources Committee Meeting

Motion: Committee Member Tait, Arcadia.

Second: Committee Member McKeown, Santa Monica.

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

2. Received Staff Recommendations for Distributed Energy Resources (DER) Pilot Program

Ted Bardacke, Executive Director, provided a brief presentation on the DER pilot program CPA is currently developing. Mr. Bardacke highlighted the feedback provided to staff to date, including looking at programs that can be implemented across the CPA service territory. CPA is in phase 2 of planning and would like to receive additional feedback from the Energy Committee. Mr. Bardacke also highlighted the need for this project to achieve benefits for both CPA, as an organization, but also for customers.

Committee Member Kulcsar asked about the budget and if customers receive a bill credit will that credit come from this pilot project budget. Mr. Bardacke clarified that all program incentives are included within this DER pilot budget. Committee Member Kulcsar also asked about the Calpine and Olivine contract and whether they will be getting additional funds. Mr. Bardacke stated that planning for the pilot is included in the contract, however, when we move to implementation there will be a separate DER services agreement for that.

Mr. Bardacke reviewed the four proposed pillars of the project. Mr. Bardacke indicated there will be funds from cap and trade dollars to fund community solar for DACs for both installation and bill discounts and that it will be administered separately.

Committee Member McKeown asked why staff landed on the reduced EV charging load of 10%. Committee Member McKeown also asked if we could raise the percentage to 20%. Staff indicated that this was a number provided by the project consultant and would staff would ask if the percentage can be raised. Committee Member Peak asked that staff continue to look at the cost of battery storage for homes.

Mr. Bardacke highlighted that there are 10,000 customers that have smart thermostats installed, and with marketing CPA is looking to get 10% of these customers to participate in the program. Committee Member Peak asked staff to consider focusing their efforts on large homes that might yield better data.

Committee Member McKeown asked if programs such as this have been implemented by any other utility, as it pertains to curtailment and home load controls, and if so, what reaction customers had to home load controls. Mr. Bardacke clarified that SCE has a similar program where 50,000 customers are allowing SCE to control their air conditioners, but does not have the opt-out numbers for that program.

Matt Langer, Chief Operating Officer, commented, in reference to community solar, if CPA is unable to build community solar in a particular area then CPA would be able to provide an offering of green energy at a discounted rate, to those communities instead. Committee Member McKeown asked about the land where community solar would be built. Mr. Langer clarified that we would work with the member agencies to locate available land within disadvantaged communities in CPA territory.

3. Received update on Long-Term Power Purchase Agreements (PPAs)

Mr. Langer provided a brief update on the PPA negotiations. Mr. Langer stated that staff plans to bring three PPAs for approval at the Board retreat. Two of these PPAs came from the long term RFO that was launched in October. The first is Arlington Solar and would be expected to come on-line on October 1, 2022. The second is known as Golden Field Solar and is expected to come on-line on March 31, 2021. The third project known as Isabella Hydro came out of the short-term renewable solicitation. Mr. Langer also highlighted that staff is in negotiations with two additional projects and staff plans bring those to the Board at a future meeting.

This item was for informational purposes only.

4. Received update on June 2019 Risk Management Team Report

Mr. Langer provided a brief update on the Risk Management Team (RMT) monthly activities. Mr. Langer noted that staff is monitoring opt-outs, as CPA has entered the post 60-day enrollment period for non-residential enrollment. The RMT also approved transactions for 2019-2021 energy hedges, which are consistent with the hedging strategy in the Energy Risk Management Policy (ERMP). Mr. Langer indicated that staff will be bringing proposed amendments to the ERMP to the Board.

Additionally, as a result of the last load forecast CPA does have excess resources in the PCC-1 energy category, and staff is taking action to sell the excess amount.

This item was for informational purposes only.

IV. COMMITTEE MEMBER COMMENTS

Committee Member Cox asked if staff will be sharing the impact of the SCE rate changes on opt-out rates. Mr. Bardacke indicated that in mid-July staff will have a better handle and at that point an update will be provided.

V. ADJOURN

Committee Chair Ramirez adjourned the meeting.



Staff Report – Agenda Item 2

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

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: July and August 2019 Risk Management Team Reports

Date: September 4, 2019

JULY 2019 RMT REPORT

Key Actions

- Reviewed load forecast scenario and positions reflecting CPA's latest opt out projections.
- Approved transactions for 2019, 2020 and 2021 energy hedges.
- Reviewed Resource Adequacy position and approved solicitation to fill 2020-2022 requirements.
- Reviewed Renewables Portfolio Standard (RPS) position and approved transactions to address balance of 2019 needs.

AUGUST 2019 RMT REPORT

Key Actions

- Reviewed market fundamentals and drivers that have led to lower than expected energy prices so far this summer.
- Approved transactions for 2020 and 2021 energy hedges.

Policy Compliance

No new policy compliance issues to report for July or August.



2019 Clean Energy RFO

September 4, 2019

Agenda

- Recap of 2018 Clean Energy RFO
- Procurement drivers
- 2019 Clean Energy RFO process

Summary of 2018 Clean Energy RFO

- CPA launched its first Clean Energy RFO in October 2018, with the goal of contracting for 1-2 million MWh of renewable energy
- CPA requested offers from renewable, renewable plus storage, and standalone storage projects
- CPA received a robust response from over 230 facilities
- The RFO resulted in 1.2 million MWh of contracted generation¹:



(1) Includes solar + storage PPA currently under negotiation

Lessons Learned

- CPA's 6 evaluation criteria¹ were effective in guiding project selection
- To increase CPA's optionality in negotiations, more projects should be included in the initial shortlist
- The selection process, including an RFO review team with Board member participation, was effective and will be used in the 2019 RFO
- CPA received limited responses from local projects; a more targeted procurement process may yield more local project proposals and eventual projects

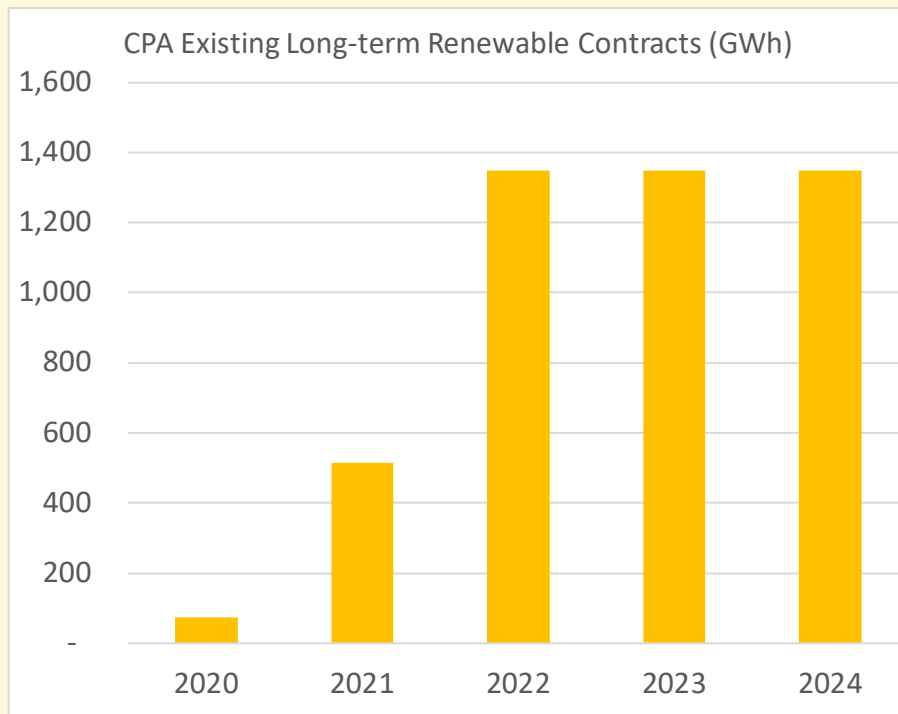
(1) Value, development risk, environmental stewardship, workforce development, project location, benefits to Disadvantaged Communities

Procurement Drivers

- Securing long-term clean energy contracts is critical for CPA
 - SB 350 long-term contracting requirements
 - Cost savings through long-term pricing
 - Load-resource balance considerations (portfolio diversity)
 - New steel in the ground

Current Long-term RPS Portfolio

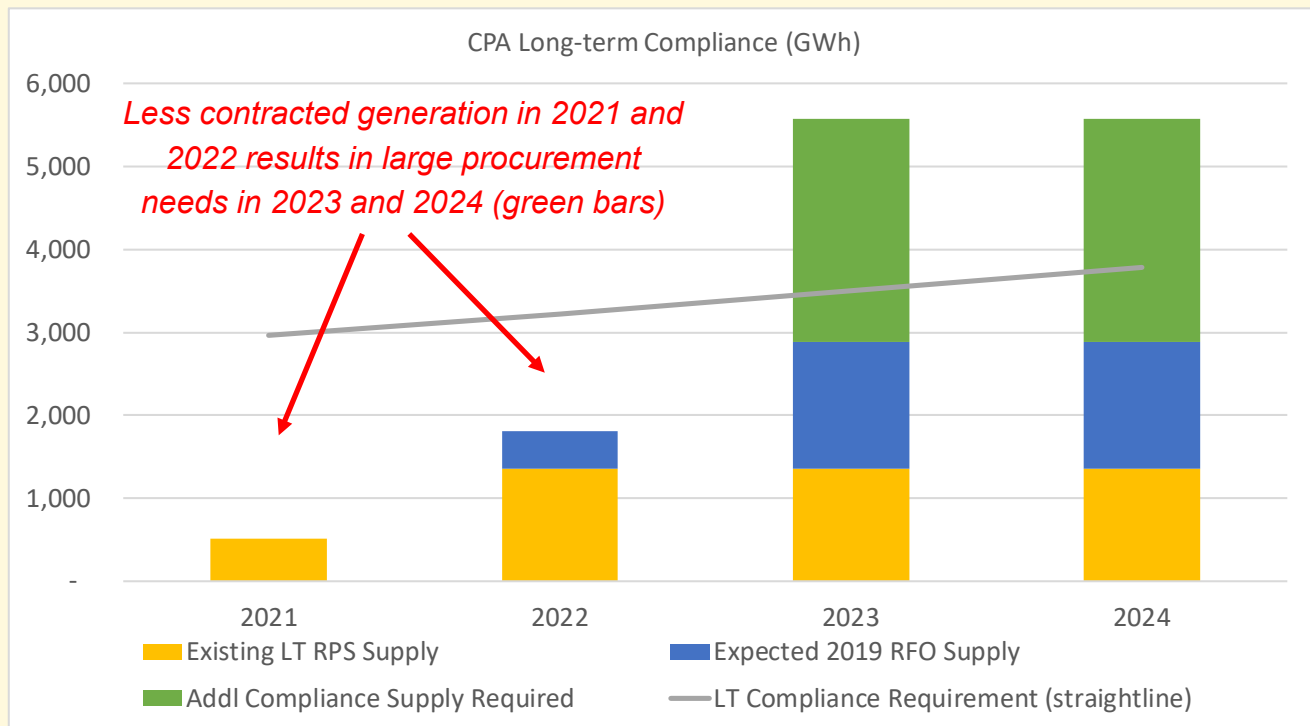
- Voyager Wind
- Arlington Solar
- Golden Fields Solar
- Isabella Hydro
- Solar + Storage (under negotiation)



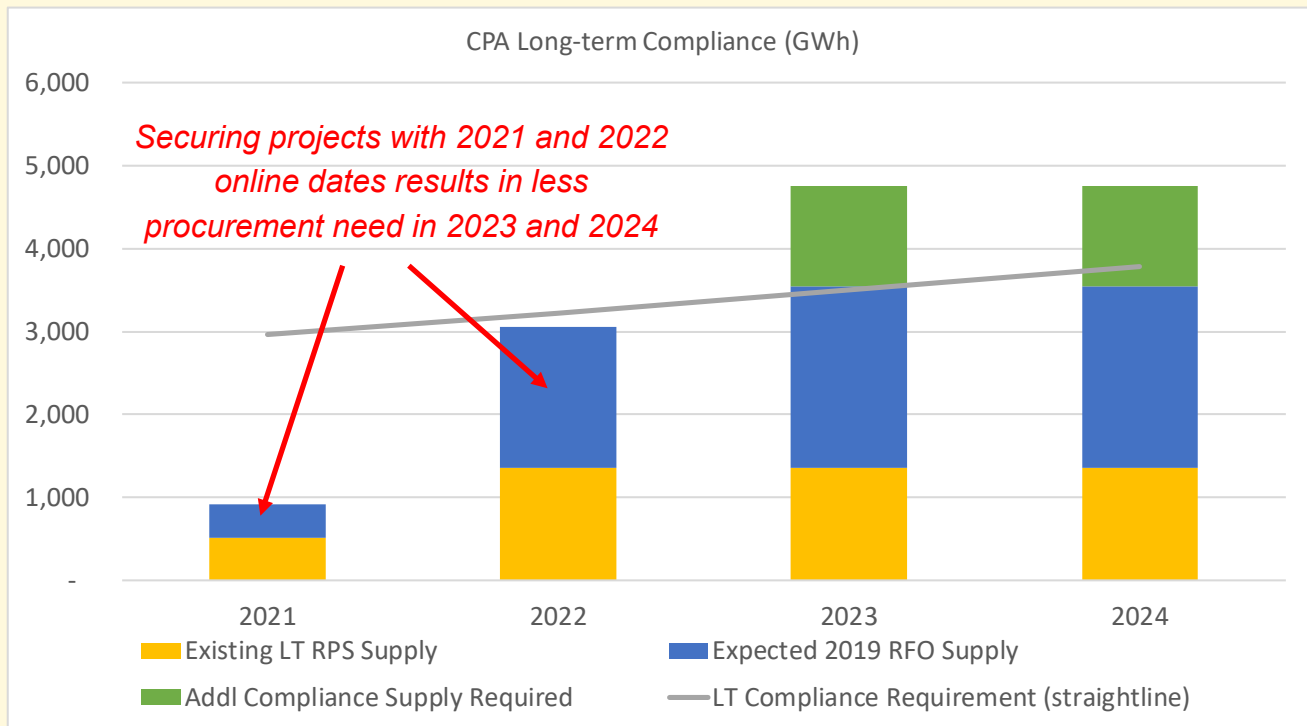
Long-Term Procurement Requirement and Project Timing

- SB 350 requires CPA to secure at least 65% of its RPS obligations through long-term (10+ years) contracts over the 2021-2024 compliance period
- Projects with earlier online dates will help CPA meet its compliance requirement early and reduce catch up that would need to be made in later years (examples on next slides)
- Meeting compliance requirements in the near term allows CPA to become more selective over time in terms of price, location, innovation
- Opportunities to contract with new-build resources with 2020 and 2021 online dates are limited due to development timelines

Path to Compliance – Later Online Dates (Illustrative)

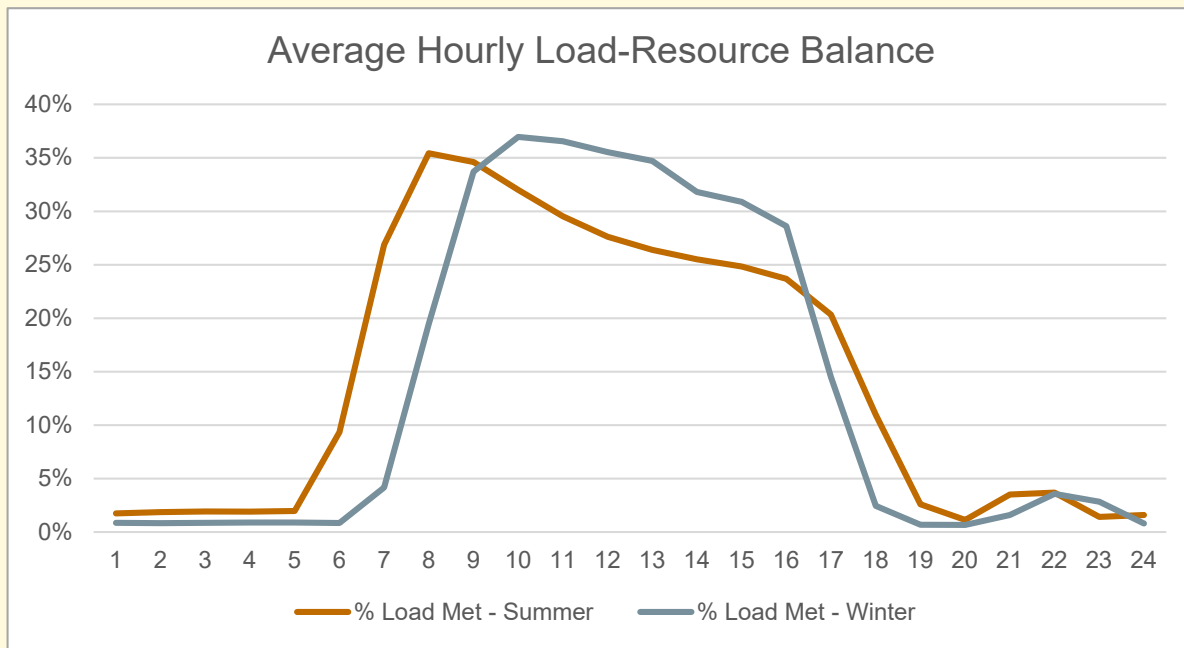


Path to Compliance – Earlier Online Dates (Illustrative)



Portfolio Diversity is Critical

- CPA's current portfolio is largely solar, therefore resource diversity will be an important consideration in portfolio selection



2019 Clean Energy RFO

- CPA plans to launch its 2019 Clean Energy RFO in October
- To enhance competitiveness of smaller local projects, a two-track RFO is contemplated:
 - Utility-Scale Procurement Track (10 MW or larger)
 - Distributed Procurement Track (less than 10 MW and located in Los Angeles and Ventura counties)
- The Utility-Scale Procurement Track will seek proposals from projects with online dates of 2023 and earlier and use the same 6 evaluation criteria as the 2018 Clean Energy RFO
- Criteria for the Distributed Procurement Track will be discussed during the September 25th Energy Committee meeting

2019 RFO Schedule

Date	Action
Mid-October	Launch 2019 Clean Energy RFO
Late-October	Conduct RFO Bidder Webinar
Mid-November	Bids Due
Mid-December	Longlist Selection
Mid-January	Energy Committee Shortlist Approval
Early February	Exclusivity Agreements Due
February – April	PPA Negotiations
May-June	Board Consideration of PPAs

Schedule may be subject to change

Summary

- CPA will be launching its 2019 Clean Energy RFO in October and will incorporate lessons learned from the 2018 solicitation
- Task Order for RFO Support Services for the 2019 Clean Energy RFO is on the September 5th Board Agenda
- Staff will provide a more detailed proposal for the Distributed Procurement Track to the Energy Committee on September 26th



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Energy Committee

From: Natasha Keefer, Director of Power Planning & Procurement

Approved By: Ted Bardacke, Executive Director

Subject: Bilateral PPA Opportunity – Wind Resource with 2020 Online Date

Date: September 4, 2019

SUMMARY

CPA has been approached by a developer regarding a time-sensitive opportunity to secure a 20-year PPA with a 300 MW wind project located in Arizona with expected output of approximately 830,000 MWh/year. The Power Purchase Agreement (PPA) offered to CPA is part of a larger 350 MW wind project with a commercial online date (COD) of December 31, 2020.

Staff is seeking guidance from the Energy Committee on whether entering into negotiations with the Seller for this PPA is of benefit to CPA.

PROJECT OVERVIEW

Project Description

The project is a 300 MW portion of a larger 350 MW wind facility located in Mohave County, Arizona in the vicinity of Lake Mead. While the project is physically located in Arizona, the project output would be delivered directly into the CAISO using long-term, firm transmission rights via the significant amount of transmission infrastructure in and around the Hoover Dam. As such, the project would be a PCC1 renewable energy resource, which is the highest value product for RPS compliance.

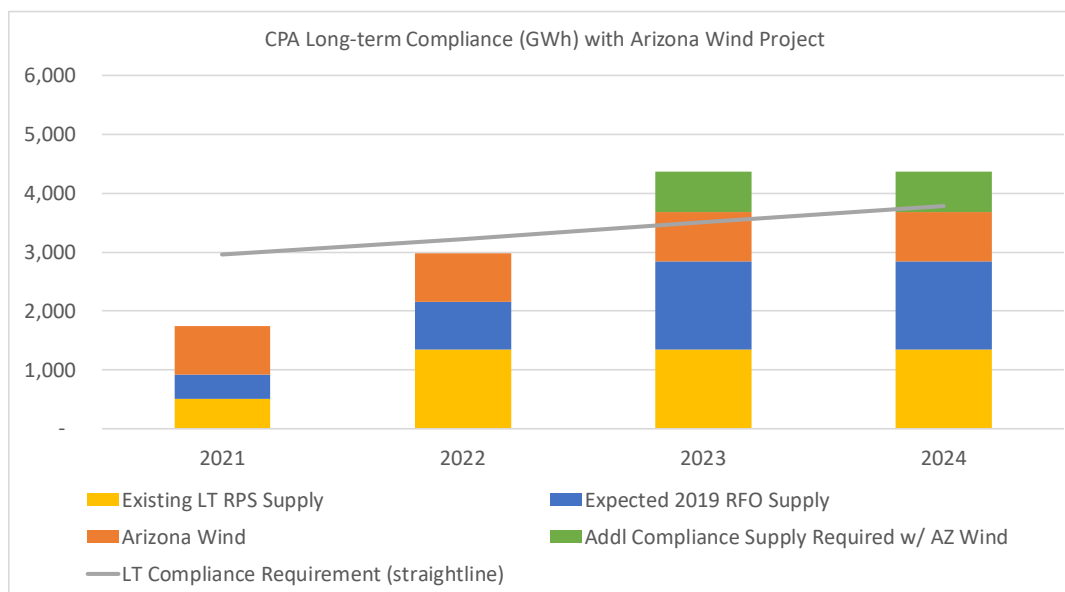
PROJECT BENEFITS

The project has three unique and valuable attributes for CPA: a 2020 commercial online date, resource diversity, and cost savings.

Early Online Date

Projects with a 2020 commercial date are valuable to CPA, as they reduce procurement costs and help CPA meet compliance obligations¹ early and therefore allow CPA to be more selective in future long-term Request for Offers (RFOs). Opportunities to contract with new-build resources with a 2020 online date are limited due to the timeline for new-build projects to secure offtake agreements ahead of construction.

Below is a chart showing CPA's current resources under contract, resources expected to be procured in the 2019 Clean Energy RFO, this Arizona wind project, and the remaining resources CPA would need to secure for the rest of the compliance period:



If CPA were to procure this contract with a 2020 commercial online date, there would be less risk to CPA to bring on additional resources in the latter half of the compliance period and there would be less need to over-procure in the latter half of the compliance period to make up for a shortfall in the first half of the compliance period.

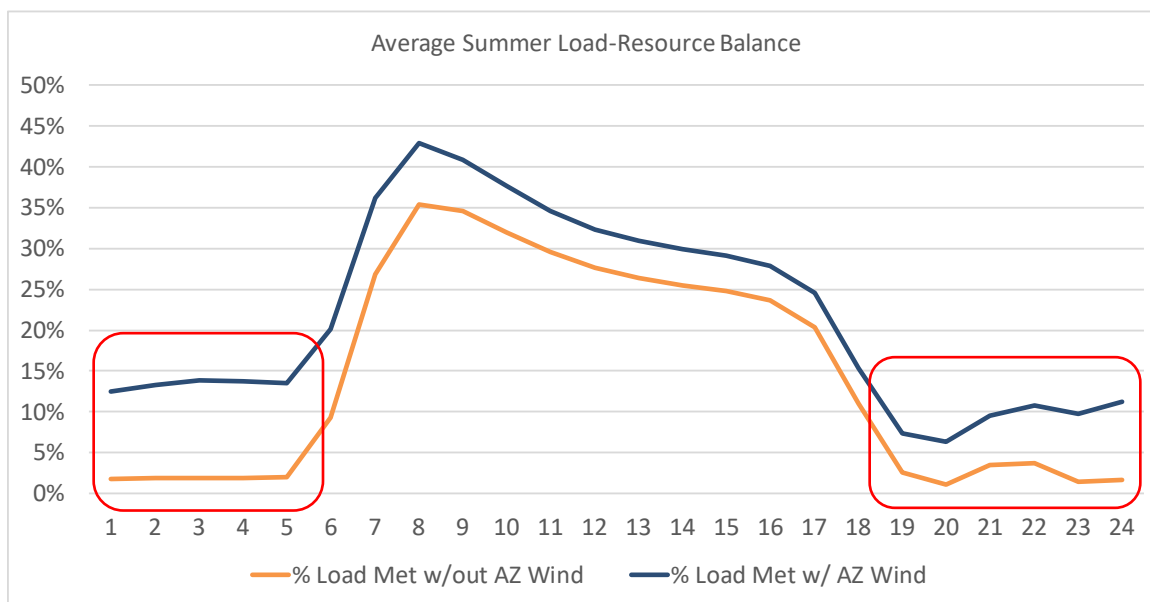
¹ SB 350 requires CPA to secure at least 65% of its RPS obligations through long-term (10-years or longer) contracts over the 2021-2024 compliance period.

Resource Diversity

Wind resources are particularly attractive because they have a complementary shape to solar. However, opportunities for securing new wind resources in California are extremely limited. The Nature Conservancy recently estimated approximately 25 GW of wind potential in California versus approximately 360 GW of wind potential in the four southwestern states of Nevada, Arizona, New Mexico and Utah.²

In the 2018 Clean Energy RFO, CPA received a majority of offers (79%) from solar or solar plus storage offers and a limited amount of offers (7%) from wind projects. Of these wind offers, more than half were located out-of-state. The one in-state wind project that was selected by CPA in its 2018 RFO withdrew its offer prior to negotiations because it had already found another buyer. CPA anticipates ongoing challenges in securing offers from in-state wind projects.

The Arizona wind project is expected to generate significant output during the nighttime, improving CPA's supply shape compared to load. Below is a comparison of CPA's existing long-term renewable energy portfolio for an average summer day, with and without the Arizona wind output:



² From the Power of Place Study – unconstrained, Siting Level 1 case

Securing portfolio resources with complementary profiles to solar is critical for CPA's ability to manage its load-resource balance and minimize its portfolio greenhouse gas content.

Cost Savings

Beyond meeting compliance obligations, a 2020 commercial online date is valuable because proposed pricing for this contract is significantly less than short-term renewables, helping CPA remain competitive for all rate products and pursue its goal of reducing the cost premium between its 100% Green rate and the Lean and Clean rates. For 2021, the Arizona Wind project translates into a savings of approximately \$8 million compared to procuring renewable energy via short-term contracts.

EVALUATION CRITERIA

Value

Value for this offer is competitive compared to wind resources offered in the 2018 Clean Energy RFO, both for in-state and out-of-state wind.

Development Risk

This project is a late-stage development and highly de-risked. The project's interconnection agreement is already executed, major permits have been obtained, and a portion of turbines have been procured. The remaining 50 MW of the project have already been secured with another offtaker. The developer will self-finance the project through construction.

Workforce Development

The developer anticipates that the project will create approximately 300 jobs during the construction phase and 10 permanent jobs during the operations phase. The developer has committed to using IBEW labor for the electrical work on the project but is unable to commit to an all-trade Project Labor Agreement. The developer is also willing to set specific local/targeted hiring goals. Additionally, the developer has committed to investing \$1 million in workforce development efforts in Los Angeles and Ventura Counties over

the next four years. The developer has significant experience in establishing and funding workforce development projects in California and CPA would work with the developer and interested stakeholders on an investment plan for these funds.

Environmental Stewardship

The project has secured a Bureau of Land Management right-of-way and has completed the National Environmental Policy Act (NEPA) environmental review process. CPA is currently vetting the project for any significant environmental challenges and/or mitigation measures.

Benefits to Disadvantaged Communities

The project is not located in a Disadvantaged Community. CPA defines a Disadvantaged Community as a community in California designated by CalEPA using the CalEnviroScreen tool as scoring at or above the 75th percentile. The closest population center to the project is the Las Vegas metro area.

Project Location

This project is located out-of-state.



2020 Integrated Resource Plan

September 4, 2019

Background

- Under SB 350, the CPUC conducts a two-year planning cycle to consider integrated resource plan (IRP) filings from all LSEs
- The IRP encompasses discrete planning exercises at the LSE and statewide levels to estimate reliability and environmental outcomes of hypothetical future portfolios, focusing on:
 - Transition from centralized, monopoly IOU service to a disaggregated new paradigm with the proliferation of CCAs
 - Moving from dependence on California's 30-40% natural gas resources to 100% clean energy

2017-2018 IRP

- In August 2018, CPA submitted its Board-approved Conforming Portfolio plan as part of the 2017-2018 IRP
- In May 2019, the CPUC issued a decision on the 2017-2018 IRP cycle, which evaluated individual LSE plans and adopted the CPUC's original plan versus the aggregation of the individually submitted IRPs
- The CPUC also opened a procurement track in the proceeding
 - What was intended to be a trial run has now emerged as the CPUC seeking to address resource deficiencies through procurement mandates for LSEs
- While the 2017-2018 proceeding continues, the CPUC has launched the next 2019-2020 IRP cycle

2017-2018 Procurement Track

- The procurement track will primarily focus on two types of procurement:
 - 1) Backstop procurement mechanisms
 - 2) Address procurement that may require collective action
- The procurement track overlaps with the RPS and RA proceedings, including consideration of a central procurement entity
- The procurement track has become highly scrutinized, with over 50 different parties filing comments

2017-2018 Procurement Track (continued)

- The procurement track proposes mandating each LSE to procure its share of a purported shortfall
 - The CPUC identified a potential 2021 system RA capacity shortfall of up to 2,000 MW following retirement of several natural gas facilities
- The CPUC also proposed ordering SCE to enter into new contracts for 500 MW of existing resources on behalf of all LSEs and to charge all LSEs proportionally
- The IRP is becoming a vehicle for the CPUC to increase its authority over CCA procurement planning and contracting decisions

2019-2020 IRP

- In parallel, the 2019-2020 IRP Cycle activities have begun, with LSE's plans due on May 1, 2020
- In order to obtain economies of scale and to coordinate and optimize resource planning efforts, six CCAs¹, including CPA, have banded together to conduct IRP modeling jointly for the 2019-2020 IRP Cycle (referred to as the “Joint IRP”)
- The effort is intended to minimize inefficiencies, comprehensively plan for future resource needs, and ensure that individual IRPs integrate well to achieve statewide GHG and reliability goals

(1) The Joint CCAs include CPA, East Bay Community Energy, Monterey Bay Community Power, Peninsula Clean Energy, San Jose Clean Energy, and Silicon Valley Clean Energy

Joint CCA IRP Process

- The Joint IRP effort will prepare two joint IRP plans:
 - Conforming Plan - incorporating required CPUC assumptions
 - Preferred Plan - incorporating Joint CCAs' agreed-upon assumptions that differ from those required by the CPUC
- The Joint IRP effort will include consultations with internal and external stakeholders
- These two joint plans would then be disaggregated into proportional plans for each participating CCA, with individual CCA preferences being reflected in the disaggregated plans

Joint IRP Schedule

Date	Action
Aug – Oct 2019	Formulate Joint Conforming and Alternate IRPs
Oct – Nov	Consultation with internal and external stakeholders
Dec	True-up with CPUC 2019 reference system plan
Jan – Mar 2020	Disaggregate into individual IRPs
April	Finalize IRP submissions and bring to Board for consideration
May 1	IRP submissions due

Next Steps

- CPA is working closely with CalCCA to advocate within the 2017-2018 IRP, the 2017-2018 Procurement Track, and the 2019-2020 IRP
- The Joint IRP group is in the midst of selecting a consultant to conduct the Joint IRP and individual LSE modeling that will feed into the May 2020 IRP submission
- Staff will consult with the Energy Committee in the October-November timeframe regarding Joint IRP assumptions, with emphasis on the Preferred Portfolio

