

MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, September 4, 2019, 12:15 p.m.

MINUTES

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

*Malibu City Hall
23825 Stuart Ranch Rd
Malibu, CA 90265*

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

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

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

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

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I. WELCOME & ROLL CALL

Committee Chair Ramirez called the meeting to order at 12:19 p.m. Interim Board Secretary Cruz called the roll.

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

II. GENERAL PUBLIC COMMENT

Board Chair Diana Mahmud introduced herself.

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

Motion: Committee Member McKeown, Santa Monica.

Second: Committee Member Tait, Arcadia.

Vote: Items 1 and 2 were approved by a unanimous roll call vote.

IV. REGULAR AGENDA

3. **Received Staff Update on 2019 Long-Term Clean Energy Request for Offers (RFO) Process**

Natasha Keefer, Director of Power Planning & Procurement, presented the staff report.

Ms. Keefer provided a summary of the 2018 Clean Energy Request for Offers (RFO) including the initial launch in 2018 with a goal of contracting 1 to 2 million MWh in renewable energy. Initial offers received included over 230 facilities yielding 11 short-listed projects, seven exclusive negotiations, and two executed Power Purchase Agreements (PPA). Ms. Keefer discussed lessons learned from the 2018 RFO including incorporating six criteria areas of focus: value; development risk; environmental stewardship; workforce development; project location; and benefits to disadvantaged communities. The proposed 2019 RFO processes include adding additional projects to the shortlist project, targeting additional local projects, and maintaining the RFO review team with Board Member participation.

Committee Chair Ramirez asked which identifying parameters would increase short-listed projects. Ms. Keefer answered that short-listed projected need to evaluate the quality of proposals versus having a specified number of total proposals to consider. Board Chair Mahmud recommended establishing a maximum shortlist number prior to scoring proposals to allow for prioritization.

Ms. Keefer discussed procurement drivers for the 2019 RFO that satisfy Senate Bill (SB) 350 requirements including projects that are in excess of 10-year terms; produce cost savings through long term pricing; produce a load resource balance for portfolio diversity; and increase new steal in ground projects. Ms. Keefer further discussed existing long-term

renewable contracts, the current overall renewable need of approximately 7,500 GWh's, and current contracts that cover 15% to 20% of that need. Ms. Keefer detailed the benefits of selecting projects with earlier online dates to help the CPA meet compliance requirements early and avoid having to catch up with more procurement in later years.

Committee Member McKeown asked for clarification on load energy needs. Ms. Keefer clarified the differences between projected total load need (13,000 GWh) versus renewable energy need (7,500 GWh), RPS targets (33% to 44%), and its relation to SB 350 requirements. Ms. Keefer explained the impacts on additional supply required by illustrating two alternatives for compliance via a chart.

Ms. Keefer discussed portfolio diversity explaining that most of the renewable energy the CPA is contracted with is solar and there is a need for alternative sources in consideration for hours of the day when there is no solar production. She explained other considerations to meet average hourly-load resource balances which include wind, geo-thermal, and storage resources.

Ms. Keefer indicated that the 2019 RFO schedule has an expected launch in October 2019 with two procurement tracks, utility-scale procurement of 10 MW or larger with online dates of 2023 and earlier, and distributed procurement track of less than 10 MW for projects that are located in Los Angeles and Ventura Counties. Criteria for the distributed procurement track will be discussed during the September 25, 2019 Energy Committee meeting. Committee Member Kulcsar asked about the scope of work and how staff evaluates consultants. Ms. Keefer answered that the scope of work would be the same as in the 2018 RFO and staff will recommend that the Board execute a task order with Ascend Analytics for the 2019 RFO process due to competitive pricing, and their expertise in battery storage modeling.

Committee Member McKeown shared his perspective on the 2018 RFO challenges including the lack of local proposals and non-daytime procurement projects. Ms. Keefer indicated the local procurement track is intended to encourage local projects by leveling the playing field by capping projects at 10 MW including battery storage projects. Ted Bardacke, Executive Director, further added that the 2019 RFO will incorporate consideration of later online dates due to land use requirements and set less emphasis on development risk scoring based on where a local projects fall in the Interconnection Queue.

Committee Chair Ramirez thanked Staff for its work during the 2018 RFO.

Board Chair Mahmud mentioned Measure W funding for land acquisition and MS4 stormwater permit requirements and the potential for collaboration with those efforts.

4. Review Bilateral PPA Opportunity – Wind Resource with 2020 Online Date

Ms. Keefer presented a bilateral PPA opportunity located in Arizona for a 300 MW wind project. Ms. Keefer explained three benefits to consider: an early online date of December 31, 2020 helps long term compliance reducing additional procurement needs in 2023 and 2024; resource diversity in consideration of limited California wind projects; and cost savings in procuring long-term projects is considerably less expensive than short-term renewables with a projected saving of \$8 million versus short-term procurement.

Ms. Keefer discussed how this project ranked in the evaluation criteria including;

- Value: Project is competitive;
- Development Risk: project is late-stage development and highly de-risked;
- Workforce Development: Developer anticipates project will result in 300 new jobs in construction with 10 permanent jobs during operation with a commitment to use IBEW labor for electrical work and \$1 million in workforce development in Los Angeles and Ventura Counties;
- Environmental Stewardship: Project has secured all environmental permits and staff is conducting additional due diligence in that area;
- Benefits to Disadvantaged Communities: the project is not located within a disadvantaged community in California.

Committee Member McKeown commented that the \$1 million in workforce development may offset some of the evaluation criteria shortfalls by helping local workers and producing programs for disadvantaged communities. Committee Chair Ramirez asked about why the project had not committed to utilizing all union labor. Mr. Bardacke answered that it was related to the developer's commitment to get a 2020 Online Date and using internal employees and Engineering Procuring and Construction Providers (EPC) versus subcontracting the work.

Committee Chair Ramirez opened the public comment period.

From Los Angeles:

Jennifer Kropke, attorney for International Brotherhood of Electrical Workers (IBEW) Local 11, expressed concern over local projects; compared the \$1 million towards workforce development to working hours the project produces; and advocated for local projects.

Committee Chair Ramirez closed the public comment period.

Committee Member Kulcsar indicated her preference for projects that come through the annual RFO process. Mr. Bardacke indicated the project is an opportunity that will not exist in time for the 2019 RFO deadlines and provided an example of an earlier wind project that was selected but was sold to another energy provider. Board Chair Mahmud indicated the Committee should consider exceptional opportunities where environmental review of the development has already been completed.

Committee Members concurred that the opportunity was an important one, indicating that local communities funding would mitigate concerns over providing an exception, and that wind resources provides flexibility in the portfolio.

The Committee directed staff to initiate negotiations with the Developer, and if negotiations merit, bring the item to the Board for consideration.

5. Staff Update on 2020 Integrated Resource Plan (IRP) Process

Ms. Keefer provided background on the IRP as a planning exercise to model future portfolios focusing on a transition from centralized Investor Owned Utilities (IOU) to Community Choice Aggregation model and moving from dependence on natural gas resources to 100% clean energy.

Ms. Keefer discussed the 2017-18 IRP conforming submittal plan, the California Public Utilities Commission (CPUC) opening a Procurement Track that focused on backstop procurement mechanisms and addressing procurement that may require collective action. Ms. Keefer summarized the CPUC's controversial decision to identify potential shortfalls of up to 2,000 MW for each Load Serving Entity (LSE) and a related proposed mandate on its' procurement; and CPUC's order to SoCal Edison to enter into new contracts for 500 MW of existing resources on behalf of all LSE's and charging LSE's proportionally.

Ms. Keefer discussed a joint 2019-20 IRP process with six CCA's to ensure acceptance and plan integration that produce a conforming plan incorporating CPUC assumptions and preferred plan incorporating agreed-upon assumptions that differ from those required by the CPUC. Director Keefer discussed upcoming schedule targets and next steps that

include the CPA working with CalCCA to advocate within the 2017-18 IRP, the procurement track, and the 2019-20 IRP, selecting a consultant to conduct the joint IRP and individual LSE modeling that will feed into the submittal.

Committee Member McKeown asked if CPA staff planned to meet with CPUC Commissioners during an upcoming visit to Southern California. Mr. Bardacke answered that staff has scheduled meetings with two Commissioners outside of the meeting to address issues with the IRP process and taking proactive steps to avoid future processes whereby the CPA may be required to enter into long-term non-renewable contracts.

Board Chair Mahmud complemented staff on the joint develop strategy indicating there was strength in numbers.

Committee Chair Ramirez open the public comment period; there being no speakers, Committee Chair Ramirez closed the public comment period.

V. COMMITTEE MEMBER COMMENTS

Committee Member McKeown indicated CPA was experiencing the first peak air-conditioning season and reported no problems.

Committee Chair Kulcsar inquired how many wind projects are under development. Director Keefer indicated she could produce a list from the CAISO Interconnection Queue but cautioned that listed projects are at times placeholders. Board Chair Mahmud indicated that list would not provide reliable comparison data.

Committee Alternate Shen discussed homelessness and heat patterns.

VI. ADJOURN

Committee Chair Ramirez adjourned the meeting at 1:41 p.m.