



**MEETING of the Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, January 15, 2020
1:30 p.m.**

555 West 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 Christian Cruz at ccruz@cleanpoweralliance.org or (213) 269-5892. 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 PublicComment@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 meeting. Any written submissions must specify the Agenda Item by number, otherwise they will be considered General Public Comment.

Clean Power Alliance Executive Committee Meeting
January 15, 2020

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

Ventura County Government Center
Channel Islands Conference Room, 4th Floor Hall of Administration
800 South Victoria Avenue, Ventura, CA 93009

IV. WELCOME AND ROLL CALL

V. GENERAL PUBLIC COMMENT

VI. CONSENT AGENDA

1. Approve Minutes from December 18, 2019 Executive Committee Meeting

VII. REGULAR AGENDA

2. Discuss CPA Greenhouse Gas Free Procurement Goals and Resource Allocation
3. Review Draft Agenda for February 6, 2020 Board of Directors Meeting

VIII. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: (1)

IX. COMMITTEE MEMBER COMMENTS

X. 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 Executive Committee of the
Clean Power Alliance of Southern California
Wednesday, December 18, 2019, 1:30 p.m.

MINUTES

555 West 5th Street, 35th Floor
Los Angeles, CA 90013

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

Ventura County Government Center
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800 South Victoria Avenue, Ventura, CA 93009

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order and Interim Board Secretary Christian Cruz conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Member	Absent
Los Angeles County	Sheila Kuehl	Vice Chair	Present
Oxnard	Carmen Ramirez	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Absent
Santa Monica	Kevin McKeown	Committee Member	Present
South Pasadena	Diana Mahmud	Chair	Present
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood	Lindsey Horvath	Committee Member	Remote

II. GENERAL PUBLIC COMMENT

There were no public comments.

III. CONSENT AGENDA

1. Approved Minutes from November 13, 2019 Executive Committee Meeting

Motion: Committee Member McKeown, Santa Monica

Second: Vice Chair Kuehl, Los Angeles County

Vote: Item 1 was approved unanimously by roll call vote, Vice Chair Parks, Committee Member Gold, and Committee Member Zuckerman were absent.

IV. REGULAR AGENDA

Vice Chair Parks joined the meeting at the start of the Regular Agenda.

1. Discuss Greenhouse Gas Free Resource Allocation

Mr. Bardacke provided a brief summary to the committee on CPA's overall GHG approach consistent with CPA's JPA. Mr. Bardacke stated that CPA does not currently have nuclear energy in its portfolio. However, CPA customers are currently paying for nuclear through the Power Charge Indifference Adjustment (PCIA). CPA has been presented with the option of taking a portion of SCE's electric and nuclear load at no additional cost. CPA now has two options (1) To accept the SCE electric load from nuclear (2) To continue to accept the large hydro and not accept the nuclear from SCE. To accept the additional SCE electric load from nuclear would mean that it would show up in the lean power content only. CPA would continue to use the large hydro for 50% renewables and 100% would remain pure renewables only.

Committee Member McKeown expressed that nuclear energy in CPA's portfolio is not advisable. Vice Chair Kuehl questioned the fiscal impact to CPA customers and advised Staff to take the item to the Board. Vice Chair Parks expressed that incorporating nuclear into its portfolio sends the wrong message and it is against CPA's environmental goals and the goal of

mitigating climate change. Committee Member Horvath agreed with Vice Chair Parks and stated that it's CPA's job to be fiscally responsible and it would be helpful to sufficiently inform the Board on this item. Committee Member Ramirez agreed with Vice Chair Parks and mirrored Committee Member Horvath's comments to take the item to the Board for discussion. Chair Mahmud explained that this is a policy item for the Board to consider.

Committee Member McKeown motioned to direct staff to bring this item to the Board of Directors for discussion.

Motion: Committee Member McKeown, Santa Monica

Second: Vice Chair Kuehl, Los Angeles County

Vote: The motion was approved by roll call vote, as follows.

AYES:	Los Angeles County, Oxnard, Santa Monica, South Pasadena, West Hollywood ,
NOES:	
ABSTAIN:	Ventura County
ABSENT:	Beverly Hills, Rolling Hills Estates

Committee Member McKeown motioned to recommend to the Board of Directors that CPA decline the nuclear power option.

Motion: Committee Member McKeown, Santa Monica

Second: Committee Member Ramirez, Oxnard

Vote: The motion was approved by roll call vote, as follows:

AYES:	Los Angeles County, Oxnard, Santa Monica, Ventura Country, West Hollywood
NOES:	South Pasadena
ABSTAIN:	
ABSENT:	Beverly Hills, Rolling Hills Estates

2. Discuss California Electric Vehicle Incentive Program (CALeVIP)

Mr. Bardacke explained to the committee that CPA is potentially committing funds in the future that haven't been budget for yet. Mr. Bardacke stated that those type of situations should be presented to the Board. The recommendation is that Staff will submit a non-binding letter of intent to the California Energy Commission to support EV chargers, incentives, and rebates for use in Ventura County. Funding distribution includes a partner

distribution, which helps the State determine where allocations will go based on partnerships. Additionally, the level of local match has impacted the level match by the state.

The Committee recommended that this be taken to the Board on the consent calendar. Committee Member McKeown stated that the consent item should authorize a letter of intent with the understanding that the letter of intent would obligate us later.

Committee member Gold, Beverly Hills, joined the meeting at 2:35.

3. Review Draft Agenda for January 9, 2020 Board of Directors Meeting

Mr. Bardacke introduced the January 9th Board of Directors agenda. Mr. Bardacke pointed out that there is one consent item addressing a small technical matter on one of our PPAs regarding the qualification of a bank. There are two significant items that will be brought before the Board: the first is would be a residential Time-of-Use rate (TOU) default. Matt Langer, Chief Operating Officer, provided a brief overview. He indicated that non-residential customers have been on TOU for several years. At this time, SCE will start transition to TOU in October. However, CPA has a choice on whether we want CPA customers to be defaulted into TOU and what terms and conditions we would implement. Mr. Langer highlighted that for the delivery portion of the bill, that SCE controls, CPA customers would still automatically be enrolled. The decision on TOU would just be for the CPA portion. This decision can be broken up into three segments. First, should CPA move their customers to TOU. Second, should CPA mirror the same peak periods as SCE or create our own. Third, should CPA offer bill protection to help protect against a higher bill if this affects what a customer would pay. It is important to note that there is State funding for messaging for customers that CPA could leverage if we move to TOU at the same time as SCE.

Committee Member McKeown asked how CPA can protect from any system issues that SCE could have so customers won't associate those mistakes with CPA. Mr. Langer stated that if there are issues with the billing, which customers would have to work with SCE on. Chair Mahmud asked, that if there is a default does that imply that customers can revert to a flat rate. Mr. Langer stated that is correct. Committee Member McKeown commented that if we move to TOU we need to make it simple for customers. Mr. Langer expanded on the bill protection. CPA staff proposes that if we move to TOU that we offer 12-month bill protection, which is in line with what SCE offers. Mr. Bardacke indicated the fiscal impact ranges from \$75,000 to \$1.5 million.

Mr. Bardacke highlighted the second item of note for the January 9 meeting, which is the policy around a member agency changing the default rate. The core item around the policy has to do with advance notices. This policy would set a six month notice that a change in a member default will likely happen. Mr. Bardacke stated this will help with messaging and would allow for ample time for customers to make decisions. Additionally, this policy would establish any change in default would happen in October of each year. Chair Mahmud commented that we provide the option, to cities that are considering changing their default, to change their default for new customers only, versus changing it for all existing customers. Additionally, because CPA will incur administrative costs and messaging costs, CPA should limit the frequency of each city changing defaults too often. Vice-Chair Kuehl noted that there should be adequate notice that customers can still opt-down anytime. Chair Mahmud commented that if a default is changed by a city it might be best to apply a period of three years, where they could not change their rate again, to ensure any negative impacts on customers and high administrative costs to CPA. Monique Edwards, Director of Technology Integration & Data Analytics, highlighted that there isn't a requirement on noticing for change in default. It might be best to follow a similar noticing process, as we did for mass enrollment process.

This process spans about 5 months and should be considered, as an administrative impact.

Mr. Bardacke suggested to the Committee that we put this item on the Board of Directors February agenda to allow staff time to incorporate Committee comments. The Committee concurred with this and directed staff to bring this item to the February Board of Directors meeting for discussion.

V. COMMITTEE MEMBER COMMENTS

There were no Committee Member comments

VI. ADJOURN

Chair Mahmud adjourned the meeting.



Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Executive Director

Subject: CPA Greenhouse Gas Free Procurement Goals and Resource Allocation

Date: January 15, 2020

Staff will provide a presentation (attached) on CPA's greenhouse gas (GHG) free procurement goals and resource allocation.

Attachment: 1) Presentation on GHG Free Procurement and Allocation



Greenhouse Gas (GHG) Free Procurement and Allocation

CPA Executive Committee

January 15, 2020

Introduction

- CPA has to make a series of inter-dependent short and long-term procurement planning decisions over the next few months that have significant financial ramifications
 - 1) Integrated Resources Plan (IRP) GHG reduction target
 - 2) Local Procurement target
 - 3) 2021 non-renewable GHG Free procurement strategy
 - 4) Whether to accept or decline the nuclear portion of a no-cost GHG Free allocation

 - Staff proposes to address 3 and 4 with the Board in February, and plans return to the Board at a later date to address 1 and 2
-

Basic Givens/Constraints

- Follow Board Approved Reserve Policy
 - Meet credit covenants, make progress towards credit rating
 - Lowers costs, improves competitiveness, provides more funding for programs over the long term
 - Annual reserve contribution estimated at \$30 million
 - Offer Competitive Rates (consistent with JPA)
 - Develop an energy supply portfolio with lower GHG emissions intensity than SCE (consistent with JPA)
 - CPA's long-term procurement strategy has been focused on the development of new renewable energy projects that reduce both statewide and global GHG emissions and contribute to economic development
 - Non-renewable, GHG-free energy purchases count toward CPA's power content label but do not reduce GHG emissions below current levels
-

CPA Portfolio GHG Content Strategy for 2021

New issues are impacting the GHG content of CPA's energy portfolio

- Large hydro is getting more expensive and difficult to procure
- PCC2 GHG accounting rules are changing unfavorably from a cost perspective
- CPA has an opportunity to accept a free allocation of GHG Free large hydro and/or nuclear energy from SCE

Given higher costs in the market and under new accounting rules, current levels of non-renewable GHG Free procurement are unsustainable

Staff is providing options for how to address this new dynamic and generate cost savings, including options that both decline and accept the nuclear allocation

Non-renewable GHG Free Procurement

Current GHG procurement approach

- GHG free energy is energy from resources that do not qualify for the as renewable but are carbon free (large hydro and nuclear)
 - CPA has focused its overall clean energy procurement strategy on new build renewables that result in incremental GHG reductions
 - However, CPA buys large hydro energy from existing facilities to match SCE's GHG Free procurement percentage
 - SCE uses nuclear and large hydro energy; CPA has only used hydro
 - Large hydro prices have risen as much as 800% in the last 3 years, largely due to increased demand
 - Future pricing and availability of large hydro is uncertain
-

Renewable Energy GHG Accounting Issues

Renewable Energy Portfolio Content Categories (PCC)

- PCC1: Generated within CA or imported to CA without substitute energy
- PCC2: Imported to CA and firmed with substitute energy
- PCC3: Unbundled RECs

AB 1110

- Under new AB 1110 rules, PCC2 renewable energy is assigned the GHG content of the associated substitute energy
 - If the substitute energy is not GHG Free, the energy is still categorized as renewable, but is not treated as GHG Free
 - PCC2 with GHG Free substitute energy is more expensive and less available than standard PCC2, with pricing approaching parity to PCC1
-

SCE GHG Free Energy Allocation

- CPA and SCE are in the process of negotiating an arrangement whereby CPA could accept a free allocation of GHG free energy from SCE's large hydro and/or nuclear resources
 - CPA customers pay for the cost of these facilities through the PCIA
 - CPA can choose to accept the hydro portion, nuclear portion, or both
 - If CPA declines all or part of the allocation, SCE keeps the energy and counts it on its power content label
 - Accepting the large hydro allocation is an obvious choice
 - In December, ExCom voted to recommend that the Board decline the nuclear allocation *and* voted to bring the matter to the full Board
 - The applicability and impact of the new AB1110 accounting rules were not discussed at that time
-

Status Quo of GHG Free purchases

	SCE Power Content Label		CPA 2021 Targets			Average
	2018 Actual	2021 Estimate	Lean Power	Clean Power	100% Green	Portfolio %
Eligible Renewable	36%	40%	40%	50%	100%	60%
Large Hydroelectric	4%	4%	14%	14%		10%
Nat Gas	17%	20%				
Nuclear	6%	7%				
Other	0%	0%				
Unspecified source	37%	29%	46%	36%	0%	30%
Total	100%	100%	100%	100%	100%	100%
Total GHG Free (previous rules)	46%	51%	54%	64%	100%	70%
Total GHG Free (after AB 1110)	46%	51%	14%	54%	100%	58%

- AB 1110 reduces the GHG Free content in Lean and Clean Power
- SCE's renewable energy content will increase from ~36% to ~40% by 2021

Status Quo: 2021 Cost Impact	
	2021
Increase Lean RPS content to 40%	\$1,000,000
Maintain Lean GHG Free content at 54%	6,000,000
Maintain Clean GHG Free content at 64%	3,600,000
Accept Large Hydro Allocation	(3,000,000)
Net Cost Increase	7,600,000

Option 1: No Nuclear, beat SCE GHG content in Clean, no GHG Free purchases in Lean

	SCE Power Content Label		CPA 2021 Targets			Average
	2018 Actual	2021 Estimate	Lean Power	Clean Power	100% Green	Portfolio %
Eligible Renewable	36%	40%	40%	50%	100%	61%
Large Hydroelectric	4%	4%	0%	5%		3%
Nat Gas	17%	20%				
Nuclear	6%	7%				
Other	0%	0%				
Unspecified source	37%	29%	60%	45%	0%	36%
Total	100%	100%	100%	100%	100%	100%
Total GHG Free	46%	51%	0%	55%	100%	55%

- Match SCE RPS percentage in Lean (\$1 million cost)
 - Beat SCE GHG Free content in Clean (64% goes to 55%) (\$0 net cost)
 - Accept hydro allocation (\$3 million savings)
 - **NET: \$4.1 million savings**
 - **Sub-Options:** \$2.1 million savings for 14% GHG Free in Lean
\$0 savings for 28% GHG Free in Lean
-

Option 2: Accept Nuclear for Lean, beat SCE GHG content in Clean

	SCE Power Content Label		CPA 2021 Targets			Average Portfolio %
	2018 Actual	2021 Estimate	Lean Power	Clean Power	100% Green	
Eligible Renewable	36%	40%	40%	50%	100%	61%
Large Hydroelectric	4%	4%	0%	5%		3%
Nat Gas	17%	20%				
Nuclear	6%	7%	28%			6%
Other	0%	0%				
Unspecified source	37%	29%	32%	45%	0%	30%
Total	100%	100%	100%	100%	100%	100%
Total GHG Free	46%	51%	28%	55%	100%	61%

- Match SCE RPS percentage in Lean (\$1 million cost)
 - Beat SCE GHG Free content in Clean (64% goes to 55%) (\$0 net cost)
 - Accept hydro allocation (\$3 million savings)
 - Accept nuclear allocation (\$2.1 million savings)
 - **NET: \$4.1 million savings**
-

Summary

- CPA can manage the transition to new rules without increasing costs, but GHG Free content will decline based on AB1110 rules
 - Accepting or rejecting the nuclear allocation is effectively a choice between the GHG Free content of the portfolio and CPA's policy position on nuclear
 - The level of GHG Free procurement in CPA's portfolio is an important input into the IRP
 - Providing incremental savings makes funding for local procurement and programs more viable
-

Appendix: Palo Verde Background

- Palo Verde Generating Station (PVNGS) is a nuclear power plant located near Tonopah, Arizona
 - The three units at PVNGS collectively produce 3,937 MWs and the first units began commercial operation in 1986
 - Unit 1 – 1311 MWs – Commercial Operation Date: 1/28/1986
 - Unit 2 – 1314 MWs – Commercial Operation Date: 9/19/1986
 - Unit 3 – 1312 MWs – Commercial Operation Date: 1/8/1988
 - Southern California Edison currently has a 15.8% ownership of the plant
 - $3,937 \text{ MWs} * 15.8\% \text{ Ownership Share} = 622 \text{ MWs}$
 - License Expiration Dates:
 - Unit 1 – 6/1/2045
 - Unit 2 – 4/24/2046
 - Unit 3 – 11/25/2047
-



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Executive Committee

From: Ted Bardacke, Executive Director

Subject: Review Draft Agenda for February 6, 2020 Board of Directors Meeting

Date: January 15, 2020

Staff will provide an overview of the proposed agenda items for the February 6, 2020 Board of Directors (Board) meeting for review and feedback from the Executive Committee. The Draft Board agenda is attached to this staff report. Information on the main items for Board consideration is provided below.

REGULAR AGENDA

The following item is recommended for inclusion on the Regular Agenda for the February Board meeting.

GHG FREE PROCUREMENT GOALS AND RESOURCE ALLOCATION

See Item 2 on the Executive Committee agenda.

CONSENT AGENDA

The following items are recommended for inclusion on the Consent Agenda for the February Board meeting.

POLICY FOR CHANGES TO DEFAULT RATE PRODUCT

Each CPA member agency selected a default rate product (“Default”) for Phases 1 – 4 of CPA’s service launch. The Default established the energy rate option that every customer was automatically enrolled at, unless the customer affirmatively opted to a different rate option or opted-out of CPA service all together. CPA’s current rate product options are:

- **Lean Power**, which provides 36% renewable energy content at a 1-2% discount as compared to SCE base rates
- **Clean Power**, which provides 50% renewable energy content at a 0-1% discount as compared to SCE base rates
- **100% Green Power**, which provides 100% renewable energy content at a 7-9% premium as compared to SCE base rates

In October 2019, the City of Malibu became the first CPA jurisdiction to decide to change its Default when the City Council voted to change its community-wide Default from Clean Power to 100% Green Power.

CPA anticipates that more jurisdictions may also decide to change their Default from their original selections, which is contemplated in CPA's Joint Powers Agreement (JPA), but the JPA does not specify a process. To appropriately plan from an energy procurement and operational planning perspective, CPA believes that a policy is required to allow CPA and its partners sufficient time to prepare for Default changes.

At the December 18, 2019 Executive Committee meeting, staff presented an overview of the proposed policy process. Based on initial feedback received from the Executive Committee and additional discussions between CPA staff and its billing manager Calpine, staff has prepared a draft Policy (Attachment 2) for additional review by the Executive Committee prior to consideration by the Board on February 6, 2020.

Policy Components

The main components of the draft Policy, and staff's recommendation for including them, are described in detail below.

Advance Notice

The draft Policy requires that a jurisdiction notify CPA of its decision to change its Default before January 1 of the year in which the Default change will occur.

This advance notice is required from an energy procurement and financial and operational planning standpoint, ensuring that CPA and its partners have enough time to adequately prepare. Due to the timing of this proposed Policy's introduction, staff proposes that member agencies have until the end of March to make Default change decisions in 2020.

On the procurement side, this advance notice will enable CPA to purchase enough renewable resources to meet the expected change in demand when the Default is updated, while taking into account anticipated opt-out rates similar to CPA's approach during mass enrollment. This would also allow CPA time to determine what regulatory compliance and reporting is needed, if any, in response to changes in CPA members' Defaults.

Advance notice will also allow sufficient time for CPA and Calpine to manage any data management and operational adjustments, for CPA to examine any financial planning and rate setting implications, to work with SCE on any necessary billing considerations, to prepare the Customer Service Center for additional contacts, and to plan for any other operational accommodations.

October Implementation

The draft Policy establishes that Default changes go into effect in October, unless otherwise expressly agreed upon by CPA and the member jurisdiction. CPA believes that implementing any community-wide default change, on a customer's October meter-read date of each year is preferable so that a potential increase in customers' rates corresponds with the change between summer (higher) and winter (lower) rates, and the month-to-month bill comparison impact of the default change is less substantial.

Customer Communications

The draft Policy establishes minimum guidelines for communicating Default changes to customers, specifically that CPA notify customers at least twice regarding the Default change.

During the time period between when a member jurisdiction makes a decision to change its Default and the October implementation, CPA will work with the jurisdiction to develop and implement a comprehensive communication and outreach plan. More localized city/county branding is strongly encouraged to be used for the change in Default rate products (compared to mass enrollment communications, which were primarily CPA branded) since it is the specific jurisdiction making the determination to change the Default, not CPA. In addition, customized communications for highly price conscious non-residential customers will be required.

As there are costs associated with designing, printing, and mailing direct customer notices, CPA will cover these expenses for a member agency's first Default change. Subsequent Default changes would be charged to the member agency.

Applicability of Default Change

The draft Policy specifies considerations and authorizations to guide CPA and its members in the implementation of Default changes, such as:

- Establishing the right of customers to proactively notify CPA of their desire to remain with their current choice and not be opted to a different default.
- Keeping customers who have affirmatively opted to another energy rate option (different from their initial Default rate) at their selected rate.

The draft Policy also enables the Executive Director to determine additional exceptions for customers that would be excluded from the parameters of a Default change or to implement the Default change on a different schedule than specified in the Policy.

Frequency of Default Changes

The draft Policy seeks to establish guidelines for how often CPA may implement a Default change in a particular jurisdiction. Member agencies would be limited to changing their Default no more than once every two years. This reduces administrative burden on CPA and its partners and avoids likely customer confusion that would be experienced with multiple Default changes over consecutive years, while still giving the ability for

jurisdictions to pursue Default changes on a timeline that makes sense for their community.

2020 LEGISLATIVE & REGULATORY POLICY PLATFORM

CPA's Board adopted its first Legislative & Regulatory Policy Platform on December 13, 2018 to guide CPA's advocacy goals and activities at the State Legislature and California Public Utilities Commission (CPUC). Since then, CPA has hired a Director of Policy and a Director of Regulatory Affairs who have been monitoring changes to the political and regulatory landscape as they impact CPA and CCAs in general. Brief updates to the 2019 Legislative & Regulatory Policy Platform have been recommended by staff and will be presented to the Legislative & Regulatory Committee on January 22, 2020 for review and feedback. A 2020 Legislative & Regulatory Policy Platform will be provided to the Board for consideration on February 6, 2020.

RATIFICATION OF LEASE

Through the holidays, CPA and the landlord were engaged in negotiations for a lease for CPA's permanent office space. CPA is expecting the landlord's final input on the lease on January 13, 2020. Once the lease is complete, CPA will be executing the lease and presenting it for the Board's ratification at on February 6, 2020.

LEGAL SERVICES AGREEMENT

On December 10, 2019, CPA issued an informal solicitation for legal services to support CPA's Reliability and Long-Term Energy Procurement RFOs. CPA received proposals from four law firms. Staff is still in the process of negotiating the contracts. Depending on the assignment of projects, CPA may be bringing one or more agreements or amendments to agreements to the February Board meeting.

- Attachments:**
- 1) Draft February 6, 2020 Board Meeting Agenda
 - 2) Draft Policy for Changes to Default Rate Product

**REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California**

Thursday, February 6, 2020

2:00 p.m.

DRAFT

I. WELCOME AND ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from January 9, 2020 Board of Directors Meeting
2. Approve 2020 Legislative & Regulatory Policy Platform
3. Approve Policy No. XX for Changes to Default Renewable Energy Tier
4. Ratify CPA Lease with XX
5. Authorize the Executive Director to Execute a Legal Services Agreement between CPA and XX
6. Receive and file Quarterly Risk Management Team (RMT) Report for October through December 2019
7. Receive and file Community Advisory Committee meeting summary

IV. REGULAR AGENDA

8. Discuss CPA Greenhouse Gas Free Procurement Goals and Resource Allocation

V. ELECTIONS FOR BOARD CHAIR AND VICE-CHAIRS

VI. CLOSED SESSION

VII. MANAGEMENT UPDATE

VIII. COMMITTEE CHAIR UPDATES

Director Lindsey Horvath, Chair, Legislative & Regulatory Committee

Director Julian Gold, Chair, Finance Committee

Director Carmen Ramirez, Chair, Energy Planning & Resources Committee

IX. BOARD MEMBER COMMENTS

X. REPORT FROM THE CHAIR

XI. ADJOURN – TO REGULAR MEETING ON MARCH 5, 2020



Policy for Changes to Community Default Rate Product

DRAFT

I.

PURPOSE

Each of the Clean Power Alliance of Southern California's ("CPA") Member Agencies has discretion to select the Default Rate Product for the customers in their respective jurisdictions. As of November 2018, each Member Agency selected a Default Rate Product. See Appendix A for the list of Default Rate Product selections by Member Agency as of November 2018.

Although CPA's Joint Powers Agreement contemplates that each Member Agency may change its individual Default Rate Product, the Joint Powers Agreement does not specify a process.

A change in the Default Rate Product will impact CPA's fiscal, energy procurement, operational, and customer communication activities, and CPA needs to appropriately plan for these changes.

CPA enacts this Policy in order to specify a process for a Member Agency to change its Default Rate Product while providing CPA sufficient notice and time to prepare for that change.

II.

DEFINITIONS

1. **"Board"** means the Board of Directors of CPA.
2. **"CPA Rates"** means the rates applicable to a customer class as established in CPA's rate schedule. For example, rates D, GS-1, AL-2-F, TOU-GS-1-A.
3. **"CPA Rate Product"** means a rate product approved by the Board and available to CPA customers. For example, Lean Power, Clean Power, or 100% Green Power. A CPA Rate Product is distinguishable from CPA Rates.
4. **"Default Rate Product"** is a CPA Rate Product option which each Member Agency selected as the default for the Member Agency's customers. The Member Agency's selection established the CPA Rate Product (e.g., Lean Power, Clean Power, or 100% Green Power) that every customer in the Member Agency's jurisdiction would be given unless the customer takes an Opt Action.
5. **"Member Agency"** is a "Party" as that term is defined in Section 1.16 of CPA's Joint Powers Agreement.
6. **"Opt Action"** means an affirmative action taken by an individual CPA customer account either (a) to choose a CPA Rate Product that is different from the Default Rate Product for the customer's current service location, or (b) to opt out of CPA service.

III.

PROCESS REGARDING CHANGES TO A MEMBER AGENCY'S SELECTION OF THE DEFAULT RATE TIER

1. **Advance Notice.** If a Member Agency intends to change its Default Rate Product for the Member Agency's customers, a Member Agency shall provide notification to CPA of the Member Agency's decision to change its Default Rate Product before January 1 of the year in which the Default Rate Product change will occur. See Section III.3.

Notwithstanding the foregoing, CPA and the Member Agency may mutually agree upon a different notification schedule, provided that the notification is provided by April 1, 2020.

2. **Activities Subsequent to Member Agency Notice.** Upon receipt of a Member Agency's notice, CPA may engage in any of the following activities:
 - a. Purchase or prepare to purchase the appropriate amount of resources to meet the expected change in demand when the Default Rate Product is changed;
 - b. Complete or prepare to complete additional regulatory compliance and reporting requirements, if any;
 - c. Coordinate with CPA's data manager and Customer Service Center to make necessary operational adjustments;
 - d. Evaluate fiscal impacts of default rate product change;
 - e. Examine CPA Rates and any rate impacts;
 - f. Coordinate and work with SCE on billing considerations;
 - g. Prepare for and deploy customer communications efforts. See Section IV.4, below, for additional detail;
 - h. Identify and address any other operational impacts or issues and take steps to mitigate those impacts/issues; or,
 - i. Take any other action necessary to effectuate the Member Agency's change in Default Rate Product.

3. **October Default Rate Product Change Implementation.** CPA will implement any change to the Default Rate Product once per year in the month of October following the Member Agency's notification to CPA of the Member Agency's Default Rate Product change pursuant to Section IV.1, above. The transition will take effect on the individual customer's first meter-read date in October.

Notwithstanding the foregoing, CPA and the Member Agency may mutually agree upon a different implementation schedule.

4. **Customer Communications.** CPA will notify customers subject to a Member Agency's Default Rate Product change. CPA will cooperate with the Member Agency on the development and communication of customer notices.
 - a. **Required Notifications.** Any customer accounts subject to a Member Agency's Default Rate Product change shall be sent a minimum of two (2) notifications. At minimum of one (1) notice shall be sent prior to the change going into effect.

- b. **Optional Additional Notifications.** In addition to the two required notices referenced in Section 4.a., above, CPA will cooperate with a Member Agency who wishes to develop and distribute of additional customer notices and/or conduct additional communications such as on-bill messaging, bill inserts, social media campaigns, jurisdictional newsletters, etc.
 - c. **Cost of Customer Notices.** CPA will cover the cost of the required customer notices for the Member Agency's first Default Rate Product change.
5. **Exceptions to Application of Default Rate Product Change.** Notwithstanding anything contained in this Policy, in no event shall a Member Agency's change in the Default Rate Product affect the following:
 - a. **Prior Customer Opt Actions.** Any customer account that has affirmatively taken any Opt Action.
 - b. **Additional Exceptions.** The CPA Executive Director is authorized to determine additional exceptions for customers that would be excluded from the parameters of a Default Rate Product change or to implement the change on a different schedule than as set forth herein.
6. **Frequency of Default Rate Product Change by a Member Agency.** A Member Agency may change its Default Product no more than one (1) time every two (2) years. Product
7. A customer may take an Opt Action at any time by notifying CPA.
8. The Executive Director is authorized to make amendments to Appendix A without approval of the Board.



Exhibit A

Member Agency Default Tier Choices - As of November 6, 2018		
Member Name	Default Power Product	Renewables Percentage
Agoura Hills	Lean Power	36%
Arcadia	Lean Power	36%
Calabasas	Lean Power	36%
Camarillo	Lean Power	36%
Hawthorne	Lean Power	36%
Paramount	Lean Power	36%
Simi Valley	Lean Power	36%
Temple City	Lean Power	36%
Alhambra	Clean Power	50%
Beverly Hills	Clean Power	50%
Carson	Clean Power	50%
Claremont	Clean Power	50%
Downey	Clean Power	50%
Hawaiian Gardens	Clean Power	50%
Los Angeles County	Clean Power	50%
Malibu*	Clean Power	50%
Manhattan Beach	Clean Power	50%
Moorpark	Clean Power	50%
Redondo Beach	Clean Power	50%
Sierra Madre	Clean Power	50%
Whittier	Clean Power	50%
Culver City	100% Green Power	100%
Ojai	100% Green Power	100%
Oxnard	100% Green Power	100%
Rolling Hills Estates**	100% Green Power	100%
Santa Monica	100% Green Power	100%
South Pasadena**	100% Green Power	100%
Thousand Oaks	100% Green Power	100%
Ventura City	100% Green Power	100%
Ventura County	100% Green Power	100%
West Hollywood	100% Green Power	100%

Lean	8
Clean	13
100% Green	10

*The City of Malibu will change its default power product to 100% Green Power in October 2020.

**The Cities of Rolling Hills Estates and South Pasadena have 100% Green Power as the default for residential customers, and have Lean Power and Clean Power, respectively, as the defaults for non-residential customers.