



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

Wednesday, March 25, 2020

12:30 p.m.

Listen to the Energy Committee meeting (Audio Only):

Call: (213) 929-4232 Conference Code: 471-346-839

All Participants must press “#” to join the meeting.

SPECIAL NOTICE REGARDING PUBLIC COMMENT: Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of Coronavirus known as COVID-19, the Energy Committee will allow members of the public to participate and address Committee Members during the meeting via teleconference only. Below are the ways to participate:

- Members of the public are encouraged to submit written comments on any agenda item to publiccomment@cleanpoweralliance.org up to two (2) hours before the meeting.
- If you desire to provide public comment during the meeting, you must contact staff at (213) 269-5889 up to two (2) hours before the meeting.
 - You will be asked to provide a phone number to call you during the meeting. You will also be asked for your name (or other identifying information) similar to filling out a speaker card so that you can be called when it is your turn to speak.
 - You will be called during the comment section for the agenda item on which you wish to speak.
 - You may be put on hold until your name is called by CPA staff.
 - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, the phone call will be discontinued.

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 the Clerk of the Board at gmonzon@cleanpoweralliance.org or (213) 269-5870. 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.

Clean Power Alliance Energy Planning & Resources Committee
March 25, 2020

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

I. CALL TO ORDER & ROLL CALL

II. GENERAL PUBLIC COMMENT

III. CONSENT AGENDA

1. Approve Minutes from February 26, 2020 Energy Committee Meeting
2. Receive and File January and February 2020 Risk Management Team Report

IV. REGULAR AGENDA

3. Process Update on Request for Offers (RFO) Activity
4. Power Planning and Procurement Look-Ahead

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. Those documents are available for inspection online at www.cleanpoweralliance.org.*

MEETING of the Energy Planning & Resources Committee
of the Clean Power Alliance of Southern California
Wednesday, February 26, 2020, 12:15 p.m.

MINUTES

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

Sierra Madre City Hall
232 W. Sierra Madre Blvd.
Sierra Madre, CA 91024

Malibu City Hall
23825 Stuart Ranch Road
Malibu, CA 90265

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

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

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

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

I. WELCOME & ROLL CALL

Committee Chair Ramirez called the meeting to order and Clerk of the Board Gabriela Monzon called conducted roll call.

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

II. GENERAL PUBLIC COMMENT

There was no public comment.

III. CONSENT AGENDA

1. Approve Minutes from January 22, 2020 Energy Committee Meeting

Motion: Committee Member McKeown, Santa Monica
Second: Committee Member Tait, Arcadia
Vote: Item 1 was approved by a roll call vote.

There were no public comments on this item.

IV. REGULAR AGENDA

2. Approve Distributed Track Shortlist of Two Projects Totaling up to 2.5 MW of Capacity as Recommended

Natasha Keefer, Director of Power Planning and Procurement, delivered a presentation on the following topics: 2019 Long Term RFOs; distributed track eligibility/purpose; anticipated and potential local procurement; local program opportunities; offers by technology type, county location, online year, and project size; qualitative range of offers; quantitative valuation approach; valuation by technology; above market costs: reliability RFO vs. distributed track standalone storage and clean energy RFO utility scale vs. distributed track RPS and RPS + storage; budget consideration; approach to project selection; shortlist; and next steps in the distributed track process.

Motion: Committee Member McKeown, Santa Monica
Second: Committee Member Tait, Arcadia
Vote: Item 2 was approved by a roll call vote.

There were no public comments for this item.

V. COMMITTEE MEMBER COMMENTS

Chair Ramirez, Committee Member Capoccia, and Committee Member McKeown provided comments.

VI. ADJOURN

Committee Chair Ramirez adjourned the meeting at 12:59 p.m.



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: Risk Management Team Report

Date: March 25, 2020

JANUARY 2020 RMT REPORT

Key Actions

- Discussed recent market trends and outlook for Q1 2020.
- Reviewed energy position for February and March and decided no additional transactions were needed for these months.
- Reviewed long-term energy position and approved energy hedge solicitations for 2020 – 2023.
- Reviewed analysis of using physical call options as a portfolio risk mitigation instrument.
- Reviewed renewable and carbon free positions and approved a renewable energy solicitation for 2020-2023. RMT will reassess the carbon free position later in the year.
- Reviewed Resource Adequacy position and approved a Resource Adequacy solicitation for 2021-2022.

Policy Compliance

No new policy compliance issues to report for January.

FEBRUARY 2020 RMT REPORT**Key Actions**

- Discussed credit rating timing and process.
- Discussed potential impacts of COVID-19 on short-term and long-term load forecast.
- Reviewed short-term energy position for April and May 2020 and decided to take no action.
- Reviewed renewable energy and carbon free positions and considered potential transactions.

Policy Compliance

No new policy compliance issues to report for February.

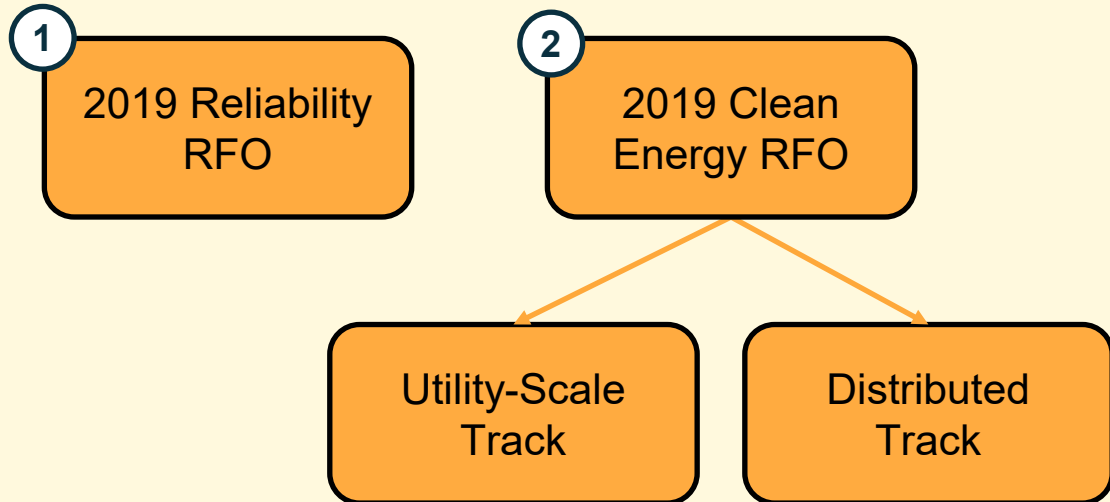


Process Update on Request for Offers (RFO) Activity

Wednesday, March 25, 2020

2019 Long-term RFOs

- CPA launched two long-term RFO processes in October 2019:



Goals - 2019 Reliability RFO

- This RFO is in response to the CPUC IRP Decision on reliability which mandated the following:

	MWs by 8/1/2021	MWs by 8/1/2022	MWs by 8/1/2023
CPUC Mandated Target for CPA	98.5	147.7	196.9
CPA Position with Existing Contracts*	8.8	22.8	41.5
CPA Procurement Need* (cumulative)	89.6	124.8	155.4

- Therefore, CPA targeted procurement of 90-156 MW capacity in this RFO

- * • Based on current CPUC capacity rules
- Mohave County Wind Farm (White Hills) PPA may contribute an additional 39.38 MW of capacity, subject to import availability

Status Update - 2019 Reliability RFO

CPA is on track to meet or exceed its IRP targets:

- Total MW in negotiations is approx. 375 MW
- Total MW in negotiations that meet 2021 IRP target is approx. 230 MW
- Total of 6 projects in exclusive negotiations

Staff targets to request approval from the Board for Energy Storage Agreements (ESAs) during April and May Board Meetings:

- April 2, 2020 Board Meeting: 0-1 ESAs
- May 7, 2020 Board Meeting: 1-5 ESAs

Projects in Exclusive Negotiations – 2019 Reliability RFO

1

Reliability

2021

Project	MW Range**	Online	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Score	City
Project A	31-70	Q3 2022*	Medium	Neutral	High	Medium	High	Blythe
Project C	0-30	Q3 2021	High	High	High	High	High	Whittier
Project G	31-70*	Q2 2021	Medium	Medium	High	High	High	Lancaster
Project J	71-100	Q3 2021	Neutral	Neutral	High	Medium	High	Unincorporated San Diego County
Project L	71-100	Q3 2021	Neutral	High	High	Medium	High	Mojave
Project D	0-30	Q2 2021	High	High	High	High	High	Pomona
Project F	0-30	Q3 2021	Did not enter exclusivity with CPA				High	Santa Ana
Project I	31-70	Q3 2021					High	Stanton
Project K	31-70	Q3 2021	Neutral	High	High	Medium	High	Victorville

2022 and 2023

Project B	71-100	Q3 2023	Neutral	Neutral	High	Medium	High	Palm Springs
Project E	71-100	Q2 2022	Did not enter exclusivity with CPA				High	Irwindale
Project H	71-100	Q2 2022					High	Blythe

*Updated since December 2019

**MW that count toward IRP target

Goals - 2019 Clean Energy RFO

Overall Goals

- Fulfill CPA's renewable energy and long-term contracting requirements under SB 350
- Support CPA load requirements with cost effective and clean generation
- Target 1-2 million MWh of annual generation

Additional Goals for Distributed Track

- Economic development - local jobs for local skilled labor
- Build relationships with, and support the growth of, developers that can partner with CPA on other local programs and development
- Enable flagship projects with high visibility in our territory

Status Update – 2019 Clean Energy RFO Utility Scale Track

CPA is on track to meet our RFO targets:

- Total MWh / year in negotiations is between 2 – 3 million MWh
- Total of 8 projects in exclusive negotiations

Staff targets to request approval from the Board for Power Purchase Agreements (PPAs) during May and June Board Meetings:

- May 7, 2020 Board Meeting: 1-5 PPAs
- June 4, 2020 Board Meeting: 1-5 PPAs

Projects in Exclusive Negotiations – 2019 Clean Energy RFO Utility Scale Track

2

Clean Energy Utility Scale

NPV Quartile			Technology Type	MW Gen Range	MW Storage Range	Environmental Stewardship	Benefits to DACS	Workforce Development	Project Location	Development Risk Rating	City
1	C	Q4 2022	Solar + Storage	51-100	0-49	Neutral	High	High	Medium	High	Lost Hills
1	D	Q4 2022	Solar + Storage	101-200	101-200	Neutral	High	High	Medium	High	Los Banos
1	E	Q4 2023	Solar + Storage	101-200*	51-100*	Neutral	Neutral	High	Medium	High	Blythe
1	F	Q4 2023	Solar + Storage	51-100	0-49	Neutral	High	High	Medium	Medium	Avenal
1	G	Q4 2023	Solar + Storage	201-400	101-200	Neutral	High	High	Medium	High	Unin. Tulare County
2	I	Q3 2021	Solar + Storage	51-100	50-100	Neutral	High	High	Medium	High	Victorville
3	J	Q4 2022	Solar + Storage	51-100	0-49	Neutral	Medium	High	High	High	Unin. LA county and Rosamond
3	K	Q1 2020	Hydro	0-50	NA	Neutral	Medium	Medium	Medium	High	Lemon Cove
1	A	Q4 2021	Solar + Storage	51-100	50-100	Medium	High	High	Medium	High	El Centro
1	B	Q1 2023	Solar + Storage	51-	Did not enter exclusivity with CPA				Medium	High	Jacumba
1	H	Q4 2022	Solar + Storage	51-100	50-100	High	High	High	Medium	High	Mettler

*Updated since December 2019

Status Update – 2019 Clean Energy RFO Distributed Track

CPA is on track to meet our RFO targets:

- Total of 2 projects in exclusive negotiations (both projects that were shortlisted)

Staff targets to request approval from the Board for Power Purchase Agreements (PPAs) during June or July Board Meetings:

- June 4, 2020 or July 2, 2020 Board Meeting: 0-2 PPAs

Projects in Exclusive Negotiations – 2019 Clean Energy RFO Distributed Track

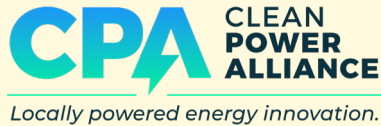
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Clean Energy Distributed

NPV Quartile		Online	Technology Type	MW	Environmental Stewardship	Benefits to DACs	Development Risk Rating	PLA	City	County
1	Project 1	Q4 2021	Industrial rooftop mount solar	1 - 5	High	High	Medium	yes	Carson	Los Angeles
2	Project 2	Q4 2021	Industrial rooftop mount solar	<1	High	High	Medium	yes	Hawthorne	Los Angeles

2020 Long-Term Procurement Schedule (Subject to Change)

- **June/July:** Behind the Meter Request for Proposals (RFP)
 - CPA will be seeking proposals from bidders on a proposed method and price for providing market products, load reduction and/or energy from behind the meter systems. Example proposals could include aggregation of systems like smart thermostats or battery storage.
- **August:** 100% Green Discount Program and Community Solar Request for Offers (RFO)
 - CPA will be seeking offers from bidders to meet the above programs' need. For 100% Green Discount, this means RPS generation built anywhere in a disadvantaged community. For Community Solar, this means RPS generation built within 5 miles of the customers it will serve. Above market costs for both programs will be paid for with CPUC funds.
- **October:** 2020 Clean Energy RFO



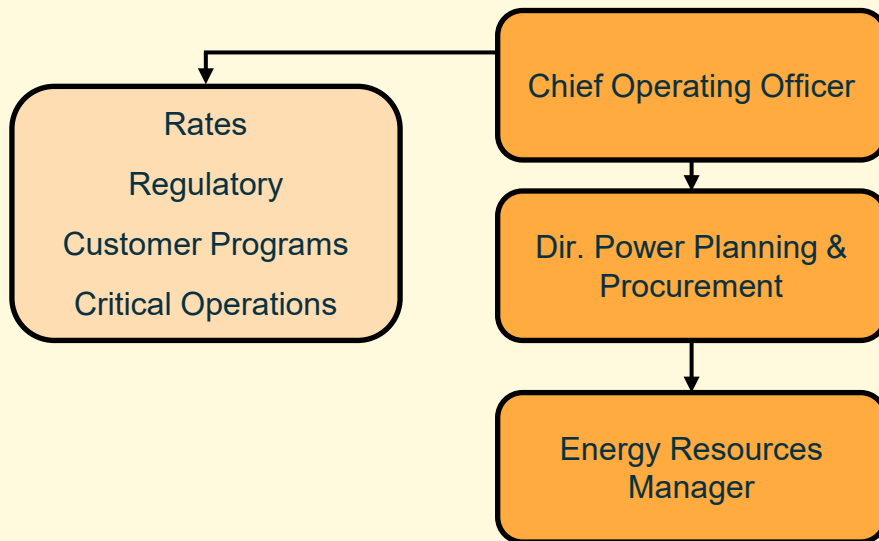
2020 Power Planning and Procurement Look-Ahead

Wednesday March 25, 2020
12:30pm

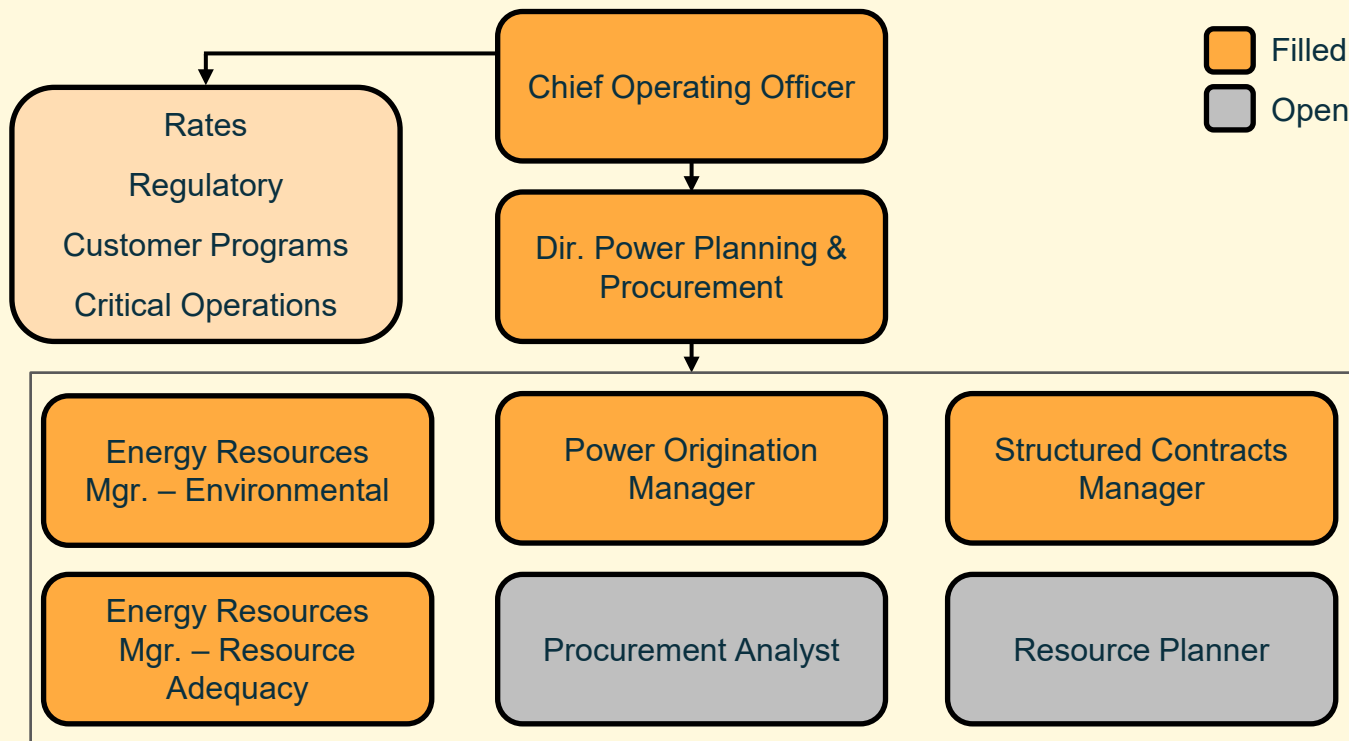
Executive Summary

- When CPA launched service in Feb. 2018, CPA relied on The Energy Authority (TEA) to provide critical Scheduling Coordinator (SC), procurement portfolio management, and Congestion Revenue Right (CRR) management services
- As CPA is maturing, the procurement team has expanded to bring many procurement functions in-house
- CPA will continue to contract for a third-party SC and CRR service provider, but the duties will evolve as CPA's portfolio becomes more complex
- CPA is in the process of developing a Data and Systems Strategic Plan, largely focused on investments in procurement infrastructure

Procurement Staff – FY 2018-2019



Procurement Staff – FY 2019-2020

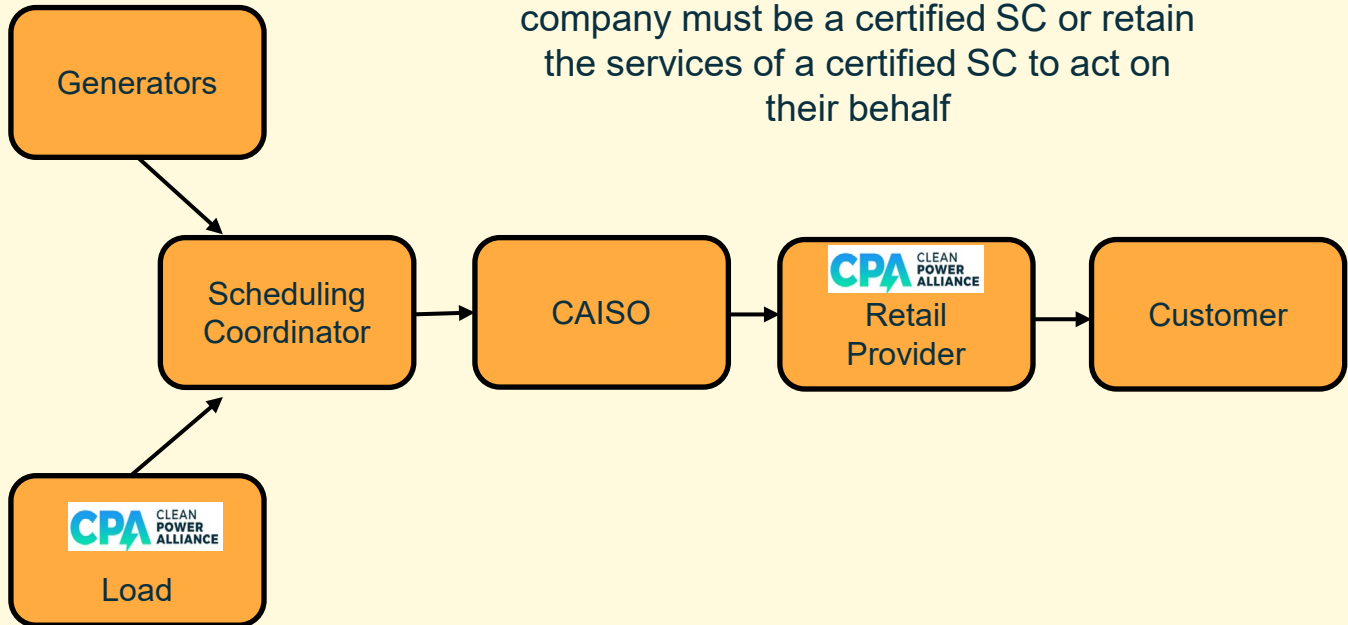


Procurement Staffing

- Procurement has been focused on developing short-term origination, long-term origination, contract management, settlements, compliance, analytics, and long-term planning capabilities
- TEA's contract for portfolio management services (Task Order 4) expires on June 30, 2020; CPA and TEA will enter into a limited Task Order 5 until all services have been transitioned in-house
- Procurement is currently assessing need for additional staff for the 2020-2021 fiscal year in anticipation of CPA's new build long-term contracts coming online

What is an SC?

To participate in the CAISO market, a company must be a certified SC or retain the services of a certified SC to act on their behalf



SC / CRR Services

- CPA's contract with TEA for SC/CRR services is expiring at the end of 2020
- CPA will be releasing an RFP for SC/CRR services at the end of March
- CPA will be seeking service providers with demonstrated experience in renewable and storage asset scheduling and Middle Office¹ capabilities
- Should CPA select a new provider, CPA is planning for a robust transition period during Q3 2020 to ensure a smooth handoff of services between providers

(1) Middle Office includes deal capture, counterparty credit monitoring, risk management, and related capabilities

Procurement Data & Systems

- In order to manage CPA's large and complex procurement portfolio, investment in deal capture and risk analytics systems is needed
 - CPA is in the process of developing a Data and Systems Strategic Plan that will address which capabilities should be development in house and a timeline and budget for implementation
- In an addition, CPA will be hiring a dedicated resource planner to develop CPA's in-house valuation and portfolio planning tools, which will support RFOs and integrated resource plans

Key 2020 Priorities

- Meeting CPA's clean energy and reliability procurement needs
- Onboarding and training new staff; developing robust operational processes
- Successfully evolving the SC/CRR role to handle CPA's diverse portfolio
- Building the procurement team's analytical tools to reduce consultant costs and develop critical capabilities in-house
- Serving as a leader on CCA procurement and planning issues in strategic areas (Integrated Resource Plan, Resource Adequacy)