

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, February 6, 2020, 2:00 p.m.

MINUTES

*Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 739
Los Angeles, CA 90012*

*Calabasas City Hall – Council Conference Room
100 Civic Center Way, Calabasas, CA 91301*

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

*Whittier City Hall – Admin Conference Room
13230 Penn Street, Whittier, CA 90602*

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:05 p.m.
Interim Board Secretary Christian Cruz conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Alternate	Present
3	Arcadia	Sho Tay	Director	Present
4	Beverly Hills	Robert Wunderlich	Alternate	Present
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Reata Kulcsar	Alternate	Present
8	Claremont	Corey Calaycay	Director	Present
9	Culver City	Meghan Sahli-Wells	Director	Present
10	Downey	Sean Ashton	Director	Present
11	Hawaiian Gardens			Absent
12	Hawthorne	Alex Monteiro	Director	Present
13	Los Angeles County	Sheila Kuehl	Vice-Chair	Present
14	Malibu	Skylar Peak	Director	Present
15	Manhattan Beach	Nancy Hersman	Director	Present

16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Present
19	Paramount	Adriana Figueroa	Alternate	Present
20	Redondo Beach	Christian Horvath	Director	Present
21	Rolling Hills Estates	Steve Zuckerman	Director	Present
22	Santa Monica	Kevin McKeown	Director	Present
23	Sierra Madre	John Capoccia	Director	Present
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Present
26	Temple City			Absent
27	Thousand Oaks			Absent
28	Ventura City	Christy Weir	Director	Remote
29	Ventura County	Linda Parks	Vice-Chair	Present
30	West Hollywood	Robyn Eason	Alternate	Present
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

II. GENERAL PUBLIC COMMENT

None.

III. CONSENT AGENDA

1. Approve Minutes from January 9, 2020 Board of Directors Meeting
2. Approve 2020 Legislative & Regulatory Policy Platform
3. Ratify the Office Lease Agreement between CPA and 801 South Grand Avenue (LA), LLC executed by the Executive Director
4. Authorize the Executive Director to Execute Amendment No. 1 to the Legal Services Agreement between CPA and Clean Energy Counsel
5. Authorize the Executive Director to Execute Amendment No. 1 to the Legal Services Agreement between CPA and Keyes and Fox, LLP
6. Receive and file the Quarterly Risk Management Team (RMT) Report

7. Receive and file an update from the January 16, 2020 Community Advisory Committee meeting

There were no public comments on the Consent Agenda.

Motion: Director Corey Calaycay, Claremont
Second: Director Linda Parks, Ventura County
Vote: Items 1 through 7 were approved by roll call vote.

IV. REGULAR AGENDA

8. Approve Policy No. 13 for Changes to Default Rate Product

Jennifer Ward, Director of External Affairs provided a background of the main components of the draft Policy and elaborated on the staff's recommendation for including them.

Director Zuckerman, Rolling Hills Estates, inquired about the communication methods to be used in outreach; and Director McKeown, Santa Monica, asked if the policy was reflective of the overarching goal of CPA to encourage the use of 100% clean energy.

Ms. Ward responded to questions, noting that the agency has flexibility when it comes to outreach and that in the case of a default change, CPA would work with jurisdictions on an individual level. She indicated that CPA had received initial interest from several jurisdictions looking to exploring changing their defaults to a higher renewable energy product.

Vice Chair Parks stated that the policy was well written and customer friendly; asked staff to clarify if large entities switch, what, if any, would be the financial implications and how that would affect CPA's ability to acquire more green energy. Ted Bardacke, Executive Director, commented that if large entities were to switch, it would certainly have financial implications. Mr. Bardacke clarified that CPA has the ability to work with different classes of customers on different timeframes and/or change the implementation schedule, if needed. Whichever approach is taken, Mr. Bardacke indicated that CPA would take steps to minimize the impact on CPA's finances.

Carmen Ramirez, Oxnard, and Sean Ashton, Downey, joined the meeting at or about 2:20PM.

Director Parvin, Moorpark, asked staff to clarify the manner in which customers would be notified of any changes and expressed concern over inclusion of a notice along with a bill, as customers may deem it an advertisement and dispose of it.

In response to Board Member questions, Ms. Ward pointed out that the current outreach plan is to send out two additional pieces of mail, not bill inserts, and work with jurisdictions to customize an outreach method and explore other direct mail options, social media, and online distribution. Ms. Ward also indicated that CPA does not delineate a specific method for how a jurisdiction makes a determination

to change a default rate or a manner of notification to CPA of any changes, but that it simply requires formal notification of a change in default rate to CPA.

Director Ellison, Ojai, asked if jurisdictions have a choice to change the default for everyone or break it down for different customer classes. Vice Chair Kuehl, Los Angeles County, asked for further clarification on customer communication and stated that more residents may become interested during an election year.

Staff clarified that the policy allows CPA to exclude certain customer classes from certain parameters and work with the jurisdiction on a different schedule and on an individual basis. Ms. Ward emphasized with default rate changes, customer still have the ability to choose from any of CPA's other rate products, and can change to another rate product at anytime with no penalties.

John Capoccia, Sierra Madre, joined the meeting at or about 2:30PM.

There were no public comments on Item 8.

Motion: Director Peak, Malibu
Second: Director McKeown, Santa Monica
Vote: Item 8 was approved by a unanimous roll call vote.

9. Adopt Procurement Approach for Greenhouse Gas Free Energy

Ted Bardacke, Executive Director, commented that this approach is an opportunity to sharpen the mission of CPA towards serving customers with electricity resources that cause incremental reductions in greenhouse gas emissions and help to shift resources. Mr. Bardacke provided a presentation covering the following topics: impact of higher costs in the market and new accounting rules on GHG free procurement; non-renewable GHG free procurements; renewable energy GHG accounting issues; renewable energy portfolio content categories; non-renewable GHG free procurement; SCE GHG free energy allocation; maintaining the status quo in the 2021 power content label; recommended approach to beat SCE GHG content in clean energy renewables, no GHG free purchases in lean energy, and no nuclear energy; and lastly discussed background information on the Palo Verde Nuclear Generating Station (PVNGS).

Mr. Bardacke also recognized the contribution of Ted Tardif, Energy Resources Manager, for all the data analysis that led to the development of this framework.

Chair Mahmud commented that one of the Board's first policies was to refrain from procurement of nuclear energy.

Director Ashton, Downey, asked about the source of unspecified electricity and expressed interest in prioritizing cost savings for customers. Director Capoccia, Sierra Madre, requested clarification on the tradeoff of GHG versus use of nuclear.

Mr. Bardacke clarified that unspecified energy cannot be traced back to a specific source; that both approaches covered in the presentation provide the same amount of savings to CPA; and that incremental GHG reduction is what matters,

since the GHG free energy that CPA would not procure by declining the nuclear allocation would still be produced.

Director Kulcsar, Carson, requested clarification on the use of unbundled renewable energy credits (RECs). Mr. Bardacke noted that in 2019 unbundled RECs were used but there were no plans to procure them in 2020 and referred to the last slide in the presentation referring to 0% unbundled RECs retired as a percentage of electric service products retail sales.

Director Ramirez, Oxnard, expressed concern over use of nuclear energy; Director Wunderlich, Beverly Hills, commented strongly against options including nuclear energy and asked for clarification on the fluctuation of Lean and Clean power. Mr. Bardacke responded that the fluctuation is based on the different mix of PCC1 and PCC2 within the renewables. Matt Langer, Chief Operating Officer, added that the breakdown of PCC1 and PCC2 is not being showed in the presentation, but that PCC2 is backed by hydro and PCC1 is carbon free by definition.

Director Santangelo, Camarillo, asked staff if the recommended approach did not include a \$2.1 million in savings. Staff clarified that the alternate approach should also reflect no large hydro in Lean and does include a \$2.1 million in savings, but it was not included in the presentation in the board packet but that a revised presentation was later distributed.

Director Luevanos, Simi Valley, emphasized the negative connotation of nuclear energy in her jurisdiction; Vice Chair Parks, Ventura County, agreed with others about no nuclear energy in CPA's portfolio; and Director Sahli-Wells, Culver City, inquired about the change in the Lean percentage changing from 36% to 40% and inquired about GHG penalization for using substitute power. Mr. Bardacke clarified that it has been CPA's approach to have a product that saves customers money and matches SCE's renewables, which is a base product that covers 99.9% of its customers. Mr. Langer, added that regulation is very stringent and discussed changes in regulation relating to PCC2 renewable energy.

In response to a question from Director Zuckerman, Rolling Hills Estates. Mr. Langer clarified that CPA and SCE have discussed the value of nuclear energy and that SCE allocates resources but has not conceded that those resources have any associated value.

In response to clarification questions from Director Monteiro, Hawthorne, and Director Wunderlich, Beverly Hills, Mr. Bardacke indicated that Lean energy provides a 1-2% discount and the Clean energy product is basically a parity cost product and that there is not much upward movement expected in that rate.

There were no public comments for Item 9.

Motion: Director McKeown, Santa Monica
Second: Director Monteiro, Hawthorne
Vote: Item 9 was approved by a unanimous roll call vote.

V. ELECTION OF BOARD OFFICERS

1. Elect Diana Mahmud, City of South Pasadena, as Board Chair for the term April 1, 2020 to June 30, 2022; (2) Elect Sheila Kuehl, County of Los Angeles, District 3, as Board Vice-Chair representing the Los Angeles County members for the term April 1, 2020 to June 30, 2022 (Written Ballots to be opened at the Los Angeles location); and (3) Elect Linda Parks, County of Ventura, District 2, as Board Vice-Chair representing the Ventura County members for the term April 1, 2020 to June 30, 2022 (Written Ballots to be opened at the Los Angeles location).

Jennifer Ward, Director of External Affairs, reported that CPA is electing three required board officer positions: Board Chair, Vice-Chair for LA County, and Vice-Chair for Ventura County. Ms. Ward noted that Chair Mahmud opened the nomination period in January and CPA received one nominee for each position. Ms. Ward noted that for these elections, only regular directors may cast a vote.

Director Ramirez, Oxnard, thanked the current officers for their service on the Board of Directors.

Director Ashton, Downey, noted that only one nominee was received for each position and requested that one vote be conducted for all three items. Ms. Ward clarified that it could be done, noted that only those votes from regular Directors would be counted, and that votes would only apply to corresponding county representatives.

Ms. Ward announced that at the March 2020 meeting, the Board Chair will announce appointments to the Legislative, Finance, and Energy Committees, and will open the nomination period for any Regular Director wishing to serve on the Executive Committee, in at large positions.

The Board of Directors unanimously appointed: Diana Mahmud, City of South Pasadena as Board Chair for the term April 1, 2020 to June 30, 2022; Sheila Kuehl, County of Los Angeles, District 3, as Board Vice-Chair representing the Los Angeles County members for the term April 1, 2020 to June 30, 2022; and Linda Parks, County of Ventura, District 2, as Board Vice-Chair representing the Ventura County members for the term April 1, 2020 to June 30, 2022.

VI. 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)

Nancy Whang, General Counsel, reported that CPA has received a settlement in the amount of \$3.5 million dollars, resolving the dispute between Southern California Edison (Edison) and CPA, concerning certain services Edison provided to CPA from January 1, 2018 to December 31, 2019, under Edison's tariffs.

The Board of Directors voted 27-0, to approve a settlement between Southern California Edison and the Clean Power Alliance.

VII. MANAGEMENT UPDATE

Ted Bardacke, Executive Director provided a brief report, emphasizing the RFO update, customer programs launch, and staffing updates.

VIII. COMMITTEE CHAIR UPDATES

Energy Committee Chair Carmen Ramirez provided an update on the utility track shortlist.

IX. BOARD MEMBER COMMENTS

Director Ellison, Ojai, expressed her enthusiasm with jurisdictions within Ventura County that have established default rates at 100% Green energy and highlighted that efforts have been made to allow disadvantaged communities to participate in a green energy future.

Director Zuckerman, Rolling Hills Estates, asked staff for the number of CARE customers.

Director Capoccia, Sierra Madre, announced that the City is looking to change its default rate in the coming weeks.

X. REPORT FROM THE CHAIR

Chair Mahmud referred to an article on PG&E's bankruptcy and commented on a SCAG presentation relating to CPUC proceedings concerning the power safety shutoffs and established protocols and CPA will be responding to the proceeding.

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

Chair Mahmud adjourned the meeting.