

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, May 7, 2020, 2:00 p.m.

MINUTES

The Board of Directors conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

I. WELCOME AND ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:02 and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Alternate	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Robert Wunderlich	Alternate	Remote
5	Calabasas	John Bingham	Alternate	Remote
6	Camarillo			Absent
7	Carson	Reata Kulcsar	Alternate	Remote
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Joe Susca	Alternate	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens			Absent
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Skylar Peak	Director	Remote
15	Manhattan Beach	Nancy Hersman Dana Murray	Director Alternate	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai	Michelle Ellison	Alternate	Remote
18	Oxnard	Carmen Ramirez	Director	Remote
19	Paramount	Vilma Cuellar Stallings	Director	Remote
20	Redondo Beach	Christian Horvath	Director	Remote
21	Rolling Hills Estates	Steve Zuckerman	Director	Remote

22	Santa Monica	Kevin McKeown	Director	Remote
23	Sierra Madre	John Capoccia	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City			Absent
27	Thousand Oaks	Bob Engler	Director	Remote
28	Ventura City	Christy Weir	Director	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

II. GENERAL PUBLIC COMMENT

There was no public comment.

III. CONSENT AGENDA

1. Approve Minutes from March 25, 2020 Board of Directors Special Meeting and April 2, 2020 Board of Directors Regular Meeting
2. Approve 2019/2020 Legislative Positions
3. Receive and File Quarterly RMT Report Q1 2020

Motion: Director Sean Ashton, Downey

Second: Director Corey Calaycay, Claremont

Vote: Items 1, 2, and 3 were approved by a roll call vote.

IV. REGULAR AGENDA

4. Approve Renewable Energy Power Purchase and Energy Storage Agreements and Authorize the Executive Director to Execute the Following Agreements: 15-Year Renewable Energy Power Purchase Agreement with HDSI, LLC; 10-Year Renewable Power Purchase Agreement with Kaweah River Power Authority; and 15-year Energy Storage Agreement with Edwards Sanborn Storage II, LLC

Natasha Keefer, Director of Power Planning & Procurement, provided a presentation on the item, highlighting requested actions, background on CPA's 2019 Request for Offers (RFOs) and portfolio considerations, RFO results, and compliance obligations. Ms. Keefer further discussed how the projects fit into the

context of the broader RFO and provided project overviews, noting that the projects' benefits outweigh the costs, indicating a positive Net Present Value.

At the request of Chair Mahmud, Ms. Keefer provided clarification on the meaning of a "run of river hydro" reference of the Kaweah project, indicating that those types of facilities are located on existing reservoirs and produce electricity whenever water flows. In response to Chair Mahmud's clarification of KRPA's sale of the project to Eagle Creek, and Ms. Keefer characterized Eagle Creek as an experienced owner and operator of hydro-projects and that the sale can be of benefit to CPA as Eagle Creek can ensure facilities are fully optimized.

Motion: Director Christian Horvath, Redondo Beach

Second: Director Kevin McKeown, Santa Monica

Vote: Item 4 was approved by a roll call vote.

5. Adopt Resolution No. 20-05-006 to Approve 2020 Rates for Phase 1 & 2 Non-Residential Customers, Resolution No. 20-05-007 to Approve 2020 Rates for Phase 4 & 5 Non-Residential Customers, and Resolution No. 20-05-008 to Approve 2020 Rates for Phase 3 & 5 Residential Customers

Matthew Langer, Chief Operating Officer, provided a presentation of the proposed rate changes, noting that a small upward increase in CPA generation rates is recommended to maintain bill comparisons at the current Board-approved level; and discussed the average CPA customer bill, adding that the 7% increase was almost entirely due to increases in SCE transmission and delivery rates. Mr. Langer emphasized that modifying the rate comparisons that the Board adopted in 2019 would cause a significant loss of revenue to CPA and financial uncertainty caused by COVID-19 related impacts to load, revenue, and 2021 PCIA potential increases, meant that a change to the overall rate setting approach, including the subset customer rates, would be risky. Lastly, Mr. Langer touched on the increase of SCE rates and the Peak Management Pricing (PMP) response program.

Directors Ashton and Maloney asked about messaging to the community regarding the increase in Edison transmission rates, with Director Maloney emphasizing an issue of misinformation for residents in Alhambra from the SCE call center.

Mr. Langer indicated that staff developed a multi-pronged strategy for customer education and that monthly check-ins have been scheduled with SCE to provide feedback and training to call center staff, among other efforts to prevent misinformation.

Chair Mahmud expressed concern over Edison's increase in transmission and distribution costs, noting that increases may continue as Edison conducts improvements on infrastructure and to mitigate wildfire liability. Chair Mahmud remarked that CPA can play a role by increasing its presence at the California Public Utilities Commission (CPUC), as well as address distribution costs by enhancing local generation.

Mr. Langer indicated that staff was evaluating several local procurement and resiliency projects, in addition to behind-the-meter resources and resiliency projects in member jurisdictions to reduce some of the distribution costs, however, noted that those effects would be indirect and long-term.

Director Kulcsar expressed concern over the subset rate setting approach noting that the City of Carson understood the approach to be temporary. Mr. Bardacke elaborated on CPA's long-term goal to move to a cost of service-based approach to better align costs with rates. Chair Mahmud added that the Executive Committee discussed a rate change to subset customers, however, a lower rate-setting approach did not appear to be a stable option this year and that CPA should make sure it could sustain a lower level of subset rates in order to avoid putting member agencies in a position of continuously changing electricity providers.

Director Luevanos commented that it is unknown how much of Edison's costs for resiliency and wildfire mitigation are passed on to customers and CPA can help to ensure that Edison does not pass through all costs whenever possible.

Mr. Bardacke responded that CPA expected to increase engagement at the regulatory level regarding how Edison's rates are set.

Motion: Director Christian Horvath, Redondo Beach
Second: Vice Chair Kuehl, Los Angeles County
Vote: Item 5 was approved by a roll call vote.

6. Authorize Expenditure of \$1 million in Bill Assistance for Residential and Small Business Customers Impacted by COVID-19 and Approve Amendment to FY 2019/20 Budget

Mr. Bardacke summarized the staff recommendation to authorize an expenditure of \$1 million in bill assistance for customers impacted by COVID-19. The proposed bill assistance would be presented as an automatic bill credit for small business customers who signed up for payment plans and an automatic bill credit for residential customers newly enrolled in CARE, FERA, and Medical Baseline programs, or payment plans, and that eligibility requirements for those financial assistance programs have been relaxed.

Vice Chair Kuehl asked if targeted outreach can be expanded to reach new audiences, such as those newly unemployed. Mr. Bardacke indicated that staff has found targeted Facebook advertisements in monolingual communities to have been effective and that those outreach efforts can be expanded to target new audiences and emphasize resources for those who are recently unemployed.

Chair Mahmud requested that staff report back to the Board on any movement of funds for the program and expressed gratitude for the staff's quick response with a viable plan.

Motion: Director Corey Calaycay, Claremont
Second: Director Kevin McKeown, Santa Monica
Vote: Item 6 was approved by a roll call vote

7. Presentation on FY 2020/21 Budget Priorities

Mr. Bardacke provided an overview of the 2020/21 budget priorities, emphasizing the uncertainty in load forecasting that affects revenue and cost of energy which

comprise over 90% of the budget. Mr. Bardacke indicated that priorities for the coming fiscal year includes building additional risk management and analytical capabilities to better manage the \$700 million of costs in energy procurement.

Mr. Bardacke stated that the organization will aim to limit short term exposures while preparing internally for heightened risk and economic recovery, and described staffing priorities in the coming year. Mr Bardacke described a FY 2020/21 staff cost benchmark of 1% of revenue and noted that this was one-half or less than the average of other large CCAs. Mr. Bardacke showed an organizational chart that indicated CPA was looking to increase staff headcount to 43 positions over the course of FY 2020/21 and noted that this was subject to meeting the 1% benchmark and management discussion about how to best deploy the staffing budget.

Chair Mahmud commended staff for producing quality work during unprecedented times.

Harvey Eder provided public comment.

V. MANAGEMENT UPDATE

Mr. Bardacke provided an overview of the following topics: CPA's financial performance regarding key indicators on profitability, liquidity, and load forecasting. Mr. Bardacke noted that the decrease in load has been manageable, cashflow has held up well, and the aging of accounts receivable maintained a steady pace. Lastly, Mr. Bardacke shared that the individual customer status reports that are provided to member jurisdictions will now include data on payment plans and CARE/FERA/Medical Baseline customers.

VI. COMMITTEE CHAIR UPDATES

Legislative & Regulatory Committee Chair Horvath discussed a letter signed by CPA's leadership to encourage representation of CCAs in the Governor's Jobs and Business Recovery Taskforce. Chair Horvath also indicated staff identified a robust legislative agenda, although most legislative efforts have been focused on COVID-19 relief efforts.

Energy Committee Chair McKeown thanked the Board of Directors for their support in approval of Energy Storage and Power Purchase Agreements and discussed the shifting arena in energy projects and recognized the efforts of staff.

Finance Committee Chair Gold was not present.

VII. BOARD MEMBER COMMENTS

Vice Chair Kuehl touched on the new health orders from Los Angeles County, noting that the plans for a Phase 2 reopening of County facilities will mirror the Governor's orders.

Director Zuckerman inquired asked for an update on tenant improvements for CPA's office space and Mr. Bardacke responded that construction plans have not yet been submitted but staff has kept the move on track.

Vice Chair Parks thanked staff for their work in keeping CPA operations flowing smoothly and the Energy Committee for the energy storage and power purchase agreements approved by the Board.

VIII. REPORT FROM THE CHAIR

Board Chair Mahmud discussed the scheduling of the Board Retreat and encouraged Board Members to ensure their member jurisdictions reminded residents and commercial customers of eligibility for COVID-19 relief.

IX. CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Title: Executive Director
Government Code Section 54957

General Counsel Nancy Whang reported that no action was taken but direction was provided to staff.

There was no public comment.

X. ADJOURN – NEXT REGULAR MEETING MAY 7, 2020

Chair Mahmud adjourned the meeting at 5:28 p.m.