



**MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, November 25, 2020
11:00 a.m.**

SPECIAL NOTICE: 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 COVID-19, the Finance Committee will conduct this meeting remotely.

[Click here to view a Live Stream of the Meeting on YouTube](#)

*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:

<https://zoom.us/j/97350854414>

or

Dial: (669) 900-9128 Meeting ID: 973 5085 4414

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- **Email Public Comment:** Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.
- **Provide Public Comment During the Meeting:** Please notify staff via email to clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
 - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
 - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
 - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: clerk@cleanpoweralliance.org.

*While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

Clean Power Alliance Finance Committee
November 25, 2020

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 clerk@cleanpoweralliance.org or (213) 713-5995. 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.*

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.

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. [Approve Minutes from the October 28, 2020 Finance Committee Meeting](#)
2. [Receive and File October 2020 Risk Management Team Report](#)
3. [Receive and File October 2020 CPA Investment Report](#)

REGULAR AGENDA

4. [Report from the Chief Financial Officer](#)
5. [Receive and File Enhanced Financial Reporting for the Three Months Ending September 30, 2020](#)

COMMITTEE MEMBER COMMENTS

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. Public records are available for inspection online at www.cleanpoweralliance.org/agendas.*

[Return to Agenda](#)

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, October 28, 2020, 11:00 a.m.

MINUTES

The Finance Committee conducted this meeting remotely, in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

WELCOME & ROLL CALL

Chair Julian Gold called the meeting to order at 11:02 a.m. and Clerk of the Board, Gabriela Monzon, conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Claremont	Corey Calaycay	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Absent

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from the August 26, 2020 Finance Committee Meeting
2. Receive and File August and September 2020 Risk Management Team Report
3. Receive and File August and September 2020 CPA Investment Report

Motion: Committee Member Calaycay, Claremont

Second: Committee Member Kulcsar, Carson

Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

4. Receive Report from the Independent Auditor and Review Fiscal Year 2019-2020 Financial Statements and Fiscal Year 2019-2020 Budget to Actual Report

Bethany Ryers, Independent Auditor from Baker Tilly, reviewed the auditing process, which involved defining the auditor and the Boards' responsibilities and assessing CPA's accounting policies and procedures; and commented that staff was cooperative throughout the audit process. Ms. Ryers reported that the auditor's report contains what

is generally regarded as an unqualified or “clean” audit opinion, meaning the auditor observed no material issues with CPA’s reporting or internal controls. In response to Committee Member Zuckerman’s question regarding upcoming accounting impacts, Ms. Ryers noted there were no accounting impacts that would significantly change CPA’s fiduciary activities. Committee Member Kulcsar asked what the auditor identified as the responsibilities of the Board of Directors. David McNeil, Chief Financial Officer, noted that the CPA Board of Directors exercises its oversight in accordance with CPA’s Joint Powers Agreement and its Bylaws, which includes performance review of the Executive Director, review and approval of policies and contracts, establishment of the annual budget, and review of regular financial reporting.

David McNeil, Chief Financial Officer, provided a summary of CPA’s financial results, specifically that the agency met its financial objectives in FY 2019-20 and entered the current fiscal year in sound financial health. Mr. McNeil stated that CPA increased its’ net position by \$30.6 million or 4.07% of revenues and added \$27 million to the recently created Fiscal Stabilization Fund. Mr. McNeil reviewed in detail CPA’s balance sheet as of June 30, 2020 and financial indicators, which demonstrate that CPA reduced its leverage and increased its’ liquidity. Mr. McNeil provided a detailed overview of the base budget and the actual budget and noted that energy load, and revenue and energy costs were higher than expected due to lower customer opt-outs.

In response to Committee Member Zuckerman’s question, Mr. McNeil responded that allowances for bad debt are netted from accounts receivable and electricity revenues consistent with generally accepted accounting principles.

5. Report from the Chief Financial Officer

Mr. McNeil provided a report on the August 2020 and year to date (YTD) financial results, noting that CPA recorded a loss of \$11.6 million, reducing the YTD net income to \$5 million. Mr. McNeil reviewed the most expensive hours of July and August that demonstrated that the hedging strategy was effective in reducing risk and costs during the recent heat waves, and although they were a setback, on a net basis, CPA’s competitive position improved as a result. Lastly, Mr. McNeil discussed borrowing and treasury operations, customer payments, and accounts receivable aging.

Committee Member Calaycay asked if it made sense to adjust the hedging strategy due to climate change, and Mr. McNeil stated that staff did not plan to change the Energy Risk Management Policy targets, but will consider climate change as a factor, and noted that as CPA increases its reserves, it can absorb more risk and focus on contracting for energy storage and other products that increase optionality.

Committee Member Zuckerman requested that power sold in the prior month be included in the financial dashboards.

COMMITTEE MEMBER COMMENTS

Committee Member Kulcsar noted that CPA does not recuperate any losses from the California Public Utilities Commission but rather builds its reserves in order to withstand market shocks.

Chair Gold thanked staff for the information shared with the Committee.

ADJOURN

Committee Chair Gold adjourned the meeting at 12:11 p.m.

Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Finance Committee

From: Matthew Langer, Chief Operating Officer

Approved by: Ted Bardacke, Executive Director

Subject: October 2020 Risk Management Team Report

Date: November 25, 2020

OCTOBER 2020 RMT REPORT

Key Actions

- Discussed historical market performance, including higher than normal temperature for October 2020.
- Reviewed short-term energy position for balance of year 2020 and approved energy hedge solicitations.
- Reviewed long-term energy position and approved energy hedge solicitations for 2021 – 2022.
- Reviewed renewable energy and carbon free positions, including impact of SCE hydro allocation, and approved potential transactions to close remaining 2020 open positions.
- Reviewed Resource Adequacy (RA) position and discussed potential changes to RA program rules.
- Discussed 2021 Congestion Revenue Rights (CRR) annual allocation and auction process.

Policy Compliance

No new policy compliance issues to report.

ATTACHMENT

None.

Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Finance Committee

From: David McNeil, Chief Financial Officer

Subject: CPA Investment Report

Date: November 25, 2020

RECOMMENDATION

Receive and File.

ATTACHMENT

- 1) [October 2020 Investment Report](#)

**Clean Power Alliance
Investment Report
October 2020**

Fund Name: Local Agency Investment Fund

Beginning Balance	2,502,207
Interest Paid (1)	5,316
Deposits	-
Withdrawals	-
Ending Balance	2,507,523
Interest Earned (2)	1,275
Average Monthly Effective Yield	0.620%

1. Interest is paid quarterly effective 15 days following the end of the quarter

2. Interest earned is based on daily compounding, account balances and monthly effective yields published by LAIF



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Subject: Report from the Chief Financial Officer
Date: November 25, 2020

The Chief Financial Officer will provide an oral report on the following items:

- Borrowing and treasury operations
- Customer payments and accounts receivable aging

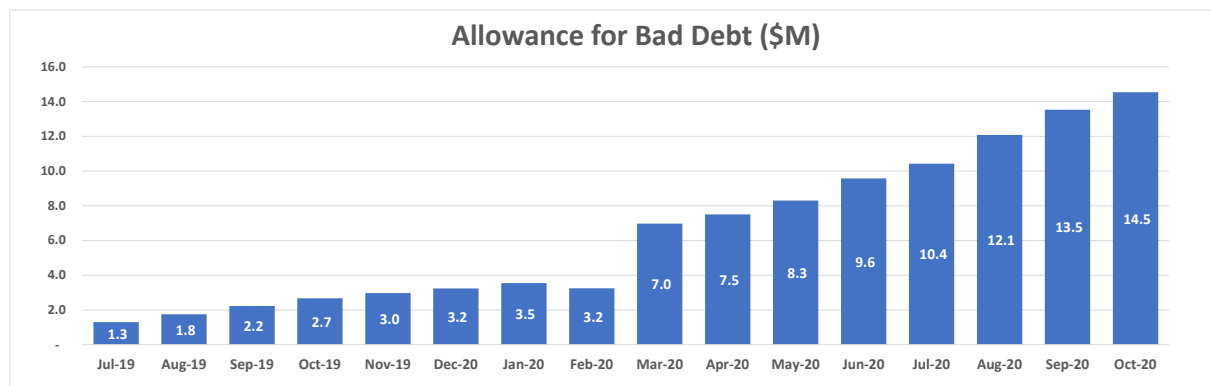
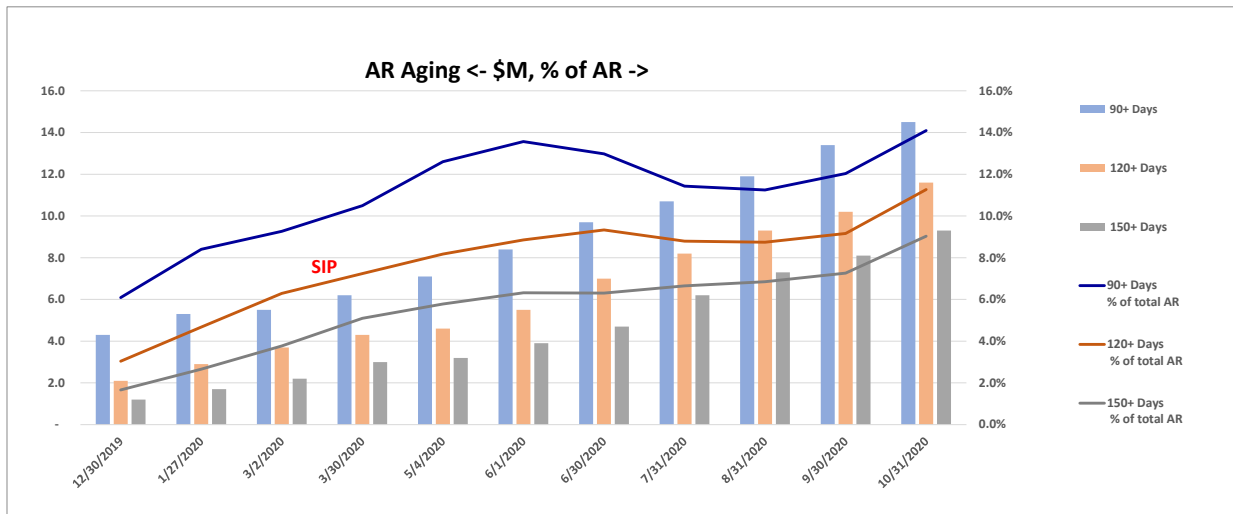
ATTACHMENTS

- 1) [October 31, 2020 Customer Payment Dashboard](#)

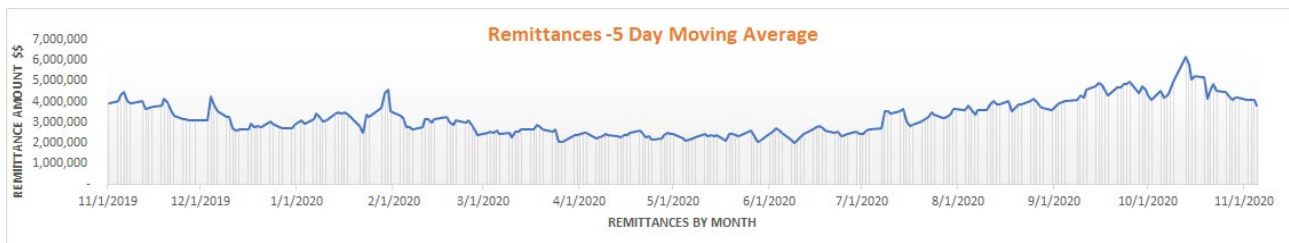
Clean Power Alliance

Customer Payment Dashboard

Updated: 11/3/2020



AR Aging Commerical/Residential Split										90+ Days - % of		Increase in 90+ Day			
10/31/2020										Total AR		since SIP			
	90+ Days			120+ Days			150+ Days			Total AR					
Residential	\$	10,513,000	73%	\$	8,483,000	73%	\$	6,852,000	74%	\$	59,078,000	17.8%	\$	6,766,000	76%
Commercial	\$	3,945,000	27%	\$	3,076,000	27%	\$	2,414,000	26%	\$	43,516,000	9.1%	\$	2,104,000	24%
Total	\$	14,458,000	100%	\$	11,560,000	100%	\$	9,266,000	100%	\$	102,594,000		\$	8,870,000	





Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Finance Committee

From: David McNeil, Chief Financial Officer

Subject: Receive and File Enhanced Financial Reporting for the Three Months Ending September 30, 2020

Date: November 25, 2020

The Chief Financial Officer will provide an overview of CPA's Fiscal Year (FY) 2020-21 first quarter (Q1) financial results.

ATTACHMENTS

- 1) [CPA FY 2020-21 Q1 Financial Report Presentation](#)
- 2) [CPA FY 2020-21 Q1 Financial Report](#)



Item 5

FY 2020-21 Q1 Financial Results

November 25, 2020

Summary of Q1 Financial Results

CPA recorded net income of \$8.2 million in September 2020, increasing year to date net income to \$13.2 million. Results for the first quarter were \$11 million or 46% below budget. The first quarter results were impacted by the following factors:

- Sustained heat waves in mid-August and early September required CPA to serve load at high spot market prices. Day ahead load costs exceeded hedge revenues by \$16.5m and \$8m in August and September 2020 respectively up from \$1.6m in July 2020. CPA spent \$8.4m serving the 10 most expensive hours in August as compared to \$1.6m in July.
- A transfer from the Fiscal Stabilization Fund to operating revenue totaling \$4.4m. Absent the transfer net income would have been \$3.8m and \$8.8m for September and Q1 respectively.
- A \$4m increase in bad debt equal to 1.4% of first quarter electricity sales arising from slowing customer payments and the current recession.

CPA repaid its loan to the County of Los Angeles in September 2020 and has no bank or other debt outstanding. CPA had \$78.6 million in cash and cash equivalents and \$36 million available on its line of credit as of September 30, 2020. CPA is in compliance with its bank and other credit covenants.

Balance Sheet Components, as of June 30:

As of September 30

	2020	2019
ASSETS		
Current assets		
1 Cash and cash equivalents	\$ 78,579,868	\$ 35,940,412
2 Accounts receivable, net of allowance	97,537,229	93,341,244
3 Accrued revenue	54,999,391	60,446,425
4 Market settlements receivable	676,757	1,743,823
5 Other receivables	280,329	1,420,874
6 Prepaid expenses	1,805,459	3,604,298
7 Deposits	3,991,804	-
8 Restricted cash	4,897,000	6,047,000
9 Total current assets	242,767,835	202,544,076
Noncurrent assets		
10 Capital assets, net of depreciation	481,498	32,481
11 Deposits	188,875	135,200
11 Total noncurrent assets	670,374	167,681
12 Total assets	243,438,209	202,711,757

Balance Sheet Components, as of June 30:

As of September 30

LIABILITIES

Current liabilities

13	Accounts payable	1,744,538	2,275,676
14	Accrued cost of electricity	130,934,138	154,419,507
15	Other accrued liabilities	3,410,861	3,194,958
16	User taxes and energy surcharges due to other governments	7,777,358	7,021,481
17	Loans payable to County of Los Angeles	-	-
18	Supplier security deposits	10,225,580	-
19	Total current liabilities	<u>154,092,475</u>	<u>166,911,622</u>

Noncurrent liabilities

20	Loans payable to County of Los Angeles	-	9,835,608
21	Loans payable to River City Bank	-	-
22	Supplier security deposits	6,924,000	750,000
23	Total noncurrent liabilities	<u>6,924,000</u>	<u>10,585,608</u>
24	Total liabilities	<u>161,016,475</u>	<u>177,497,230</u>

Balance Sheet Components, as of June 30:

As of September 30 DEFERRED INFLOWS OF RESOURCES

25 Rate Stabilization Fund	<u>22,592,965</u>	<u>-</u>
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NET POSITION

26 Investment in capital assets	481,498	32,481
27 Restricted for collateral	4,897,000	6,047,000
28 Unrestricted	<u>54,450,271</u>	<u>19,135,046</u>
29 Total net position	<u>\$ 59,828,769</u>	<u>\$ 25,214,527</u>

Income Statement, as of June 30:

July 1 through September 30

	2020	2019	% Ch
OPERATING REVENUES			
1 Electricity sales, net	\$ 276,701,958	\$ 278,074,475	-0.5%
2 Revenue transferred from/(to) Rate Stabilization Fund	4,407,035	-	
3 Other revenue	-	-	
4 Total operating revenues	281,108,993	278,074,475	1%
OPERATING EXPENSES			
5 Cost of electricity	261,834,703	263,642,093	-1%
6 Contract services	4,431,000	4,099,391	7%
7 Staff compensation	1,417,789	732,425	48%
8 General and administration	238,232	223,368	6%
10 Total operating expenses	267,921,724	268,697,277	0%
11 Operating income (loss)	13,187,269	9,377,198	29%
NONOPERATING REVENUES (EXPENSES)			
12 Interest income	92,644	23,830	74%
13 Interest and related expenses	(36,779)	(175,478)	-377%
14 Other nonoperating revenue	-	-	
15 Total nonoperating revenues (expenses)	55,865	(151,648)	371%
CHANGE IN NET POSITION			
16 Net position at beginning of period	46,585,635	15,988,978	66%
17 Net position at end of period	\$ 59,828,769	\$ 25,214,527	58%

Select Financial Indicators

Select Financial Indicators

	9/30/2020	6/30/2020	% Ch	Description
Working Capital	88,675,360	75,961,937	17%	Current Assets less Current Liabilities
Current Ratio	1.58	1.69	-7%	Current Assets divided by Current Liabilities
Days Sales Outstanding	32	31	4%	Accounts receivable divided by Sales divided by 365
Equity	82,421,734	73,585,635	12%	Net Position plus Fiscal Stabilization Fund
Equity to Assets	34%	40%	-14%	Equity (Net Position + FSF) divided by Total Assets
Available Cash	73,682,868	56,158,767	31%	Total cash less restricted cash
Available Line of Credit	36,030,000	36,030,000	0%	Total Line of Credit less Borrowing and Letters of Credit
Total Liquidity	109,712,868	92,188,767	19%	Sum of Available Cash and Line of Credit
Days Liquidity on Hand (TTM)	56	47	19%	Total Liquidity divided by trailing 12 month expenses divided by 365
Gross Margin	6.9%	7.0%	-1.4%	Operating revenue less energy cost divided by operating revenue
Net Margin	4.7%	4.1%	15.8%	Change in net position divided by operating revenue

Budget to Actual Analysis

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA BUDGETARY COMPARISON SCHEDULE July 1, 2020 through September 30, 2020

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Variance / Budget %
Operating revenues				
Revenue - electricity, net	\$ 269,029,604	\$ 276,701,504	\$ 7,671,900	3%
Revenue transferred from/(to) Rate Stabilization Fund	-	4,407,035	4,407,035	
Other revenues	-	455	455	
Total operating revenues	269,029,604	281,108,994	12,079,390	4%
Energy costs				
Energy procurement	236,527,489	261,834,703	25,307,214	11%
Operating revenues less energy costs	32,502,115	19,274,291	(13,227,824)	-41%

Budget to Actual Analysis

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA BUDGETARY COMPARISON SCHEDULE July 1, 2020 through September 30, 2020

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Variance / Budget %
Operating Expenditures				
Communications and outreach	163,002	70,479	(92,523)	-57%
General and administrations	310,380	209,317	(101,063)	-33%
Occupancy	129,125	18,829	(110,296)	-85%
Billing data manager	2,970,309	2,940,365	(29,944)	-1%
SCE services	588,873	564,036	(24,837)	-4%
Technical services	761,778	245,920	(515,857)	-68%
Legal services	429,025	130,716	(298,309)	-70%
Other professional services	240,115	192,864	(47,251)	-20%
Mailers	473,762	267,270	(206,492)	-44%
Staffing	1,743,730	1,417,789	(325,941)	-19%
Customer programs	254,000	19,350	(234,650)	-92%
Total operating expenditures	8,064,098	6,076,935	(1,987,163)	-25%

Budget to Actual Analysis

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

BUDGETARY COMPARISON SCHEDULE

July 1, 2020 through September 30, 2020

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Variance / Budget %
Operating income	24,438,017	13,197,356	(11,240,661)	-46%
Non-operating revenues (expenditures)				
Interest income	66,667	92,644	25,977	39%
Finance and interest expense	(96,000)	(36,779)	59,221	-62%
Depreciation	(44,000)	(10,087)	33,913	-77%
Total non-operating revenues (expenditures)	(73,333)	45,778	119,112	-162%
Change in net position	<u>24,364,684</u>	<u>13,243,134</u>	<u>(11,121,550)</u>	-46%
Other uses				
Capital outlay	829,500	394,197	(435,303)	-52%
Depreciation	44,000	10,087	(33,913)	-77%
Total other uses	873,500	404,284	(469,216)	-54%
Change in fund balance	<u>\$ 23,491,184</u>	<u>\$ 12,838,850</u>	<u>\$ (10,652,333)</u>	-45%

Electricity revenue, net includes COVID-19 bill credits totaling \$210,072 and \$495,030 for the month and fiscal year to date respectively.

The CPA Board of Directors approved bill credits up to \$1.42 million in FY 2020-21.

Thank You! Questions?



Financial Dashboard

YTD
Sept
2020

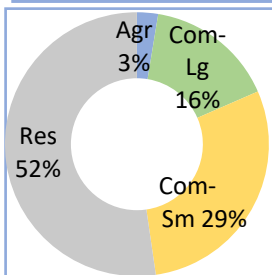
Active Accounts

1,007,000

Opt-Out %

6.2%

YTD Sales Volume
4,838 GWh
Sept Sales Volume
1,614 GWh



Summary of Financial Results

in \$000,000's	September				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Energy Revenues	\$94.8	\$83.9	\$10.9	13%	281.1	269.0	12.1	4%
Cost of Energy	\$84.6	\$73.9	\$10.7	15%	261.8	236.5	25.3	11%
Net Energy Revenue	\$10.2	\$10.1	\$0.2	2%	19.3	32.5	-13.2	-41%
Operating Expenditures	\$2.1	\$2.9	-\$0.9	-29%	6.1	8.1	-2.0	-25%
Net Income	\$8.2	\$7.2	\$1.0	14%	13.2	24.4	-11.2	-46%

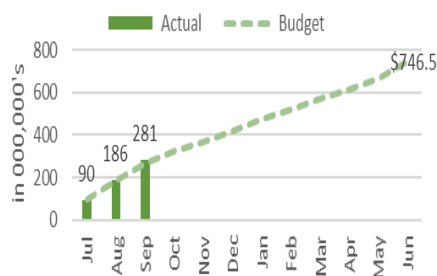
Note: Numbers may not sum up due to rounding.

CPA recorded net income of \$8.2 million in September 2020, increasing year to date net income to \$13.2 million. Results for the first quarter were \$11 million or 46% below budget. The first quarter results were impacted by the following factors:

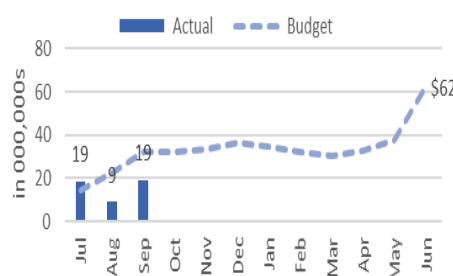
- Sustained heat waves in mid-August and early September required CPA to serve load at high spot market prices. Day ahead load costs exceeded hedge revenues by \$16.5m and \$8m in August and September 2020 respectively up from \$1.6m in July 2020. CPA spent \$8.4m serving the 10 most expensive hours in August as compared to \$1.6m in July.
- The heat wave increased CAISO charges for grid operation nearly seven-fold to \$7.5m in August up from \$1m in July.
- Lower than expected commercial revenue.
- A transfer from the Fiscal Stabilization Fund to operating revenue totaling \$4.4m.
- A \$4m increase in bad debt equal to 1.4% of first quarter electricity sales arising from slowing customer payments and the current recession.

CPA repaid its loan to the County of Los Angeles in September 2020 and has no bank or other debt outstanding. CPA had \$78.6 million in cash and cash equivalents and \$36 million available on its line of credit as of September 30, 2020. CPA is in compliance with its bank and other credit covenants.

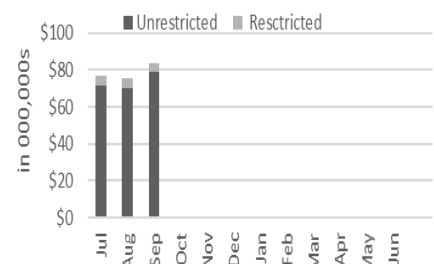
Cumulative Revenue



Net Energy Revenue



Cash & Cash Equivalents



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA per Calpine Invoice.

Opt-out %: Customer accounts opted out divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2020

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF NET POSITION
As of September 30

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 78,579,868	\$ 35,940,412
Accounts receivable, net of allowance	97,537,229	93,341,244
Accrued revenue	54,999,391	60,446,425
Market settlements receivable	676,757	1,743,823
Other receivables	280,329	1,420,874
Prepaid expenses	1,805,459	3,604,298
Deposits	3,991,804	-
Restricted cash	4,897,000	6,047,000
Total current assets	<u>242,767,835</u>	<u>202,544,076</u>
Noncurrent assets		
Capital assets, net of depreciation	481,498	32,481
Deposits	188,875	135,200
Total noncurrent assets	<u>670,374</u>	<u>167,681</u>
Total assets	<u>243,438,209</u>	<u>202,711,757</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,744,538	2,275,676
Accrued cost of electricity	130,934,138	154,419,507
Other accrued liabilities	3,410,861	3,194,958
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Loans payable to County of Los Angeles	-	-
Supplier security deposits	10,225,580	-
Total current liabilities	<u>154,092,475</u>	<u>166,911,622</u>
Noncurrent liabilities		
Loans payable to County of Los Angeles	-	9,835,608
Loans payable to River City Bank	-	-
Supplier security deposits	6,924,000	750,000
Total noncurrent liabilities	<u>6,924,000</u>	<u>10,585,608</u>
Total liabilities	<u>161,016,475</u>	<u>177,497,230</u>
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization Fund	<u>22,592,965</u>	<u>-</u>
NET POSITION		
Investment in capital assets	481,498	32,481
Restricted for collateral	4,897,000	6,047,000
Unrestricted	54,450,271	19,135,046
Total net position	<u>\$ 59,828,769</u>	<u>\$ 25,214,527</u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1 through September 30

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Electricity sales, net	\$ 276,701,958	\$ 278,074,475
Revenue transferred from/(to) Rate Stabilization Fund	4,407,035	-
Other revenue	-	-
Total operating revenues	<u>281,108,993</u>	<u>278,074,475</u>
OPERATING EXPENSES		
Cost of electricity	261,834,703	263,642,093
Contract services	4,431,000	4,099,391
Staff compensation	1,417,789	732,425
General and administration	238,232	223,368
Total operating expenses	<u>267,921,724</u>	<u>268,697,277</u>
Operating income (loss)	13,187,269	9,377,198
NONOPERATING REVENUES (EXPENSES)		
Interest income	92,644	23,830
Interest and related expenses	(36,779)	(175,478)
Other nonoperating revenue	-	-
Total nonoperating revenues (expenses)	<u>55,865</u>	<u>(151,648)</u>
CHANGE IN NET POSITION	13,243,134	9,225,549
Net position at beginning of period	46,585,635	15,988,978
Net position at end of period	<u>\$ 59,828,769</u>	<u>\$ 25,214,527</u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF CASH FLOWS
July 1 through September 30

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 13,187,269	\$ 9,377,198
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	10,087	3,467
Revenue adjusted for allowance for uncollectible accounts	3,951,545	1,379,173
Expenses paid directly from loan proceeds		
(Increase) decrease in:		
Accounts receivable	(35,956,298)	(44,046,369)
Energy market settlements receivable	(528,884)	3,829,834
Other receivables	66,009	(1,063,420)
Accrued revenue	(5,806,841)	8,332,901
Prepaid expenses	4,540,121	(1,579,748)
Deposits	(759,094)	(7,200)
Increase (decrease) in:		
Accounts payable	(1,000,316)	(365,344)
Energy market settlements payable	-	-
Accrued cost of electricity	44,599,149	65,367,870
Other accrued liabilities	252,877	760,529
User taxes due to other governments	2,817,610	4,050,844
Loans payable	-	-
Rate Stabilization Fund	(4,407,035)	-
Supplier security deposits	11,719,980	-
Net cash provided (used) by operating activities	<u>\$ 32,686,179</u>	<u>\$ 46,039,735</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loan proceeds	-	29,775,000
Principal payments on loan	(9,945,750)	(48,825,000)
Interest and related expense payments	(23,157)	(236,732)
Net cash provided (used) by non-capital financing activities	<u>(9,968,907)</u>	<u>(19,286,732)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to acquire capital assets	(391,023)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	-	-
Interest income received	94,851	23,830
Net cash provided (used) by investing activities	<u>94,851</u>	<u>23,830</u>
Net change in cash and cash equivalents	22,421,101	26,776,832
Cash and cash equivalents at beginning of period	61,055,767	15,210,580
Cash and cash equivalents at end of period	<u>\$ 83,476,868</u>	<u>\$ 41,987,412</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	78,579,868	35,940,412
Restricted cash	4,897,000	6,047,000
Cash and cash equivalents	<u>\$ 83,476,868</u>	<u>\$ 41,987,412</u>

**CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
July 1, 2020 through September 30, 2020**

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Variance / Budget %	2020/21 Budget	2020/21 Remaining Budget	2020/21 Remaining Budget %
Operating revenues							
Revenue - electricity, net	\$ 269,029,604	\$ 276,701,504	\$ 7,671,900	3%	\$ 745,942,000	\$ 469,240,496	63%
Revenue transferred from/(to) Rate Stabilization Fund	-	4,407,035	4,407,035		-	-	
Other revenues	-	455	455		566,000	565,545	100%
Total operating revenues	269,029,604	281,108,994	12,079,390	4%	746,508,000	469,806,041	63%
Energy costs							
Energy procurement	236,527,489	261,834,703	25,307,214	11%	683,946,000	422,111,297	62%
Operating revenues less energy costs	32,502,115	19,274,291	(13,227,824)	-41%	62,562,000	47,694,744	76%
Operating Expenditures							
Communications and outreach	163,002	70,479	(92,523)	-57%	525,000	454,521	87%
General and administrations	310,380	209,317	(101,063)	-33%	1,325,000	1,115,683	84%
Occupancy	129,125	18,829	(110,296)	-85%	516,000	497,171	96%
Billing data manager	2,970,309	2,940,365	(29,944)	-1%	11,881,000	8,940,635	75%
SCE services	588,873	564,036	(24,837)	-4%	2,315,000	1,750,964	76%
Technical services	761,778	245,920	(515,857)	-68%	2,752,000	2,506,080	91%
Legal services	429,025	130,716	(298,309)	-70%	1,849,000	1,718,284	93%
Other professional services	240,115	192,864	(47,251)	-20%	1,003,000	810,136	81%
Mailers	473,762	267,270	(206,492)	-44%	865,000	597,730	69%
Staffing	1,743,730	1,417,789	(325,941)	-19%	7,791,000	6,373,211	82%
Customer programs	254,000	19,350	(234,650)	-92%	1,360,000	1,340,650	99%
Total operating expenditures	8,064,098	6,076,935	(1,987,163)	-25%	32,182,000	26,105,065	81%
Operating income	24,438,017	13,197,356	(11,240,661)	-46%	30,380,000	21,589,679	71%
Non-operating revenues (expenditures)							
Interest income	66,667	92,644	25,977	39%	250,000	157,356	63%
Finance and interest expense	(96,000)	(36,779)	59,221	-62%	(298,000)	(261,221)	88%
Depreciation	(44,000)	(10,087)	33,913	-77%	(176,000)	(165,913)	94%
Total non-operating revenues (expenditures)	(73,333)	45,778	119,112	-162%	(224,000)	(269,779)	
Change in net position	24,364,684	13,243,134	(11,121,550)	-46%	30,156,000	21,319,901	71%
Other uses							
Capital outlay	829,500	394,197	(435,303)	-52%	1,074,000	679,803	63%
Depreciation	44,000	10,087	(33,913)	-77%	176,000	165,913	94%
Total other uses	873,500	404,284	(469,216)	-54%	1,250,000	845,716	68%
Change in fund balance	\$ 23,491,184	\$ 12,838,850	\$ (10,652,333)	-45%	\$ 28,906,000	\$ 20,474,184	

Electricity revenue, net includes COVID-19 bill credits totaling \$210,072 and \$495,030 for the month and fiscal year to date respectively.

The CPA Board of Directors approved bill credits up to \$1.42 million in FY 2020-21.

<u>Select Financial Indicators</u>				
	9/30/2020	6/30/2020	% Ch	Description
Working Capital	88,675,360	75,961,937	17%	Current Assets less Current Liabilities
Current Ratio	1.58	1.69	-7%	Current Assets divided by Current Liabilities
Days Sales Outstanding	32	31	4%	Accounts receivable divided by Sales divided by 365
Equity	82,421,734	73,585,635	12%	Net Position plus Fiscal Stabilization Fund
Equity to Assets	34%	40%	-14%	Equity (Net Position + FSF) divided by Total Assets
Available Cash	73,682,868	56,158,767	31%	Total cash less restricted cash
Available Line of Credit	36,030,000	36,030,000	0%	Total Line of Credit less Borrowing and Letters of Credit
Total Liquidity	109,712,868	92,188,767	19%	Sum of Available Cash and Line of Credit
Days Liquidity on Hand (TTM)	56	47	19%	Total Liquidity divided by trailing 12 month expenses divided by 365
Gross Margin	6.9%	7.0%	-1.4%	Operating revenue less energy cost divided by operating revenue
Net Margin	4.7%	4.1%	15.8%	Change in net position divided by operating revenue

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