RESOLUTION NO. 26-07-110

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA TO ADOPT A CUSTOMER CONTRACT PRICING POLICY

THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, the Clean Power Alliance of Southern California (formerly known as Los Angeles Community Choice Energy Authority) ("Clean Power Alliance" or "CPA") was formed on June 27, 2017;

WHEREAS, on March 5, 2026, the Board of Directors ("Board") received information on the need to address opt-out risk from commercial customers seeking to enroll in Direct Access ("DA") and the desire by commercial customer to obtain high levels of renewable energy at predictable rates, and the potential program offering to retain or attract customers in a manner that is financially viable to CPA;

WHEREAS, on June 18, 2026, CPA presented the Executive Committee with a copy of the draft Customer Contract Pricing Policy ("Policy") as well as additional information about the proposed program and also sought feedback from the Executive Committee on whether and if so, the scope of authority that may be delegated to staff;

WHEREAS, CPA's Executive Committee voted unanimously to recommend to the Board approval of the draft Policy and recommended that all contracts negotiated pursuant to the Policy should be brought to the Board except that the Chief Executive Officer ("CEO") be delegated authority to execute contracts with qualified non-residential customers who have been accepted to participate in the Direct Access ("DA") lottery given the need to respond quickly to DA-eligible customers who desire certainty;

WHEREAS, on July 2, 2026 the Board of Directors ("Board") was presented with a staff report, presentation, a draft Policy reflecting the Executive Committee's recommendation as well as additional information supporting the need to approve the Customer Contract Pricing Policy. The Board also received information about minimum qualifications, application process, pricing structures, load caps, energy products, with specified delegation of authority, and other terms and conditions;

WHEREAS, the Board desires to adopt the attached Policy for non-residential customers, which would allow CPA to retain existing customers, acquire new customers, and expand customer access to renewable energy to contribute to CPA's financial, environmental, and other policy objectives;

WHEREAS, the Policy, as set forth herein, establishes a process for offering customized rates to certain qualified non-residential customers at CPA; and

WHEREAS, the Board finds it reasonable and prudent to establish and maintain the Policy and delegate the authority to administer the Policy to CPA's Chief Executive Officer and Chief Operating Officer as specified and limited in Exhibit A.

NOW THEREFORE, BE IT DETERMINED, ORDERED, AND RESOLVED, BY THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA THAT:

1. The Board of Directors hereby approves Policy No. 2026-21 Customer Contract Pricing Policy, attached as Exhibit A.

APPROVED AND ADOPTED this 2nd day of July 2026.

Robert T. Parkhurst

Robert Parkhurst, Chair

ATTEST:

Gabriela Monzon

Gabriela Monzon, Board Secretary

Exhibit A

Customer Contract Pricing Policy

Policy Title	Customer Contract Pricing		
Policy Number	2026-21	**Effective Date**	Original: 07/02/2026

I. Purpose

The purpose of this Customer Contract Pricing Policy (Policy) for non-residential customers is to retain existing customers, acquire new customers, and expand customer access to renewable energy to contribute to Clean Power Alliance of Southern California's (CPA) financial, environmental, and other policy objectives. The Policy, as set forth herein, establishes a process for offering customized rates to certain non-residential customers at CPA.

II. Process for Applying for Customer Contract Pricing

A. Minimum Qualifications

To be eligible to be evaluated under II.B., below, customer account(s) must meet the following minimum criteria, individually or collectively:

1. Be on a non-residential rate schedule;
2. Be eligible for CPA service;
3. Either (a) have been opted out of CPA service for at least three years prior to customer's inquiry with CPA; or (b) be an active CPA account that has been selected in the most recent SCE Direct Access lottery and which the account holder is considering opting out of CPA service to Direct Access within one year;
4. A customer account or combined customer accounts, if multiple accounts are requested to be considered, must have a projected aggregate annual load of at least one (1) gigawatt-hour (GWh) but not greater than 100 GWh to be evaluated.
5. Only customer accounts meeting the Minimum Qualifications as specified in Section II.A.1-4, herein, may participate under the Policy. Customer accounts owned by the same customer that do not meet the Minimum Qualifications may not participate.

B. CPA Feasibility Study

Once CPA determines that a customer qualifies under Section II.A., CPA will conduct a financial analysis to determine whether contract pricing would be cost effective for CPA and, if so, what rate CPA can offer for the applicable customer accounts that achieves the targeted contribution to margin, per section IV.A.1.

1. Interested customers must execute an application agreement with CPA outlining the information customer must provide for CPA to complete a feasibility study, the extent to which certain information will be treated as confidential, and other terms reasonably required by CPA.
2. Interested customers must provide historical load data and estimated future load in a form agreeable to CPA in order for CPA to initiate the study.
3. Upon receipt of the data specified in II.B.1, above, CPA shall complete the study.

C. Eligible Customers

If a customer meets criteria under the Feasibility Study, CPA and customer can enter into contract negotiations.

D. Other Requirements

In order to enter into an agreement, an eligible customer must agree to periodic electricity load assessments. Significant load growth or reduction at the time of the assessment may be subject to contract rate/pricing adjustments, as further specified in the agreement. Customers must also consent to provide information that will allow CPA to meet its reporting obligations as specified in Section VI.

III. Delegation of Authority

A. The Board of Directors delegates to the Chief Executive Officer (CEO) the authority to negotiate and execute contracts that meet the condition prescribed in Section II.A.3.b and meet all other conditions prescribed in this Policy. Contracts that do not meet the condition prescribed in Section II.A.3.b shall require individual Board approval.

B. Section IV contains the minimum general terms and conditions that must be included in a Customer Contract Pricing contract (“Material Terms”). Any terms that do not meet these Material Terms must be brought to the Board for approval. The negotiation and agreement of any non-Material Terms, such as terms for contract extension or renewal, adjustments to load or pricing, early contract termination, damages, and other items as needed and reasonable based on the customer’s individual requirements and circumstances, are delegated to the CEO

C. In the event of a Vacancy, as defined herein, the CEO may appoint the Chief Operating Officer (COO) to act on the CEO’s behalf or if no designee is selected, the COO may act independently until such time as the Vacancy no longer exists. A “Vacancy” includes paid time off, termination of employment, or a leave authorized under CPA’s Employee Handbook.

IV. Other Requirements

A. Pricing

1. Any negotiated price must recover the accounts' cost of service, which includes CPA's targeted contribution to margin, but in no event a margin of less than two percent of projected total contract revenue, over the duration of the Term.
2. Available customized pricing structures include:
   a. Fixed Rate – flat or escalated generation rate;
   b. Fixed Comparison – fixed comparison to (i) the SCE total billed rate or (ii) certain SCE rate components for the term; or,
   c. Other pricing approaches (e.g. hourly day-ahead pricing, virtual PPAs, or a combination of approaches).

B. Energy Product Delivered

Contracts will specify the renewable energy content to be delivered over the duration of the contract term consistent with the following options:

1. CPA's 100% Green Power product;
2. 100% carbon-free energy customer product with at least 60% renewable energy; or
3. A custom product that steps up over time to reach 100% renewable or carbon-free energy by the final year of the term and matches or exceeds CPA's Clean Power product renewable energy content, but in no case less than 60% renewable energy, each year.

C. Customer and Program Caps

Individual customer participation in Contract Pricing is capped at 100 GWh of annual load and must be at least 1 GWh of annual load. Total load served across all customers under Contract Pricing is capped at 400 GWh per year.

D. Term

The term of Contract Pricing agreements must be at least two (2) years and not more than ten (10) years in duration.

E. Billing Mechanism

Contract rate customers are billed through CPA's billing agent, and charges are presented on their SCE statements. Depending on the contract terms, true ups may be required during the contract term.

F. Participation in other Programs

Unless otherwise specified in the Contract Pricing agreement, customers served by CPA with a contract rate can concurrently participate in other CPA and SCE Programs for which they are eligible.

V. Board Reporting

The CEO shall report on a quarterly basis, the customers participating under the Policy, length of contracts, annual load, and energy products. The Policy shall be reviewed by the Board annually, and any policy adjustments and lessons learned will be brought to the Board for consideration at that time.

VI. Periodic Review of Policy

The CEO will review this Policy on an annual basis to determine whether it should be amended, supplemented, or updated to account for changing business conditions and/or lessons learned in implementation. If an amendment is warranted, a Policy amendment will be submitted to the Board for approval.