

Board of Directors Special Meeting Agenda

July 23, 2020, 3 p.m.

City of Carlsbad | Council Chambers | Virtual Meeting

Per State of California Executive Order N-29-20, and in interest of public health and safety, we are temporarily taking actions to prevent and mitigate the effects of the COVID-19 pandemic by holding Clean Energy Alliance Joint Powers Authority meetings electronically or by teleconferencing. All public meetings will comply with public noticing requirements in the Brown Act and will be made accessible electronically to all members of the public seeking to observe and address the Clean Energy Alliance Joint Powers Authority Board of Directors. The meetings can be watched via livestream at www.carlsbadca.gov. You can participate in the meeting by e-mailing your comments to the Secretary at secretary@thecleanenergyalliance.org prior to commencement of the agenda item. If you desire to have your comment read into the record at the meeting, please indicate so in the first line of your e-mail and limit your e-mail to 500 words or less. These procedures shall remain in place during the period in which state or local health officials have imposed or recommended social distancing measures.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PRESENTATIONS

APPROVAL OF MINUTES:

Minutes of the Special Meeting held May 7, 2020.

Minutes of the Regular Meeting held May 21, 2020.

NEW BUSINESS

Item 1: Clean Energy Alliance Integrated Resource Plan Informational Item

RECOMMENDATION

Receive informational presentation on Clean Energy Alliance Integrated Resource Plan.

Item 2: Clean Energy Alliance Credit Solution Update

RECOMMENDATION

Receive update on Clean Energy Alliance Credit Solution.

Item 3: Clean Energy Alliance Regulatory Affairs Update

RECOMMENDATION

- 1) Authorize filing protest of San Diego Gas & Electric Expedited Application 20-07-____, Under the Power Charge Indifference Adjustment Account Trigger Mechanism.
- 2) Authorize filing motion for party status of San Diego Gas & Electric 2021 ERRA Application 20-04-014.
- 3) Direct staff to bring a draft Policy on Delegation of Authority to CEA Regarding Regulatory and Legislative Matters to the Board for consideration.

Item 4: Clean Energy Alliance Community Advisory Committee Timeline

RECOMMENDATION

Review, Provide Input, and Approved Community Advisory Committee Timeline.

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

RECOMMENDATION

Approve Clean Energy Alliance Inclusive & Sustainable Workforce Policy.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

ADJOURN:

NEXT MEETING: August 20, 2020, 2 p.m., hosted by City of Solana Beach (Virtual Meeting)

Reasonable Accommodations

Persons with a disability may request an agenda packet in appropriate alternative formats as require by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the Carlsbad City Clerk's Office at 760-434-2808 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or clerk@carlsbadca.gov by noon on the Monday before the Board meeting to make arrangements.

Written Comments

To submit written comments to the Board, please contact the Carlsbad City Clerk's office at secretary@thecleanenergyalliance.org. Written materials related to the agenda that are received by 5:00 p.m. on the day before the meeting will be distributed to the Board in advance of the meeting and posted on the Authority webpage. To review these materials during the meeting, please contact the Board Secretary.

**Clean Energy Alliance - Board of Directors
Meeting Minutes
May 7, 2020 – 2 p.m.
Carlsbad City Hall – City Council Chamber
1200 Carlsbad Village Drive, Carlsbad, CA 92008**

CALL TO ORDER: 2 p.m.

ROLL CALL: Schumacher, Haviland, Becker

FLAG SALUTE

Chair Schumacher led the Pledge of Allegiance.

BOARD COMMENTS & ANNOUNCEMENTS:

Vice Chair Haviland wished everyone well and expressed her appreciation for staff.

PRESENTATIONS: None.

APPROVAL OF MINUTES:

Minutes of the Meeting held Jan. 16, 2020

Minutes of the Meeting held Feb. 20, 2020

Minutes of the Meeting held April 16, 2020

Motion by Vice Chair Haviland, seconded by Board Member Becker, to approve the minutes as presented. Motion carried unanimously, 3/0.

NEW BUSINESS

Item 1: Clean Energy Alliance Financial Pro-Forma Review; 5-year Goals & Vision Discussion

Clean Energy Alliance (CEA) discussion of goals/vision for next 5 years to include discussion on CCA programs, citizen advisory committee, strategic plan and inclusive sustainable workforce policy.

RECOMMENDATION

Provide direction on CEA programs, economic revitalization opportunities, citizen advisory committee, strategic plan and inclusive sustainable workforce policy.

Interim Chief Executive Officer Barbara Boswell and Consultants John Dalessi and Kirby Dusel of Pacific Energy Advisors presented the staff report and reviewed the PowerPoint presentation (on file in the Office of the Board Secretary).

In response to an inquiry from Board Member Becker, Mr. Dalessi explained that the goal is to refinance the initial funding from member agencies so that the funds can be returned to its' members.

In response to an inquiry from Vice Chair Haviland, Interim CEO Boswell explained that the Board would select which option Portfolio Options to select 4-6 months prior to launch (fall of 2020).

Chair Schumacher confirmed with staff that the option programs will have a more detailed analysis when rate setting occurs.

Vice Chair Haviland commented that the following are the programs she would like to see move forward sooner rather than later:

- Local solar retail service offering
- Solar rebates and incentives when CEA can afford to offer those
- Launch with a 100% renewable energy option

Board Member Becker stated that the following are the goals and programs she would like to see moving forward:

- To be fiscally conservative and build up reserves
- Net energy metering and offer maybe 2 cent more incentive than SDG&E
- Launch with a 100% renewable energy option
- Electric vehicle incentive program
- Local solar retail service offering

Chair Schumacher spoke in support of the following goals and programs:

- Launch with a 100% renewable energy option
- Solar rebates and incentives
- Community investment partnership with residential and commercial customers to advance the storage and local solar energy generation without capital outlays
- Net energy metering

Mr. Dusel commented that any programs that are customer funded or would result in costs that would be incurred after project build-out occurs are programs that would typically launch shortly before commencing service.

In response to Board Member Becker, Ms. Boswell stated that staff will monitor the grant opportunities for microgrids.

Board Member Becker stated she would like to move the electric vehicle and charging incentives above the focus of community grants.

Vice Chair Haviland commented that SDG&E has hot water heater and heat pump incentive programs already and that CEA may not need to match every program that SDG&E administers.

Ms. Boswell summarized the following direction from the Board:

1. Work on bringing forward a Net Energy Metering Program
2. 100% renewable product offerings at launch
3. Interest in Local Solar Retail Program

The Board concurred to request that Mr. Dusel provide additional information regarding the Feed-In Tariff at a future meeting.

Ms. Boswell provided an overview of options to form a Citizen Advisory Committee.

Board Member discussion ensued regarding their preferences for the policy to govern the formation of a Citizen Advisory Committee.

Ms. Boswell confirmed the following Board direction regarding the initial scope for the Citizen Advisory Committee:

- Community Outreach and Public Information Strategy
- CEA 5-Year Goals
- Comment on the CEA Strategic Plan and complete an annual review of Strategic Plan
- Review CEA programs to ensure program meets CEA goals of social equity, perspective of underrepresented community and innovation
- Monitor progress being made towards Member Agency Climate Action Plan goals by CEA programs.

The Board also directed that the make-up and membership criteria would be as follows:

- Each Director would have two committee appointees and the full Board would select one Board Alternate to serve on the Committee for a total of seven members
- Members would serve at the pleasure of the Board
- The Committee would be subject to the Ralph M. Brown Act
- Applicants must be residents or business owners within the service area of CEA with priority given to applicants with relevant background or experience in the energy field, energy development, public education/outreach and/or assistance with social equity or disadvantage communities.
- Applicants will submit an application to the Board member representing the community where the applicant resides or owns a business. Selected applicants shall be considered for appointment by the full Board.

Ms. Boswell gave an overview of options for developing a Strategic Plan.

Vice Chair Haviland spoke in favor of developing a Strategic Action Plan as soon as possible but to be realistic about what resources the Board has available to commit to the process of developing the Plan.

Chair Schumacher stated that she has looked through some plans that are available and that she would be sharing the 2018 East Bay Community Energy Local Development Business Plan (on file in the Office of the Board Secretary) to the Board Members for their review. She further explained that she was impressed by the East Bay plan.

Ms. Boswell gave an overview of the development of an Inclusive Sustainable Workforce Policy.

Board Member Becker spoke in favor of developing a Sustainable Workforce Policy; however, since CEA is so new did not want to limit the fair and open competition for projects.

Vice Chair Haviland also spoke in favor of establishing a Sustainable Workforce Policy as long as the policy is consistent with the JPA agreement.

In response to an inquiry from Chair Schumacher, Attorney Stepanicich confirmed that there is potential conflict between the proposed policy and Recital 6 (f) of the JPA agreement.

Interim Board Secretary Sheila Cobian read comments from the following individuals into the record (on file in the Office of the Board Secretary):

- City of Carlsbad Mayor Matt Hall – expressing concerns regarding the conflict between the Clean Energy Alliance Joint Powers Agreement effective Nov. 4, 2019 Recital 6 (f) and what is now stated within the Peninsula Clean Energy Sustainable Workforce Policy, as currently defined under PCE Owned Generation Projects, PCE Feed-In Tariff Price Projects and PCE Energy Efficiency Projects. He suggested that any language different than what is stated in Recital 6(f) be eliminated.
- Gregg Ferry - Requesting information on how to participate on Committees.
- Mike McMahon on behalf of the Carlsbad Sierra Club – encouraged the Board to consider ways to benefit the local communities and work toward social equity.
- Paige DeCino – Suggested that the CEA Board consider community solar.

The Board concurred to direct staff to return with the Policy in July 2020, following review and legal analysis regarding Recital 6(f).

Item 2: Clean Energy Alliance Board Policy Regarding Handling Unsolicited Proposals

RECOMMENDATION

Clean Energy Alliance Board provide direction on policy regarding handling of unsolicited proposals.

Interim CEO Boswell gave the report and reviewed a PowerPoint presentation (on file in the Office of the Board Secretary).

Board discussion ensued regarding support for the development of a policy regarding handling of Unsolicited Proposals.

Ms. Boswell explained it would be beneficial if the policy required a one-page executive summary of proposed projects.

Motion by Board Member Becker, seconded by Vice Chair Haviland, directing staff to develop a policy regarding the handling of unsolicited proposals and return to the Board in July 2020, for consideration of the Policy. Motion carried unanimously, 3/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

Motion by Chair Schumacher to direct staff to return to with an agenda item to develop a Bid Evaluation Criteria and Scoring System. Motion carried unanimously, 3/0.

ADJOURNMENT:

Chair Schumacher adjourned the duly noticed Meeting at 4:18 p.m.

Sheila R. Cobian, MMC
Interim Board Secretary

**Clean Energy Alliance - Board of Directors
Meeting Minutes**

May 21, 2020, 2 p.m.

City of Solana Beach | City Hall

635 S. Highway 101 | Solana Beach, CA 92075

Teleconference Locations per State of California Executive Order N-29-20.

CALL TO ORDER: 2:00 p.m.

ROLL CALL: Schumacher, Haviland, Becker

FLAG SALUTE:

Board Member Becker led the Pledge of Allegiance.

PUBLIC COMMENT: None

In conformance with the Brown Act and California Executive Order No. N-29-20, time is provided so members of the public can address the Board on items that are not listed on the agenda. Speakers are limited to three (3) minutes each. The Secretary will read comments as requested up to three (3) minutes. In conformance with the Brown Act, no Board action can occur on these items.

BOARD COMMENTS & ANNOUNCEMENTS

PRESENTATIONS None

APPROVAL OF MINUTES: None.

CONSENT CALENDAR

The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Board votes on the motion unless members of the Board, the Chief Executive Officer, or the public request specific items be discussed and/or removed from the Consent Calendar for separate action. A request from the public to discuss an item must be submitted to the Board Secretary in writing prior to the Board consideration of the Consent Calendar.

NEW BUSINESS

Item 1: Administrative, Operational and Regulatory Affairs Update

RECOMMENDATION

- 1) Receive and File Community Choice Aggregation Update Report from Interim CEO.
- 2) Receive and File Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

Barbara Boswell, Interim CEO (Chief Executive Officer), reviewed the report and presented a PowerPoint (on file in the office of the Board Secretary) regarding the administrative and operational update.

Ty Tosdal, CEA regulatory Special Counsel, continued the PowerPoint (on file) reviewing the regulatory update.

Item 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and file Clean Energy Alliance Treasurer's Report.

Marie Berkuti, Treasurer, presented a PowerPoint (on file in the office of the Board Secretary).

Item 3: Review and Provide Input on Draft Clean Energy Alliance Fiscal Year 20/21 Budget

RECOMMENDATION

Review and provide input on draft Clean Energy Alliance Fiscal Year 20/21 Budget and direct staff to return a final budget for adoption June 18, 2020.

Barbara Boswell, Interim CEO (Chief Executive Officer), reviewed the report and presented a PowerPoint (on file in the office of the Board Secretary) regarding the administrative and operational update.

Item 4: Clean Energy Alliance Existing Consulting Services Agreements Extension Authorization

RECOMMENDATION

1) Clean Energy Alliance Board authorize the Interim Chief Executive Officer to execute extensions of the following agreements, subject to the not to exceed amounts:

Service Being Provided	Consultant	Not to Exceed
General Counsel	RWG Law	\$120,000
Special Counsel – Regulatory	Tosdal APC	\$100,000
Special Counsel – Energy Transactions	Hall Energy Law	\$85,000
Technical Consultants	Pacific Energy Advisors	\$163,200

Motion by Vice Chair Haviland, seconded by Board Member Becker to approve executing extensions to agreements with RWG Law, Tosdal APC, Hall Energy Law, and Pacific Energy Advisors. **Motion carried unanimously 3/0**

2) Clean Energy Alliance Board authorize the Board Chair to execute of extension of the agreement with Bayshore Consulting Group, for Interim Chief Executive Officer services, for an amount not to exceed \$100,000.

Motion by Vice Chair Haviland, seconded by Board Member Becker to approve executing an extension to the Bayshore Consulting Group agreement. **Motion carried unanimously 3/0**

Item 5: Authorize Extension of Service Agreements with Member Agencies for Support Services

RECOMMENDATION

Clean Energy Alliance Board authorize the Interim Chief Executive Officer to execute extension of agreement with City of Carlsbad for Interim Board Secretary and City of Solana Beach for Interim Treasurer/Chief Financial Officer and Auditor.

Motion by Vice Chair Haviland, seconded by Board Member Becker to approve executing an extension to agreement with the City of Carlsbad for the Interim Board Secretary and City of Solana Beach for the Interim Treasurer/Chief Financial Officer and Auditor. **Motion carried unanimously 3/0**

Item 6: Authorize Request for Qualifications for Clean Energy Alliance Power Services and Scheduling Coordinator

RECOMMENDATION

Clean Energy Alliance Board authorize the Interim Chief Executive Officer to issue a Request for Qualifications for Portfolio Management/Energy Advisory and Scheduling Coordinator Services, pursuant to the Scope of Work in Attachment A, and return to Board for award July 16, 2020.

Barbara Boswell, Interim CEO (Chief Executive Officer), presented a PowerPoint (on file in the office of the Board Secretary).

Motion by Board Member Becker, seconded by Vice Chair Haviland to approve issuing a Request for Qualifications for Portfolio Management/Energy Advisor and Scheduling Coordinator Services. **Motion carried unanimously 3/0**

Item 7: **Authorize Request for Proposal for Communications and Marketing Services**

RECOMMENDATION

Authorize Interim Chief Executive Officer to Issue a Request for Proposal for Communications and Marketing Services and return to Board for award July 16, 2020.

Barbara Boswell, Interim CEO (Chief Executive Officer), presented a PowerPoint (on file in the office of the Board Secretary).

Motion by Vice Chair Haviland, seconded by Board Member Becker to approve issuing Request for Proposal for Communications and Marketing Services and return to award the contract on July 16, 2020. **Motion carried unanimously 3/0**

Item 8: **Establishment of a Clean Energy Alliance Outreach Matrix**

RECOMMENDATION

Review, discuss and approve Clean Energy Alliance Outreach Matrix.

Board Members discussed outreach assignments of potential partnerships to solidify the Outreach Matrix.

Motion by Vice Chair Haviland, seconded by Board Member Becker to approve the final Outreach Matrix. **Motion carried unanimously 3/0**

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

ADJOURN:

Chair Schumacher adjourned the meeting at 3:15 p.m.

Angela Ivey, City Clerk of Solana Beach
Interim Acting Board Secretary

Staff Report

DATE: July 23, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 1: Clean Energy Alliance Integrated Resource Plan Informational Item

RECOMMENDATION:

Receive informational presentation on Clean Energy Alliance Integrated Resource Plan.

BACKGROUND AND DISCUSSION:

The purpose of this item is to provide the Clean Energy Alliance (CEA) Board with background and information regarding the CEA 2020 Integrated Resource Plan (IRP) which is due to the California Public Utilities Commission (CPUC) by September 1, 2020.

Public Utilities Code Section 454.52 requires each load serving entity, including community choice aggregators (CCA) to file an IRP. The IRP looks out at a 10-year horizon and looks at the procurement plan to meet the state's goals of reducing greenhouse gas emissions by 40% from 1990 levels by 2030 and 60% renewable energy resources by December 31, 2030.

Section 454.52(b)(3) further requires that the IRP of a CCA be submitted to its governing board for approval and shall achieve the following:

(A) Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals of achieving 40% reduction in GHG emissions from 1990 levels by 2030 and procure 60% renewable energy resources by December 31, 2030.

(B) A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

(C) Resource Adequacy requirements.

The 2020 IRP filing is to be prepared using the CPUC provided Narrative Template, Resource Data Template, and the Clean Power Supply System Calculator. It is anticipated the CEA 2020 IRP will be before the Board for approval at its August 20, 2020 meeting, assuming the final templates are made available by the CPUC in sufficient time to complete the document for that meeting. In the event the CPUC does not have the documents available, the IRP will be prepared and filed by September 1, 2020 and the IRP will come to the Board for approval at its September 17, 2020 meeting. This process is consistent with processes followed by CCAs in the past.

FISCAL IMPACT

There is no fiscal impact associated with this item.

Staff Report

DATE: July 23, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 2: Clean Energy Alliance Credit Solution Update

RECOMMENDATION:

Receive update regarding Clean Energy Alliance credit solution.

BACKGROUND AND DISCUSSION:

At its regular meeting June 18, 2020, the Clean Energy Alliance (CEA) Board received a report from staff regarding two financing options to provide the necessary funds for CEA's fiscal year 20/21 cash needs. The options included offers from River City Bank (RCB) and JP Morgan, received through a request for proposals process. The CEA Board considered the two options, and based on the terms of the credit solutions selected the RCB option to pursue. The Board directed staff to reach out to the Member Agencies to determine whether there was the potential for assistance by providing the security required by the RCB option through either a guaranty or cash collateral.

Total funding needs for CEA include:

\$1,000,000	Funding for FY 20/21 Operating Budget
\$450,000	Repayment of Initial Advances to Member Agencies
\$500,000	CAISO Deposit
<u>\$2,500,000</u>	Lockbox Reserves and Cash Flow
\$4,450,000	Total Funding needed

Summary of credit solutions from River City Bank and JP Morgan

The RCB credit solution is a lower cost option but requires security in the form of a guaranty or cash collateral deposit for \$2,500,000 of the credit solution. The security can be satisfied by one or more of the member agencies or a creditworthy 3rd party.

The JP Morgan option does not have a security requirement but is approximately \$105,000 higher costs than the RCB option and includes operating covenants that CEA would have to adhere to. The Board discussed the covenants related to the JP Morgan solution and determined that the RCB option was the option it was interested in pursuing initially.

Pursuant to Board direction, a memo (Attached) was sent to Carlsbad, Del Mar and Solana Beach requesting consideration of providing the guaranty for the RCB credit solution. The guaranty is proposed to be allocate to the Member Agencies based on percentage of load as reflected below:

AGENCY	% OF LOAD	PRO-RATA SHARE \$ OF GUARANTY
CARLSBAD	90%	\$2,250,000
DEL MAR	3%	\$75,000
SOLANA BEACH	7%	\$175,000

The Solana Beach City Council considered the request at its July 8 meeting and authorized the City Manager to execute the guaranty up to \$175,000.

The Del Mar City Council considered the guaranty at its July 20 meeting and authorized the City Manager to execute the guaranty up to \$75,000.

The Carlsbad City Council considered the request at its July 14 meeting, however, in addition to consideration of providing the guaranty, the Carlsbad staff included an alternative option whereby the City of Carlsbad would provide the needed funding to CEA, to be reimbursed by CEA from operational revenues. The Carlsbad City Council directed staff to develop terms related to such a loan arrangement with CEA and to bring them back to the City Council for consideration.

The benefits to CEA of accepting a loan from Carlsbad in lieu of the options from RCB and JP Morgan included:

- Reduced costs related to elimination of loan fees charged by both banks;
- Lower interest rate terms (based on Carlsbad Treasurer's Avg Yield + 1%);
- Cash flow benefit of annual interest payments vs monthly with banks
- Streamlined process for executing the loan agreement and drawing down the funds.

CEA staff is working with Carlsbad to prepare information needed by the Carlsbad City Council as part of their due diligence in considering making the loan. Should the Carlsbad City Council authorize providing CEA the needed funding, staff will return to the CEA Board to seek authorization to approve the reimbursement agreement subject to the terms as established by the Carlsbad Council.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENT

Memo to Member Agencies Dated June 25, 2020

Clean Energy Alliance

JOINT POWERS AUTHORITY

June 25, 2020

TO: Scott Chadwick, City Manager, City of Carlsbad
Christa Johnson, City Manager, City of Del Mar
Greg Wade, City Manager, City of Solana Beach

FROM: Barbara Boswell, Interim Chief Executive Officer, Clean Energy Alliance
Marie Berkuti, Interim Treasurer, Clean Energy Alliance

RE: Clean Energy Alliance Financing Solution Fiscal Year 20/21

At its regular meeting of June 18, 2020, the Clean Energy Alliance (CEA) Board received a report from staff regarding two financing options (Staff Report attached) to provide the necessary funds for CEA's fiscal year 20/21 cash needs. These options are from River City Bank and JP Morgan. The CEA Board directed staff to reach out to the Member Agencies to inquire regarding potential assistance with providing security related to the River City Bank (RCB) option and return to the Board at its July 16 meeting with the results of those inquiries.

REQUEST OF CARLSBAD, DEL MAR & SOLANA BEACH

Through this memo, CEA is requesting member agencies consider assisting by providing the security requirement for \$2,500,000 of the River City Bank credit option, either in the form of a guaranty (sample form attached) or cash collateral deposit. The amount each city is guaranteeing would be at the pro-rata share based on load.

BACKGROUND

Initial start-up costs for Fiscal Year 19/20 were funded through advances from the founding member agencies of Carlsbad, Del Mar and Solana Beach in the amount of \$150,000 from each member agency, for a total \$450,000. Future start-up costs to be incurred in FY 20/21 are to be funded through a credit solution provided by a financial institution or other 3rd party.

Subsequent to the initial advances, COVID-19 hit and local stay-at-home orders were implemented, resulting in anticipated revenue losses to the cities. As a result, the cities reached out to CEA regarding early repayment of the initial advances.

Total funding needs for CEA start-up include:

\$1,000,000	Funding for FY 20/21 Operating Budget
\$450,000	Repayment of Initial Advances to Member Agencies
\$500,000	CAISO Deposit
<u>\$2,500,000</u>	Lockbox Reserves and Cash Flow
\$4,450,000	Total Funding needed

Clean Energy Alliance

JOINT POWERS AUTHORITY

The River City Bank credit solution is a lower cost option but requires security in the form of a guaranty (Attachment B sample form) or cash collateral deposit for \$2,500,000 of the credit solution. The security can be satisfied by one or more of the member agencies or a creditworthy 3rd party.

The JP Morgan option has no security requirement but is approximately \$105,000 higher costs than the RCB option and includes operating covenants that CEA would have to adhere to. The most concerning covenant is that CEA would be required to set rates sufficient to cover all operating and financing costs. It would restrict CEA's Board flexibility to fund programs or offering discounts funded through reserves if that funding resulted in operating costs exceeding revenues. For these reasons the CEA Board saw the RCB option as the option it was interested in pursuing initially.

At its June 18 meeting, the Board directed staff to reach out to the member agencies to discuss whether there would be an option for one or more of the agencies to provide the security required for the River City Bank option.

Security Requirements Details

The total amount of the River City Bank credit subject to the security is \$2,500,000. RCB is willing to accept guarantees or cash collateral deposits from each member agency on a pro-rata share based on load. The guarantee would require the city to execute a form of guaranty, a sample of which is attached.

In this case, each city would only be guaranteeing their share based on this pro-rata allocations as reflected below:

AGENCY	% OF LOAD	PRO-RATA SHARE \$ OF GUARANTY
CARLSBAD	90%	\$2,250,000
DEL MAR	3%	\$75,000
SOLANA BEACH	7%	\$175,000

The security requirement would be in place through the maturity date of the \$2,500,000 loan, which is two years, or until repaid, whichever is first. RCB is amendable to discussing the release of guarantees/cash collateral after CEA has launched operations and provided a track record of operations at a to-be-determined level satisfactory to RCB.

The guaranty/cash collateral would come in to play in the event of a default by CEA, each city would be responsible for their share based on the allocation above.

Risk of Default

Assuming CEA launches in May 2021 as planned the current pro-forma indicates sufficient revenue, at rate parity, to cover operational expenses and financing costs, resulting in a low risk of default. The risk of default can be considered high if CEA does not launch in May as anticipated. If that were to occur, CEA would return any unspent funds to the bank, and any remaining funds due to the bank would need to come from the member agencies based on their guaranty.

Clean Energy Alliance

JOINT POWERS AUTHORITY

Uses of the \$2,500,000 loan subject to the guarantee are as follows:

\$1,000,000	Fund FY 20/21 budget
\$450,000	Repay initial advances
<u>\$1,050,000</u>	Reserve for lockbox
\$2,500,000	

In a “worst case” scenario, in the event CEA does not launch in May 2021, the \$1,050,000 reserve would not have been spent and would be returned to the bank. The exposure to the cities would be the portion of the remaining \$1,450,000 that had been spent, allocated by the pro-rata share, or \$1,305,000 from Carlsbad, \$43,500 from Del Mar and \$101,500 from Solana Beach.

We are happy to meet with city staff or at the city council meeting to answer any questions and discuss the request being made by CEA.

Staff Report

DATE: July 23, 2020

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer
Ty Tosdal, Special Counsel

ITEM 3: Clean Energy Alliance Regulatory Affairs Update

RECOMMENDATION:

- 1) Authorize filing protest of San Diego Gas & Electric Expedited Application 20-07-____, Under the Power Charge Indifference Adjustment Account Trigger Mechanism.
- 2) Authorize filing motion for party status of San Diego Gas & Electric 2021 ERRRA Application 20-04-014.
- 3) Direct staff to bring a draft Policy on Delegation of Authority to CEA Regarding Regulatory and Legislative Matters to the Board for consideration.

BACKGROUND AND DISCUSSION:

At its regular meeting July 16, 2020, the CEA Board heard an update on several items of concern to CEA, including the potential impact of a delay in San Diego Gas & Electric's (SDG&E) billing system replacement project on the CEA launch schedule, a recent SDG&E rate application to the California Public Utilities Commission (CPUC) related to the Power Charge Indifference Adjustment Account Trigger, and the SDG&E 2021 ERRRA Application.

CEA's special counsel will provide an update on these activities to the Board and seek authorization to move forward with CEA's active participation in these proceedings with the goal to seek to minimize impacts to CEA.

In addition, staff and special counsel recommend the CEA Board direct staff to develop a policy that delegates authority regarding regulatory and legislative matters and bring to the Board for consideration. This type of policy has been adopted by CCAs throughout the state to provide efficiency in responding to matters that come up that need attention. Attached is a sample policy adopted by San Diego Community Power.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS:

San Diego Community Power Delegation of Authority to CEO for Regulatory and Legislative Matters

EXHIBIT "A"

SAN DIEGO COMMUNITY POWER

POLICY # _____

Delegation of Authority to CEO for Regulatory and Legislative Matters

Subject: Delegation of authority to Chief Executive Officer to take a position and/or action regarding regulatory and legislative matters of import to SDCP.

Purpose: On occasion, the Chief Executive Officer is approached with a time-sensitive request to take a position or action on a regulatory, legislative, or other governmental matter related to San Diego Community Power's mission and operations. This policy is intended to delegate authority to the Chief Executive Officer and/or relevant designee(s) to take necessary regulatory or legislative action consistent with SDCP's mission and goals when certain conditions are met.

Policy: San Diego Community Power hereby delegates authority to the Chief Executive Officer or relevant designee to sign regulatory or legislative documents or related materials on behalf of SDCP, when all of the following conditions are met:

1. The regulatory, legislative, or other proposed action is directly related to and consistent with or will adversely impact SDCP's mission and operations.
2. Because of time constraints, bringing the matter to the Board of Directors at its next regularly scheduled meeting is not practical.
3. Calling a special meeting of the Board to address the matter is neither practical nor necessary under the circumstances.
4. The CEO has investigated and is aware of the positions, if any, of (1) other California CCAs and its trade association Cal-CCA; (2) state and federal legislators representing the San Diego region its cities, and (3) SDCP's member agencies.
5. The CEO has conferred with the Chair of the Board (or Vice Chair in the Chair's absence) and both the CEO and the Chair/Vice Chair agree that: (a) the position that the CEO intends to take is consistent with the mission of SDCP; (b) bringing the matter to the Board at its next scheduled meeting is not practical or appropriate under the circumstances; and (c) taking the position without a vote of the Board is appropriate under the circumstances.
6. The CEO will report positions taken pursuant to this policy at the next regularly scheduled Board of Directors meeting as part of the CEO's Report or the Regulatory/Legislative Report.

Staff Report

DATE: July 23, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 4: Clean Energy Alliance Community Advisory Committee Timeline

RECOMMENDATION:

Approve Clean Energy Alliance (CEA) Community Advisory Committee (CAC) timeline for the CAC activation.

BACKGROUND AND DISCUSSION:

At its regular meeting on July 16, 2020 the CEA Board reviewed and approved the Community Advisory Committee Policy. Due to information from San Diego Gas & Electric (SDG&E) that the launch schedule of CEA may be impacted by delays in their billing system replacement project, the Board requested the timeline be brought back at this meeting in anticipation of more updated information from SDG&E regarding CEA's launch.

Timeline

The CAC timeline below provides ability for CAC to participate in the customer outreach and education process. The timeline can be adjusted should the Board decide to have the CAC activated closer to the launch of CEA in May 2021.

Open Application Process	August 3, 2020
CEA Board Approve Initial CAC Workplan & Meeting Schedule	August 20, 2020
Applications due to CEA Board Secretary	August 28, 2020
Applications distributed to CEA Board Member	September 4, 2020
CEA Board Member Application Review & Evaluation	September 7 – October 2
CEA Board Meeting Review Recommendations & Approve Appointees	October 15, 2020
First Meeting of CAC	November/December 2020

FISCAL IMPACT

The estimated administrative cost for each CAC meeting is \$2,500 per meeting. Funding is to be identified in the FY 20/21 Budget.

ATTACHMENTS:

None

Staff Report

DATE: July 23, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

RECOMMENDATION:

Review, provide input and approve Clean Energy Alliance (CEA) Inclusive & Sustainable Workforce Policy.

BACKGROUND AND DISCUSSION:

At its special meeting on May 7, 2020, the CEA Board of Directors provided input to staff regarding drafting of an Inclusive & Sustainable Workforce Policy (Policy) (Attached) to be brought back to the Board for consideration at its July meeting.

The draft CEA Policy was brought to the CEA Board for consideration at its July 16, 2020 meeting. After discussion, the Board requested the Policy to be brought back to this meeting for consideration of adoption, in order to provide more time for the Board to review the draft Policy.

At the July 16 meeting, CEA's General Counsel suggested two additional edits to the policy, these included:

Page 2 - Updating language in the Non-Discrimination Pledge Section to require in its contracts with suppliers that the suppliers will not discriminate;

Page 3 - Deleting the specific licenses in the CEA Power Purchase Agreements with Third Parties Section

The proposed Policy attached reflects these two changes.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS:

Clean Energy Alliance Inclusive & Sustainable Workforce Policy

Clean Energy Alliance

JOINT POWERS AUTHORITY

INCLUSIVE & SUSTAINABLE WORKFORCE POLICY

The Clean Energy Alliance (CEA) Board of Directors desires to establish a policy that supports local jobs, sustainable and inclusive workforce opportunities, local economic sustainability, and diversity through contracting for power sources, procuring goods and services, and implementing hiring initiatives where appropriate, without limiting fair and open competition for projects or programs implemented by CEA.

CEA Staff

CEA relies on its employees to provide clean, cost-effective, alternative energy to its customers. These customers live in diverse communities and an inclusive workforce of staff who reflect and are invested in these communities allows CEA to serve them more effectively. An inclusive staff also provides good jobs for people from diverse communities.

To help maintain and strengthen CEA's inclusive staff, CEA will strive to:

1. Engage in broad outreach efforts in diverse communities, including disadvantaged and low-income communities, to ensure a diverse pool of candidates for open positions;
2. Provide fair compensation that aligns with regional market indicators for compensation levels for each position;
3. Be transparent about these practices and lessons learned; and
4. Provide contact information for staff who can answer questions about this policy.

Supply Chain

CEA also strives for inclusion in its supply chain. Where and from whom CEA purchases good and services have important consequences for businesses, customers, and their communities. Where appropriate, an inclusive supply chain is an important driver for successful delivery of CEA's services to its customers, and of fair and equitable economic development generally.

Where appropriate, and without limiting fair and open competition, to support an inclusive supply chain, CEA will strive to:

1. Use local businesses and provide fair compensation in the purchase of services and supplies;
2. Proactively seek services from local businesses that are taking steps to protect the environment;

3. Engage in efforts to reach diverse communities to ensure an inclusive pool of potential suppliers;
4. Collect information from suppliers and contractors on the inclusivity of their workforce;
5. Include questions about supplier inclusivity in requests for proposals (RFPs) for services;
6. Encourage reporting from developers and vendors on inclusivity in business ownership and staff;
7. Be transparent about these practices and lessons learned; and
8. Provide contact information for staff who can answer questions about this policy.

Inclusive Business Practices

To fulfill its goals of providing a range of energy product and programs, available to all CEA communities and customers, that best serve their needs and their local communities, and support local sustainability efforts, CEA will strive to:

1. Provide information in the multiple languages commonly spoken in CEA's service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);
2. Conduct marketing and outreach in diverse communities to increase awareness of CEA's services and programs;
3. Attend multi-cultural community events with multi-lingual materials and speakers;
4. Share information about activities and initiatives that promote inclusion, access, and diverse engagement in the community.

Non-Discrimination Pledge

CEA will not discriminate, and will strive to work require in its contracts with suppliers that ~~do~~ they will not discriminate, on the basis of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

Sustainable Workforce

Support of local businesses, fair compensation, apprenticeship and pre-apprenticeship programs that create employment opportunities, without limiting fair and open competition, are important components of building and sustaining healthy and sustainable communities. It is in the interest of CEA to provide fair compensation and sustainable workforce opportunities, within a framework of fair and open competition and the promotion of renewable energy, energy efficiency and greenhouse gas reduction.

CEA recognizes the importance of locally-generated renewable energy (local is defined as within the San Diego County region) in assuring that California is provided with (1) adequate

supplies of renewable energy for economic growth, (2) sustained local job opportunities and job creation, and (3) effective means to reduce the impacts of greenhouse gas emissions. CEA also recognizes the opportunities that energy efficiency programs provide for local workforce training and employment.

CEA encourages fair compensation in direct hiring, renewable development projects, energy efficiency programs and in procurement of CEA services and supplies. CEA also encourages use of State of California approved apprenticeship and pre-apprenticeship training programs in construction craft occupations to foster long-term, fairly compensated employment opportunities for program graduates.

Where appropriate, without limiting fair and open competition, CEA will strive to accomplish the following objectives:

1. Support for and direct use of local businesses;
2. Support for and direct use of green and sustainable businesses;
3. Encourage the use of skilled and trained workers who receive fair compensation;
4. Encourage the use of State of California approved apprenticeship programs, and pre-apprenticeship programs within CEA's service territory.

CEA Power Purchase Agreements with Third Parties

CEA will encourage the submission of information from respondents to any bidding and/or RFP/RFQ process regarding planned efforts by project developers and their contractors to achieve the following goals:

- Employ workers and use businesses from the San Diego county area.
- Employ properly licensed (A, B, C10, C7, C46) contractors and California Certified electricians.
- Utilize local apprentices, particularly graduates of San Diego County pre-apprenticeship programs.
- Pay workers prevailing wage for each craft, classification and type of work performed.
- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by proposers will be used to evaluate potential impact on local jobs and workforce of the planned project.

CEA Owned Generation Projects

Each construction contractor or subcontractor performing work on any CEA-owned project is encouraged to use local labor and apprenticeship programs and follow fair compensation

practices including proper assignment of work to crafts that traditionally perform the work. Contractors and subcontractors shall pay at least prevailing rate of wages, as defined in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the California Labor Code and encouraged to use a skilled and trained workforce, as defined in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the California Public Contract Code.

CEA Feed-In Tariff Projects

CEA will encourage construction contractors or subcontractors performing work on any CEA Feed-In Tariff project utilize local businesses and local apprenticeship programs, and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.

CEA encourages contractors and subcontractors performing work on any CEA Feed-In-Tariff project to pay at least prevailing rate of wages, as defined in Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the California Labor Code and encouraged to use a skilled and trained workforce, as defined in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the California Public Contract Code.

CEA Energy Efficiency Projects

CEA will strive to support local businesses and apprenticeship programs, in the implementation of its energy efficiency programs. CEA will encourage construction contractors or subcontractors performing work on any CEA energy efficiency program utilize local businesses and apprenticeship programs and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.

Union Neutrality Pledge

CEA will remain neutral regarding whether its employees choose to join or support labor unions and will not interfere with decisions by its contractors’ and suppliers’ employees about whether to join or support labor unions.