

**Clean Energy Alliance - Board of Directors
Regular Meeting Minutes
February 24, 2022, 2:00 p.m.
Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)**

CALL TO ORDER: Chair Becker called to order the regular meeting of the Clean Energy Alliance at 2:02 p.m.

ROLL CALL: Vice Chair Druker, Board Members: Inscoe, Musgrove, Acosta, Chair Becker

FLAG SALUTE: Vice Chair Druker led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS - None

PRESENTATIONS - Report on February 17, 2022, Community Advisory Committee (CAC) Meeting – Alternate Board Member/CAC Chair Worden

CAC Chair Worden commented that the full committee, CEA CEO Barbara Boswell, and representation from Tripepi Smith & Associates attended the Community Advisory Committee meeting, and that the CAC reviewed the CEA website in detail and generated a number of recommendations for enhancement of the website. In addition, Chair Worden commented that the CAC is looking forward to additional CAC representation from San Marcos and Escondido.

PUBLIC COMMENT – None

APPROVAL OF MINUTES

Minutes of the Special Meeting – December 17, 2021

Minutes of the Regular Meeting – December 30, 2021

Motion by Chair Becker, second by Vice Chair Druker, to approve the minutes of the special meeting held December 17, 2021, and the regular meeting held December 30, 2021, as submitted.

Motion carried unanimously, 5/0.

Consent Calendar

Item 1: Reconsideration of the Circumstances of the COVID-19 State of Emergency to Determine Whether the Legislative Bodies of Clean Energy Alliance will Continue to Hold Meetings Via Teleconferencing and Making Findings Pursuant to Government Code Section 54943(e)

RECOMMENDATION

To continue meetings by teleconferencing pursuant to Government Code Section 54943(e), finding that: (1) the Board has reconsidered the circumstances of the state of emergency created by the COVID-19 pandemic; and (2) the state of emergency continues to directly impact the ability of the members to meet safely in person.

Item 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and file Clean Energy Alliance Treasurer's Report for January 2022 activity.

**Motion by Vice Chair Druker, second by Board Member Inscoe to approve the consent calendar.
Motion carried unanimously, 5/0.**

New Business

Item 3: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

- 1) Receive and file Community Choice Aggregation Update Report from Chief Executive Officer.
- 2) Receive and file Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

CEO Barbara Boswell presented the Board with highlights from the CEO Update Report including the expansion assessment currently underway for the Cities of Oceanside, Vista, and San Clemente with target for service in 2024. Assuming positive impact reports, consideration to join CEA by the prospective new members will take place May/June, with CEA Board approval and direction to prepare the Implementation Plan Amendment scheduled for July 2022. The Implementation Plan Amendment would be filed with the CPUC by December 31, 2022. CEO Boswell commented regarding the return to in-person Board meetings and items to be considered including geographic proximity, broadcast capabilities, and meeting space. CEO Boswell commented regarding the opening of the Community Advisory Committee Applications for the cities of Escondido and San Marcos directing interested persons that live or own a business in those cities to visit the CEA website at <https://thecleanenergyalliance.org> for more information and application.

Board questions and comments included inquiry regarding the timing for the CEA potential expansion cities and City of Oceanside agreement to join CEA, and support for rotating in-person meetings. CEO Boswell indicated that that each city is fully aware of the anticipated schedule and in agreement to the timing of the actions needed to join CEA and that the City of Oceanside City Council would consider joining CEA if the other corridor cities joined.

Regulatory Counsel Ty Tosdal introduced Tosdal APC Associate Attorneys Samir Hafez, and Chasity Hendren, and updated the Board on regulatory proceedings including Financial Security Requirements (FSRs) commenting that they are in place to protect against mass involuntary return of CCA customers to the Utility. Existing rules require 6-month advance procurements of which costs have been heavily criticized for outdated inputs, and improper offsets. CPUC proceedings are underway and increase to FSRs are likely. In addition, an Advice Letter (AL) was submitted by SDG&E seeking approval for Renewables Portfolio Standard (RPS) transactions with SDCP and CEA. A protest was filed by the Public Advocates Office (Cal Advocates) stating that the CEA agreement did not appear to meet the 10-year RPS requirement and Direct Access

(DA) parties are arguing the transaction was premature due to upcoming RPS voluntary allocation and market offer (VAMO) implementation. Mr. Tosdal explained that as part of the Energy Resource Recovery Account (ERRA) process the Investor-Owned Utilities (IOUs) will finalize Community Choice Aggregation (CCAs) potential VAMO shares based on vintaged, annual load forecasts. CCAs will inform IOUs of their interest in shares and IOUs and CCAs to include proposed Voluntary Allocations in 2022 RPS Plans and the CPUC is expected to issue a decision on RPS Plans and address VAMO in December 2022.

Vice Chair Druker inquired whether the VAMO would reduce exit fees and Special Counsel Tosdal explained that it would not, but it does provide access to the resources within the utility portfolio which allows for purchase of resources at a market rate.

Lastly, Mr. Tosdal reported on the Net Energy Metering (NEM) 3.0 proceeding commenting that an email was received from an Administrative Law Judge indicating that the proposed decision will not appear on the CPUC voting meeting agenda until further notice stating the CPUC has reassigned Rulemaking 20-08-020 to President Alice Reynolds, who requested additional time to analyze the record and consider revisions and to ensure all five Commissioners participate in oral arguments.

CEA Board received and filed the report.

Item 4: Presentation on Power Charge Indifference Adjustment

RECOMMENDATION

Receive presentation on the Power Charge Indifference Adjustment.

CEO Barbara Boswell introduced the item and Keyes and Fox LLP Attorneys Jacob Schlesinger and Lee Ewing, who gave a presentation of the Power Charge Indifference Adjustment (PCIA). Mr. Ewing gave an overview of the PCIA commenting that the law requires remaining SDG&E customers to be left economically indifferent to CEA's customers leaving SDG&E's service and that the PCIA is the exit fee that is intended to ensure such indifference and explained how the PCIA is calculated and brought before the CPUC as part of the Annual ERRA Compliance Application. Mr. Ewing and Mr. Schlesinger commented on last year's ERRA Proceedings stating that SDG&E used a sales forecast that ignored the formation of CCAs, therefore the proposed rate that SDG&E was going to charge their customers was a lot lower than what they should have been making those rates look more attractive than CEA's at the time of formation and commented on the upcoming proceedings and possible challenges.

Board Member Musgrove inquired regarding the exit fees paid to SDG&E, where the power is going and if CEA has the first right to that power at the negotiated rate. Mr. Ewing explained that the value of the power gets assumed in the market value and should be used to reduce the PCIA to the extent that SDG&E is recovering revenue. Excess Power could be sold into the California Independent System Operator (CAISO) market and that revenue should be reducing the PCIA.

Special Counsel Tosdal commented that the VAMO process allows for access to the power that CEA is paying for part of through PCIA.

Board Member Acosta commented regarding efforts and advocacy to ensure transparency and fairness with ERRRA proceedings.

CEA Board received and filed report.

Item 5: Consider Approval of Fiscal Year 2021/2022 Midyear Budget Adjustment

RECOMMENDATION

Approve Fiscal Year 2021/2022 Midyear Budget Adjustment.

CEO Barbara Boswell presented the Midyear Budget Adjustment commenting that the development of the FY 2021/2022 Budget took place prior to serving customers and now are ready to adjust based on the first six months of service to customers and went over the details of the recommended adjustment.

Motion by Chair Becker, second by Board Member Inscoe, to approve the recommended budget adjustment. Motion carried unanimously, 5/0.

Item 6: Consider Board Subcommittee to Review Chief Executive Officer Contract and Salary

RECOMMENDATION

Appoint Board Subcommittee to Review Chief Executive Officer Contract and Salary.

Board consideration of appointment of Chair and Vice Chair as Subcommittee to review CEO contract and salary.

Motion by Chair Becker, second by Board Member Musgrove, to approve the appointment of Chair Becker and Vice Chair Druker as the Subcommittee to review the CEO contract and salary.

Motion carried unanimously, 5/0.

Addressing the Board was Rob Howard regarding public comment and opt out customers.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None

ADJOURN: Chair Becker adjourned the meeting at 3:19 p.m.

DocuSigned by:

Susan Caputo

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Susan Caputo, MMC
Interim Board Clerk