

Clean Energy Alliance
JOINT POWERS AUTHORITY

Special Board Meeting
June 26, 2020, 3 p.m.
Hosted by the City of Carlsbad

Item 1: Establishment of Clean Energy Alliance Ad Hoc Committee for Joint Procurement with San Diego Community Power

Barbara Boswell, Interim Chief Executive Officer
Gregory Stepanicich, General Counsel

Item 1: CEA Ad Hoc Committee for Joint Procurement with SDCP

- Recommendation
 - As an alternative to establishing a Clean Energy Alliance Ad Hoc Committee that would consider joint procurement with San Diego Community Power (SDCP), consider designating a Board member to work with staff in scheduling one or more meetings with SDCP to discuss joint procurement.

Item 1: CEA Ad Hoc Committee for Joint Procurement with SDCP

- June 18, 2020 Board directed an agenda item for consideration of establishing an ad hoc committee related to contracts.
- Taking into account CEA Board size and Brown Act requirements, an alternative solutions is being offered for Board consideration.
- Alternative approach ensures compliance with Brown Act and provide a venue for discussion with SDCP regarding joint procurement.
- Consider designating one Board member to work with staff in scheduling one or more meetings with SDCP to discuss joint procurement strategies and evaluation criteria to jointly select energy suppliers.

Item 1: CEA Ad Hoc Committee for Joint Procurement with SDCP

Board Discussion

Item 2: Clean Energy Alliance Long-Term Renewable Energy Solicitation

Barbara Boswell, Interim Chief Executive Officer
Pacific Energy Advisors

Item 2: Long-Term Renewable Energy Solicitation

- Recommendation
 - 1) Review, provide input and approve Request for Proposal for Long-Term Renewable Solicitation.
 - 2) Approve Joint Long-Term Renewable Solicitation with San Diego Community Power.

Item 2: Long-Term Renewable Solicitation

- June 18, 2020 staff introduced the Long-Term Renewables RFP and approach of joint procurement with San Diego Community Power (SDCP)
- Board directed staff to return at the 6/26/20 Special Board Meeting with the draft RFP.

Item 2: Long-Term Renewable RFP: Purpose & Overview

- June 18, 2020 staff introduced the Long-Term Renewables RFP and approach of joint procurement with San Diego Community Power (SDCP)
- Current Solicitation is to seek proposals for projects to meet SB 350 requirements of 65% of state mandated minimum renewable portfolio standards in long-term contracts of 10-years or more.
- Represents ~25% of CEA's energy supply needs
- To meet its minimum 50% renewable energy default product CEA will need to do additional solicitations

General Approach – Joint Procurement

- Joint Approach Beneficial due to timing of both Agencies CCA launches and solicitation schedule for RPS Compliance.
- Bid review and evaluation will be administered in a coordinated manner
- Proposal evaluation may result in shared or independent project participation
 - Joint project/offer participation would result in two separate supply contracts (one for each CCA) with approval separately required by each CCA
 - Independent participation would result in a single supply contract
- Solicitation document would address the Long-Term RPS needs of both organizations
- Joint participation is expected to foster and streamline future coordination related to procurement

Recommended RFP Schedule

RFP Activity	Anticipated Date of Completion
RFP Issuance	June 29 th
Deadline for Electronic Question Submittal	July 10 th no later than 5:00 P.M. PPT
RFP Response Deadline	July 24 th no later than 5:00 P.M. PPT
Follow-up with RFP Respondents, as necessary	To occur between July 27 th and August 7 th
Supplier Notifications (Short-List Selection)	August 12 th
Contract Negotiations	August 13 th through November 30 th
Joint CCAs Board to Award Contract(s)	December 2020/January 2021 – to occur at duly noticed Board Meetings of CEA and SDCP
Execution of Contract(s)	December 2020/January 2021 – to occur after CEA and SDCP Board approval of the final contract(s)

Draft RFP Document

- Draft RFP document provided for Board review and comment.

Item 2: Long-Term Renewable Solicitation

Board Discussion

Item 3: Resource Adequacy Procurement

Barbara Boswell, Interim Chief Executive Officer
Brian Goldstein, Pacific Energy Advisors

Item 3: Resource Adequacy Procurement

- Recommendation
 - Authorize Interim Chief Executive Officer to execute agreements for resource adequacy procurement, for amount not to exceed \$14MM over three (3) years, and which has been included within the Clean Energy Alliance Base Pro-Forma, subject to Special Counsel approval.

Item 3: Resource Adequacy Procurement

- CEA required to procure RA per CPUC and California Independent System Operator (CAISO) rules
 - Ensure sufficient generating capacity to meet peak energy demands
 - Ensure reliability
- Three RA products are required:
 - Local – Capacity within CAISO local regions
 - System – Capacity that can be located anywhere within the CAISO footprint
 - Flexible – Capacity that can “ramp-up/down to meet real-time system needs
- Per CPUC rules, CEA must comply with a three-year forward Local RA contracting requirement and one-year forward System and Flexible contracting requirements

Item 3: Resource Adequacy Procurement

- RA becoming increasingly more difficult to procure and more expensive due to a tightening supply and demand balance
 - Diminishing supply due to the retirement of natural gas plants and the reductions in RA value for intermittent renewable resources
 - Clean energy replacements slow to come online
 - Multi-year Local RA procurement requirement has increased demand
 - Increase in buyer competition due to proliferation of CCAs
- CEA must submit compliance filings to the CAISO and CPUC by October 31, 2020 showing that sufficient RA resources are under contract for 2021-2023 to satisfy CEA's compliance obligations
- On behalf of CEA, Pacific Energy Advisors initiated a solicitation for 2021-2023 System, Local, and Flexible RA

Item 3: Resource Adequacy Procurement

- Solicitation resulted in several offers of local RA as well as local RA with flex
 - Pricing was higher than original pro-forma assumed
 - Updated pro-forma reflects sufficient revenues to meet cost
- Recommended that the following quantities be fulfilled through initial solicitation:
 - 50% of 2021 – 2022 Requirements
 - 25% – 30% of 2023 Requirements

Item 3: Resource Adequacy Procurement

- In parallel with this procurement, SDG&E has issued a solicitation for the sale of 2021-2023 System, Local, and Flexible RA, which CEA will be participating in
- Results of that process will inform CEA of any remaining open positions for which subsequent procurement may be needed

Item 3: Resource Adequacy Procurement

Board Discussion

Clean Energy Alliance
JOINT POWERS AUTHORITY

Special Board Meeting
June 26, 2020, 2 p.m.
Hosted by the City of Carlsbad