

Board of Directors Special Meeting Agenda

June 26, 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: None.

NEW BUSINESS

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

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 representatives to discuss joint procurement.

Item 2: Clean Energy Alliance 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 3: Clean Energy Alliance 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 Energy Transactions Attorney approval.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

ADJOURN:

NEXT MEETING: July 16, 2020, 2 p.m., City of Del Mar, City Hall (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.

Staff Report

DATE: June 26, 2020

TO: Clean Energy Alliance Board of Directors

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

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

RECOMMENDATION:

As an alternative to establishing a Clean Energy Alliance (CEA) 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 representatives to discuss joint procurement.

BACKGROUND AND DISCUSSION:

At its June 18, 2020 regular meeting, the Board directed an agenda item be added to the June 26, 2020 Special Board meeting to discuss the creation of an ad hoc committee related to contracts. After further consideration regarding CEA’s Board size and Brown Act requirements, an alternative solution is being offered for Board consideration.

Staff recommends that the Board consider designating one of its members to work with staff in scheduling one or more meetings with SDCP representatives to discuss joint procurement strategies and the evaluative criteria to be used to jointly select energy suppliers. The representatives for SDCP also should include a Board member. This approach would ensure compliance with the Brown Act and provide a venue for discussion with SDCP regarding joint procurement.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS:

None

Staff Report

DATE: June 26, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 2: Clean Energy 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.

BACKGROUND AND DISCUSSION:

Senate Bill 350 which is effective in 2021 establishes that 65% of state mandated renewable portfolio standards (RPS) requirements be procured via long-term contracts of 10-years or longer.

At its June 18, 2020 regular meeting, the Board heard a report related to the initial solicitation of long-term renewable energy reflecting the quantities needed to meet the requirements of SB350. The Board directed this item be brought back to the Board with the Request for Proposal (RFP) for further review, input and discussion.

The presentation at the June 18 Board meeting included introduction of the concept of joint administration of the RFP between Clean Energy Alliance (CEA) and San Diego Community Power (SDCP). With the planned launch schedules of the two agencies community choice aggregation (CCA) programs, CEA and SDCP would have their solicitation out in the market at generally the same time. This timing could result in CEA and SDCP competing with each other to enter into exclusivity agreements with prospective developers. Moving forward jointly eliminates this potential competition.

FISCAL IMPACT

There is no fiscal impact by this action. Estimated costs related to selection of any projects as a result of this solicitation have been factored into the Clean Energy Alliance Pro-Forma and will be included in the budget for the fiscal year that costs would be incurred.

ATTACHMENTS:

- A. Draft 2020 Request for Proposals for Long-Term Renewable Energy

2020 Request for Proposals (“RFP”) for Long-Term California RPS-Eligible Renewable Energy of the Clean Energy Alliance & San Diego Community Power

Introduction & Background

The Clean Energy Alliance (“CEA”) and San Diego Community Power (“SDCP”), together the “Joint CCAs”, are requesting proposals for long-term, California Renewables Portfolio Standard (“RPS”) eligible renewable energy products with initial deliveries commencing during the 2021, 2022 and/or 2023 calendar years. The Joint CCAs are represented by two new Community Choice Aggregation (“CCA”) programs that will begin serving customers located within the San Diego region in 2021. CEA plans to commence retail electric service in May 2021 and will serve the cities of Carlsbad, Del Mar and Solana Beach. CEA anticipates annual retail sales approximating 960 GWh and expects to serve approximately 58,000 service accounts, following the completion of planned phase-in activities. SDCP intends to commence retail electric service in March 2021 and will serve the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa and San Diego. SDCP anticipates annual retail sales approximating 7,000 GWh with nearly 740,000 service accounts enrolled following completion of pertinent phase-in activities.

In consideration of upcoming long-term renewable energy contracting requirements, as imposed by SB 350, the Joint CCAs anticipate certain open positions as further described herein. In particular, this RFP is primarily intended to support future Portfolio Content Category 1 (“PCC1” or “Bucket 1”) energy requirements through long-term power purchase agreements with one or more qualified counterparties. This noted, the Joint CCAs will also accept and evaluate long-term procurement opportunities for Portfolio Content Category 2 (“PCC2” or “Bucket 2”) renewable energy products. Long-term offers for Portfolio Content Category 3 (“PCC3” or “Bucket 3”) renewable energy products will not be considered at this time. Based on the Joint CCAs’ most recent analysis, future long-term renewable energy requirements have been quantified in the following tables:

Table 1: CEA’s Estimated Annual Long-Term Renewable Energy Requirements (GWh)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LT RPS GWh	152	250	269	288	307	326	346	365	385	405

Table 2: SDCP’s Estimated Annual Long-Term Renewable Energy Requirements (GWh)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LT RPS GWh	500	1,800	2,000	2,100	2,300	2,400	2,600	2,700	2,900	3,000

By participating in this RFP, each respondent acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these instructions. The Joint CCAs reserve the right to reject any offer that does not comply with these requirements. Furthermore, the Joint CCAs may, in their sole discretion and without notice, modify, extend, suspend, or terminate this RFP without further obligation or liability to any respondent. This RFP does not constitute an offer to buy or create an obligation for the Joint CCAs, CEA or SDCP to enter into an agreement with any party, and the Joint CCAs, CEA and/or SDCP shall not be bound by the terms of any offer until a duly authorized agreement has been fully executed.

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RFP Instructions

Standardized Response Template: All respondents must use the standardized response template provided by Joint CCAs. The Joint CCAs have posted the template on the respective websites of CEA ([\[insert web link\]](#)) and SDCP ([\[insert web link\]](#)) and will require respondents to independently access and download the template for response preparation. An unmodified version of the template must be completed in its entirety based on instructions provided in the template. The Joint CCAs may update the RFP template from time to time, so respondents are encouraged to periodically visit the respective websites of CEA and SDCP to determine if any changes have been posted. Only submissions of the currently applicable template will be reviewed.

Project Eligibility: Each respondent may propose one or more project offers conforming to the following eligibility requirements. Failure to meet all of the following project eligibility criteria shall be grounds for proposal rejection:

i. Resource Location: The point of physical interconnection for any eligible generator must be within the California Independent System Operator (“CAISO”) or directly connected to and delivering into CAISO. The Joint CCAs have a strong preference for physical interconnection within the area generally termed SP15, as defined by the CAISO. Evaluative preference will be given to any resource(s) located directly within or within proximity to the respective member cities of the Joint CCAs.

ii. Product: Offers for bundled PCC1 renewable energy should include electric energy, Green Attributes/Renewable Energy Credits and Capacity Attributes. Even though this RFP is predominantly targeting PCC1 renewable energy supply, the Joint CCAs will also accept long-term PCC2 renewable energy offers. The Joint CCAs will accept offers for both new and existing renewable generating resources.

iii. Resource Eligibility: All proposed generating resources must be certified by the California Energy Commission (“CEC” or “Commission”) as Eligible Renewable Energy Resources (or must receive CEC certification prior to the commencement of any energy deliveries proposed in the response template), as set forth in applicable sections of the California Public Utilities Code (“Code”), which may be amended or supplemented from time to time. Each respondent shall be responsible for certification of the proposed resource through the certification process administered by the CEC and shall be responsible for maintaining such certification throughout the contract term.

iv. Generating Capacity: Minimum ten (10) megawatts (“MW”) AC.

v. Annual Delivery Specifications: Delivered energy volumes reflected in any proposal must be within the following minimum and maximum annual volumes:

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Year	Min Deliveries (MWh)	Max Deliveries (MWh)
2021	75,000	250,000
2022	100,000	325,000
2023	100,000	350,000
2024	100,000	350,000
2025	100,000	400,000
2026	100,000	400,000
2027	100,000	450,000
2028	100,000	450,000
2029	100,000	500,000
2030	100,000	500,000

vi. Initial Date of Delivery: No sooner than March 1, 2021 and no later than June 30, 2023.

vii. Term of Agreement: Not less than ten (10) years, commencing on the Initial Date of Delivery; not more than twenty (20) years, commencing on the Initial Date of Delivery.

viii. Proposed Pricing: For bundled PCC1 renewable energy, each respondent must propose two distinct pricing options. First, respondents must include a single, flat price for each MWh of electric energy delivered from the proposed resource, priced at the generator node and/or at the SP 15 Trading Hub, as defined by the CAISO [TH_SP15_GEN-APND]. This energy price shall include the energy commodity, all Green Attributes/Renewable Energy Credits related thereto, and (if applicable) Capacity Attributes. If energy storage is included in the proposal, a separate capacity price (\$/KW) for the storage capacity should be provided. All pricing options shall remain unchanged throughout the entire contract term and shall not be adjusted by periodic escalators or time of deliver multipliers/factors. Second, respondents must also include an index-plus pricing option in which the “plus” component reflects the price to be paid for the Renewable Energy Credit, expressed a flat/fixed price throughout the contract term. ***Alternative pricing options may be proposed so long as the aforementioned pricing requirements have been satisfied.***

ix. Point of Delivery: Per the requirements of the Proposed Pricing section, respondents must provide a proposal for the delivery of all electric energy at the generator node; however, respondents are also strongly encouraged to provide a proposal that includes pricing based on delivery of all electric energy to the SP 15 Trading Hub.

x. Scheduling Coordinator (“SC”) Responsibilities: The Joint CCAs do not have a strong preference regarding the assignment of SC responsibilities and will evaluate proposals in which the Buyer or Seller provide such services.

xi. Minimum Development Progress: To the extent that a proposed generating resource is not yet commercially operational, documentation substantiating achievement of the following development milestones must be provided by the respondent for each eligible generator, including: 1) evidence of site control; and 2) evidence that respondent has

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submitted a generator interconnection application to the appropriate jurisdictional entity; provided, however, that if respondent has completed interconnection studies or executed an interconnection agreement, as applicable, respondent should provide copies of such materials, including applicable appendices. Such documentation must be provided to the Joint CCAs at the time of response submittal.

xii. Project Financing Plan: Respondent shall describe its intended financing plan for each proposed project in sufficient detail for the Joint CCAs to effectively evaluate the viability of such arrangements. To the extent that a respondent anticipates a joint project ownership structure, this structure shall be clearly articulated along with applicable ownership percentages attributable to each partner. Supporting documentation and discussion shall be provided by each respondent, consistent with the informational requirements specified in the RFP response template.

Transfer of Environmental Attributes/Renewable Energy Certificates

As part of the proposed transaction associated with any renewable energy product, all Environmental Attributes/Renewable Energy Certificates must be created by and transferred to CEA or SDCP, as appropriate, via the Western Renewable Energy Generation Information System (“WREGIS”), or its successor, without any additional costs or conditions to CEA or SDCP. Each respondent shall be independently responsible for registering its generating project(s) with WREGIS and for maintaining an active WREGIS account throughout the proposed term of agreement.

RFP Schedule*

This RFP will be administered in consideration of the following 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)

*The Joint CCAs reserves the right to change the schedule of these events at any time for any reason.

Respondents may submit questions to the Joint CCAs regarding this RFP process and associated materials no later than 5:00 P.M. PPT on July 10, 2020. All questions and final proposals should be submitted electronically to [insert email address] and must include the following subject line: “Questions for the Joint

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CCAs’ 2020 RFP for Long-Term California RPS-Eligible Renewable Energy”. The Joint CCAs will post responses to all questions on its website after responses have been prepared – the Joint CCAs anticipate posting such responses by July 14, 2020. Responses to similar questions may be consolidated within the Joint CCAs’ list of posted responses.

The Joint CCAs may submit clarifying questions to certain respondents or conduct interviews, as necessary, based on information provided in the response template and/or supporting materials included with each response. The Joint CCAs shall have the right, at the discretion of either CEA and/or SDCP, to request information without notifying other respondents. The Joint CCAs, CEA and/or SDCP shall establish due dates for responses at the time of each informational request and will directly notify individual respondents if additional follow-up and/or interviews are necessary during this process.

Note: only electronic submittals will be accepted; such submittals must be received by the Joint CCAs no later than 5:00 P.M. PPT on Friday, July 24, 2020. All responses should be submitted to [insert email address] and must include the following subject line: “Response to the Joint CCAs’ 2020 RFP for Long-Term California RPS-Eligible Renewable Energy”.

Evaluation of Responses

The Joint CCAs will evaluate responses against a common set of criteria that will include various factors. A partial list of factors to be considered during the Joint CCAs’ evaluative process is provided below. This list may be revised at the Joint CCAs’ discretion.

- a. Price
- b. Overall quality of response, including general completeness and conformance with RFP instructions/requirements
- c. Project location, including benefits to the local economy and workforce
- d. Interconnection status, including queue position, full deliverability of Resource Adequacy capacity, and related study completion, if applicable
- e. Siting, zoning and permitting status, if applicable
- f. Qualifications of project team
- g. Proposed financing plan and ownership structure
- h. Environmental impacts and related mitigation requirements
- i. Financing plan & financial stability of project owner/developer
- j. Proposed security obligations
- k. Development milestone schedule, if applicable
- l. Supplier diversity
- m. Experience developing and operating renewable energy projects in California
- n. Experience selling renewable energy to CCAs

Contracting

The Joint CCAs plan to negotiate a single form of Power Purchase Agreement (“PPA”) with each of the short-listed suppliers. As part of the short-list notification process, the Joint CCAs will provide each of the short-listed suppliers with a draft PPA. Contract negotiations will proceed thereafter. After finalizing the PPAs, CEA and SDCP will each have a single, independent contract form with each of the short-listed suppliers,

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reflecting the negotiated division of anticipated project capacity/energy volumes to be delivered to each organization. For example, Prospective Supplier One negotiates a single form PPA with the Joint CCAs; however, Prospective Supplier One will then enter into two separate contracts, one with CEA, another with SDCP, through which anticipated project capacity/energy volumes will be arranged with each CCA program. Disproportionate divisions of project capacity/energy volumes may be requested by CEA and SDCP during contract negotiation – for example, CEA may request 30% of annual energy deliveries, with SDCP receiving the remaining 70%. Additional details regarding the desired division of proposed project capacity/energy volumes will be provided to short-listed respondents and further discussed during contract negotiations.

Confidentiality

All correspondence with the Joint CCAs, including responses to this RFP, will become the exclusive property of CEA and SDCP and will become public record under the California Public Records Act (Cal. Government Code section 6250, et seq.). All documents sent by respondents to the Joint CCAs may be subject to disclosure, unless exempt under the California Public Records Act.

In order to designate information as confidential, the respondent must clearly stamp and identify any designated portion(s) of the response material with the word “Confidential” and provide a citation to the California Public Records Act supporting confidential treatment of such information. Respondents should be judicious in designating material as confidential. Over-designation would include stamping/designating entire pages, series of pages and/or entire sections as confidential when such material does not require confidential treatment.

Therefore, any proposal which contains language purporting to render all or significant portions of the proposal as “Confidential”, “Trade Secret” or “Proprietary”, or which fails to provide the noted exemption citation (related to the California Public Records Act) may be considered a public record in its entirety subject to the procedures described below. Do not mark your entire proposal as “Confidential”.

If required by any law, statute, ordinance, a court, governmental authority or agency having jurisdiction over CEA or SDCP, including the California Public Records Act, CEA and SDCP may release confidential information, or a portion thereof, as required by applicable law, statute, ordinance, decision, order or regulation. In the event that CEA or SDCP are required to release confidential information, the respondent shall be notified of the required disclosure, such that the respondent may attempt (if it so chooses), at its sole cost, to cause the recipient of the confidential information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise become part of the public domain.

The Joint CCAs do not intend to disclose any part of any proposal before it announces a recommendation for award, based on the understanding that there is a substantial public interest in not disclosing proposals during the evaluation or negotiation process.

Exclusivity Agreement and Bid Deposit

As part of the short-listing process, the Joint CCAs will require all short-listed bidders to execute a term sheet, enter into an exclusivity agreement (of no less than 90 days in duration), and post a bid deposit in

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the amount of \$3,000/MW multiplied by the project’s guaranteed capacity. For projects proposing fixed annual delivery quantities, a similar bid deposit amount (reflective of the overall volume being proposed to the Joint CCAs) will be calculated by the Joint CCAs and agreed upon with the respondent prior to short-listing. CEA and SDCP will accept bid deposits in the form of cash or an agreed upon form of a Letter of Credit. Letter of Credit means an irrevocable standby letter of credit, in a form reasonably acceptable to CEA and SDCP, issued either by (i) a U.S. commercial bank, or (ii) a U.S. branch of a foreign commercial bank that meets the following conditions: (A) it has sufficient assets in the U.S. as determined by the Joint CCAs, and (B) it is acceptable to the Joint CCAs in the Joint CCAs’ sole discretion. The issuing bank must have a credit rating of at least A- from S&P or A3 from Moody’s, with a stable outlook designation. All costs of the Letter of Credit shall be borne by the short-listed respondent.

DRAFT

Staff Report

DATE: June 26, 2020
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 3: Clean Energy Alliance 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 have been accounted for within the Clean Energy Alliance Pro-Forma assumptions, subject to Special Energy Transactions Attorney approval.

BACKGROUND AND DISCUSSION:

As a load serving entity (LSE), Clean Energy Alliance (CEA) is required to procure resource adequacy (RA), an energy product to ensure sufficient generating capacity to meet energy demands and ensure reliability. RA procurement requirements are based on year-ahead forecasted energy demands and allocated to each LSE by the California Public Utilities Commission (CPUC).

There are three distinct types of RA that are needed to be procured:

- Local – Identified by the state grid operator (CAISO) to serve the local region
- System – Can be located anywhere in the state
- Flex – Can fulfill either

In recent years local RA has become increasing more difficult to procure due to recent regulatory changes resulting in a multi-year (3-year) procurement requirement and diminishing supply due to fewer natural gas plants and clean energy replacements being slow to come online. These conditions make it increasingly difficult to find local RA in necessary quantities and are driving up prices.

CEA's solicitation resulted in several offers of local RA as well as local RA with flex. While the pricing was higher than what had been assumed in the CEA pro-forma, they are at levels that CEA's consultants are seeing for other similar solicitations currently being held for other CCAs. RA costs based on this solicitation have been factored into the most recently prepared CEA Pro-Formas which were reviewed at the June 18, 2020 CEA Board meeting.

It is recommended that CEA procure from the solicitation the following quantities:

- 50% of the 2021 – 2022 requirements
- 25% – 30% of the 2023 requirements

In parallel with CEA's solicitation, SDG&E has a solicitation is still underway to sell anticipated surplus RA, and it is anticipated that some, of CEA's remaining open position can be filled through successfully participating in SDG&E's solicitation. Once that is complete, should CEA have a remaining open position,

subsequent solicitations will continue in order to procure the needed RA to meet the requirements as established by the CPUC.

CEA is required to demonstrate compliancy through adequacy procurement via a filing due October 31, at which time all of CEA's RA obligation must be secured through contracts.

FISCAL IMPACT

Resource Adequacy is included as part of power supply in the CEA pro-forma scenarios, and will be budgeted for in January when the budget adjustment related to CEA operations for May & June 2021 is presented to the Board for consideration in the fall.

ATTACHMENTS:

None