

Board of Directors Special Meeting Agenda

March 25, 2021, 2 p.m.

Hosted by City of Carlsbad (Virtual Meeting)

Members of the public can watch the meeting live by clicking the Live Stream Link at:

<https://thecleanenergyalliance.org/agendas-minutes/>.

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.

You can participate in the meeting by e-mailing your comments to the Secretary at secretary@thecleanenergyalliance.org 1 hour prior to commencement of the meeting. 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

Report on Community Advisory Committee March 11, 2021 Meeting by Chair Worden

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held February 18, 2021

Minutes of the Special Meeting held March 4, 2021

Minutes of the Special Meeting held March 16, 2021



Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and file Clean Energy Alliance Interim Treasurer's Report.

Item 2: Clean Energy Alliance Interim Chief Executive Officer Administrative, Operational and Regulatory Affairs Update

RECOMMENDATION

- 1) Receive and file Clean Energy Alliance Interim Chief Executive Officer Administrative and Operational Update.
- 2) Receive and file Clean Energy Alliance Special Counsel Regulatory Affairs Update.

Item 3: Adopt Resolution Amending Clean Energy Alliance Bylaws Related to Establishing Time and Place of Board Meetings

RECOMMENDATION

Adopt Resolution No. 2021-009 amending Clean Energy Alliance Bylaws related to establishing time and place of board meetings.

Item 4: Approve Terms and Conditions for Clean Energy Alliance Renewable Energy Self-Generation Bill Credit Transfer Program

RECOMMENDATION

Approve Terms and Conditions for Renewable Energy Self-Generation Bill Credit Transfer Program.

Item 5: Approve Clean Impact Plus as Product Name for 50% Renewable/75% Carbon Free Power Supply

RECOMMENDATION

Approve Clean Impact Plus as Product Name for 50% Renewable/75% Carbon Free Power Supply.

New Business

Item 6: Receive Presentation and Provide Direction Regarding Consideration of Joining California Community Power Joint Powers Authority for Purposes of Joint Procurement



RECOMMENDATION

Receive report on California Community Power Joint Powers Authority and provide direction regarding joining California Community Power JPA for purposes of joint procurement.

- Item 7: Clean Energy Alliance Community Choice Aggregation Update on Member Agency Default Power Supply Selections and Phasing of Net Energy Metering Customers**

RECOMMENDATION

Receive report on community choice aggregation update on member agency default power supply selections and phasing of Net Energy Metering customers.

- Item 8: Approval of Agreement with San Diego Gas & Electric for the Procurement of Long-Term Renewable Power Supply**

RECOMMENDATION

Authorize the Interim Chief Executive Officer to execute a power purchase agreement with San Diego Gas & Electric for the procurement of Long-Term Renewable Power Supply, pursuant to Energy Risk Management Policy and subject to Special Transactions Counsel approval.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

ADJOURN

NEXT MEETING: April 22, 2021, hosted by City of Del Mar (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 Clean Energy Alliance Board Clerk 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
February 18, 2021 - 2 p.m.
City of Solana Beach
635 S. Highway 101, Solana Beach, CA 92075
Teleconference Locations per State of California Executive Order N-29-20**

CALL TO ORDER: Chair Becker called to order the regular meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Board Member Druker, Vice Chair Bhat-Patel, Chair Becker

FLAG SALUTE: Chair Becker led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None

PRESENTATIONS:

Report Out of February 4, 2021, CEA Community Advisory Committee by Chair Worden

Interim CEO Barbara Boswell reported on the Special February 4, 2021, CEA Community Advisory Committee meeting and commented that the discussion focused on customer outreach strategy and commented on the enthusiasm of the committee.

Chair Worden commented that key contact information gathered by the CAC will be provided to Tripepi Smith for outreach efforts.

PUBLIC COMMENT: None

APPROVAL OF MINUTES: Minutes of the Regular Meeting held January 21, 2021.

Motion by Chair Becker, second by Member Druker to approve the minutes of the regular meeting held January 21, 2021, as submitted.

Motion carried unanimously, 3/0.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and file Clean Energy Alliance Interim Treasurer's Report.

Item 2: Adopt Resolution No. 2021-005 Approving investment Policy

RECOMMENDATION

Adopt Resolution No. 2021-005 approving Investment Policy.

Item 3: Approve Contract Amendment with Keyes & Fox LLP for Specialized Regulatory Legal Services

RECOMMENDATION

Approve contract amendment with Keyes & Fox LLP for specialized regulatory legal services related to San Diego Gas & Electric rate proceedings, for a total contract amount not to exceed \$112,500, and authorize Interim Chief Executive Officer to execute all documents, subject to General Counsel approval.

Item 4: Schedule Special Meeting for Final Product Offering Selection and Rate Adoption

RECOMMENDATION

Schedule Special Meeting for Final Power Supply Product Offering Selection and Rate Adoption for March 4, 2021, 2pm.

Public comment was read into the record from Ann Feeney, Vice Chair, Del Mar's Sustainability Advisory Board, regarding final product offering.

Motion by Member Druker, second by Vice Chair Bhat-Patel, to approve the Consent Calendar. Motion carried unanimously, 3/0.

New Business

Item 5: Clean Energy Alliance Interim Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

- 1) Approve Issuance of Interest Letter to Prospective New Member Agencies.
- 2) Receive and file Operational and Administrative Update from Interim Chief Executive Officer.
- 3) Receive and file Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

Interim CEO Barbara Boswell commented on the outreach to prospective new member cities and next step actions to draft and send letters to begin engaging with such cities.

Motion by: Member Druker, second by Vice Chair Bhat-Patel, to approve the issuance of an interest letter to prospective new member agencies after the CEA rates are set.

Motion carried unanimously, 3/0.

Special Regulatory Counsel Ty Tosdal commented regarding the following regulatory developments: 1)) SDG&E's Energy Resource Recovery Account (ERRA) Forecast proceeding stating that a decision was adopted and a rate increase is likely due to both the Forecast and ERRA Trigger Application decisions; specific impact information requests have not yet been responded to, however, an advice letter is scheduled to be issued on February 23, 2021; 2) Intervention in SDG&E's General Rate Case (GRC) Phase II has commenced with the filing of a motion for party status to ensure future rate applications apply the energy requirements that include departing load; 3) Emergency Reliability – California Public Utilities Commission (CPUC) has ordered Investor-owned Utilities (IOUs) to buy capacity to serve load in Summer 2021 and the filing of a response or a protest may be filed regarding no specific capacity levels being identified; and 4) the CPUC has launched a new rule making related to collective IOU customer debt increase of 650 million dollars last year. CPUC is analyzing how to address this issue and Counsel will report back with any findings that would affect CEA.

CEA Board received reports.

Item 6: Approve Clean Energy Alliance Customer Outreach Strategy

RECOMMENDATION

- 1) Approve customer outreach strategy.

Interim CEO Barbara Boswell gave an overview of the CEA Outreach Strategy explaining the conflicting goals of meeting regulatory compliance and communicating the benefits of CEA and highlighting the four regulatory compliance notices and sharing the draft notice.

Chair Becker inquired regarding the business customers receiving the same notice, finalizing of the June enrollment list; changes to SDG&E billing system; and monitoring social media sites. Member Druker commented that presentations should be made to each Council once rates are set. Member Bhat-Patel commented regarding outreach specifically geared to the business community.

Motion by Chair Becker, second by Member Druker, to approve the Clean Energy Alliance Customer Outreach Strategy.

Motion carried unanimously, 3/0.

Item 7: Adopt Resolution No. 2021-006 Amending Clean Energy Alliance By-Laws and Setting Time and Place for Clean Energy Alliance Board Meetings Through June 30, 2021

RECOMMENDATION.

Adopt Resolution No. 2021-006 Amending Clean Energy Alliance By-Laws and Setting Time and Place for Clean Energy Alliance Board Meetings through June 30, 2021.

Interim CEO Barbara Boswell presented the item commenting that the purpose of the item is to change the CEA meeting date and time due to schedule conflicts that have arisen. General Counsel Gregory Stepanicich explained the process to the change the CEA meeting schedule for the remainder of the fiscal year and indicated that the change to the by-laws is a two-meeting process. Mr. Stepanicich clarified the three parts to the recommended action: adopting the resolution changing the meeting schedule for the remainder of the fiscal year, cancel the regular meeting of March 18, schedule a special meeting on March 25, and direct an amendment to the by-laws be made.

Motion by Member Druker, second by Vice Chair Bhat-Patel, to adopt Resolution No. 2021-006 amending Clean Energy Alliance By-Laws and setting time and place for Clean Energy Alliance Board Meetings through June 30, 2021; cancelling the regular meeting of March 18 and scheduling a special meeting for March 25, 2021.

Motion carried unanimously, 3/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None

ADJOURN: Chair Becker adjourned the meeting at 2:46 p.m.

Susan Caputo, MMC
Interim Board Clerk

**Clean Energy Alliance Board of Directors
Special Meeting Minutes
March 4, 2021, 2 p.m.
Virtual Meeting**

CALL TO ORDER: Chair Becker called to order the special meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Board Member Druker, Vice Chair Bhat-Patel, Chair Becker

FLAG SALUTE: Chair Becker led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None

PRESENTATIONS: None

PUBLIC COMMENT: None

New Business

Item 1: Adopt Resolution Establishing Initial Clean Energy Alliance Rates and Power Supply Options

RECOMMENDATION

- 1) Adopt Resolution 2021-007 Establishing Clean Energy Alliance Rates and Power Supply Options.
- 2) Direct staff to develop a Renewable Energy Self-Generation Bill Credit Transfer Program and Return to Board for Approval March 25, 2021.
- 3) Approve enrollment phasing of Net Energy Metering (NEM) customers in Carlsbad and Del Mar.

Interim CEO Barbara Boswell presented the item detailing the program offerings and stated that the third recommendation for approval of enrollment phasing of Net Energy Metering customers in Carlsbad and Del Mar is withdrawn at this time due to the recent finding that NEM customers enrolling beginning in July 2021 would be in the 2021 PCIA vintage, and the need for further impact analysis related to the 2021 vintage. In her presentation Ms. Boswell stated staff was not recommending the Local Impact program due to the results of the analysis showing the small amount of savings that could be offered to eligible customers.

Chair Becker inquired regarding the expense to Solana Beach customers for the year. Ms. Boswell clarified that when SDG&E calculated PCIA charges for 2021, the rate for vintages 2019 going back had two components included which are 1) rate to collect the difference in liquidation of contracts for the current year and 2) an additional fee added for SDG&E undercollection incurred in 2020, related to

collection of PCIA and liquidation of those contracts. The supplemental charge in exit fees for vintage 2019 and back is not part of the 2020 vintage.

Member Druker inquired regarding the differential of the 39% renewable provided by SDG&E and the 50% renewable/75% Carbon Free and the Local Impact (if offered) by CEA. Ms. Boswell clarified the savings this year on each CEA offering compared to SDG&E.

Ms. Boswell commented regarding the NEM Net Surplus Compensation proposal.

Motion by Chair Becker, second by Member Druker, to direct staff to develop a Renewable Energy Self-Generation Bill Credit Transfer Program and Return to Board for Approval March 25, 2021. Motion carried unanimously, 3/0.

Ms. Boswell introduced and recognized John Dalessi of Pacific Energy Advisors for providing the technical expertise in rate development.

The Board commented and directed staff to remove recommendation No. 3) Approve enrollment phasing of Net Energy Metering (NEM) customers in Carlsbad and Del Mar and return with further analysis.

Board comments included revisiting the Local Impact Program at a future date; exuberance at the launch offerings CEA is able to provide; PCIA rate impact; providing outreach to business communities and minimizing opt out rates; Solana Beach SEA experience of 100% Carbon Free in 2019 and acceleration of Climate Action Plan achievements; consideration of CEA absorption of cost of offering extra clean product at launch and concern of having to use those reserve funds for necessary energy purchase if summer weather is extreme as 2020 summer; and potential different launch offerings of each city.

Motion by Member Druker, second by Vice Chair Bhat-Patel, I, to adopt Resolution 2021-007 establishing initial CEA rates and power supply product offerings. Motion carried unanimously, 3/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None

ADJOURN: Chair Becker adjourned the meeting at 2:56 p.m.

**Susan Caputo, MMC
Interim Board Clerk**

**Clean Energy Alliance Board of Directors
Special Meeting Minutes
March 16, 2021, 2 p.m.
Virtual Meeting**

CALL TO ORDER: Chair Becker called to order the special meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Board Member Druker, Vice Chair Bhat-Patel, Chair Becker

FLAG SALUTE: Chair Becker led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None

PRESENTATIONS: None

PUBLIC COMMENT: None

New Business

Item 1: Adopt Resolution Authorizing Interim Chief Executive Office to Execute EEI Master and Lockbox Agreements and Confirmations to the EEI Master Agreement Related to Energy Procurement

RECOMMENDATION

Adopt Resolution 2021-008 Authorizing the Interim Chief Executive officer to execute EEI Master and Lockbox Agreements and Confirmations to the EEI Master Agreement related Clean Energy Alliance energy procurement.

Interim CEO Barbara Boswell gave an overview of the item and explained that the special meeting was called due to time constraints regarding the execution of energy purchases.

Member Druker inquired regarding the vetting of the agreements and General Counsel Stepanicich confirmed vetting by Special Transaction Counsel. Member Druker inquired whether the agreements are subject to the laws of California. General Counsel Stepanicich responded he believed all were subject to laws of California but would have to confirm with Special Counsel Hall.

Del Mar City Council Member Dwight Worden inquired as a member of the public regarding the Lockbox non-interest-bearing accounts and Interim CEO Barbara Boswell explained that energy suppliers have first rights to the Lockbox funds and that any amounts over the required minimum would be moved to interest bearing accounts.

Motion by Board Member Druker, second by Vice Chair Bhat-Patel to adopt Resolution 2021-008 Authorizing the Interim Chief Executive officer to execute EEI Master and Lockbox Agreements and Confirmations to the EEI Master Agreement related Clean Energy Alliance energy procurement. Motion carried unanimously, 3/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: Chair Becker requested the finalizing of the names of CEA product offerings be placed on the agenda.

ADJOURN: Chair Becker adjourned the meeting at 2:13 p.m.

Susan Caputo, MMC
Interim Board Clerk

DRAFT

Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Marie Marron Berkuti, Interim Treasurer

ITEM 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for February 2021.

BACKGROUND AND DISCUSSION

This report provides the Board with the following financial information through February 28, 2021:

- Statement of Financial Position – Reports assets, liabilities, and financial position of the CEA as of February 28, 2021.
- Statement of Revenues, Expenses and Changes in Net Position for the eight months ended February 28, 2021.
- Budget to Actuals Comparison Schedule – Reports actual revenues and expenditures compared to the amended budget as of February 28, 2021.
- Budget Reconciliation to Statement of Revenues, Expenses and Changes in Net Position
- List of Payments Issued – Reports payments issued for February 2021.

As of February 28, 2021, liabilities represent invoices received for services, but not yet paid. The noncurrent accounts payable are amounts due to the cities of Carlsbad, Del Mar and Solana Beach for the \$150,000 advance made by each member agency for start-up costs and services provided to CEA for the period December 2019 to June 2020. These invoices are scheduled to be paid three years from the time CEA is operational.

FEBRUARY 28, 2021 REPORTS

STATEMENT OF FINANCIAL POSITION

**CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of February 28, 2021**

ASSETS

Current Assets

Cash Operating Account	\$ 1,387,734.16
Total Current Assets	1,387,734.16

Noncurrent Assets

Deposits	
CCA Bond	247,000.00
Cash Collateral Deposits-SDG&E	585,000.00
Total Noncurrent Assets	832,000.00

Total Assets	2,219,734.16
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LIABILITIES

Current Liabilities

Accounts Payable	138,338.26
Accrued Liabilities	12,890.00
Refundable Deposits	75,000.00
Total Current Liabilities	226,228.26

Noncurrent Liabilities

Due to Member Agencies	
Due to City of Carlsbad	186,571.79
Due to City of Del Mar	151,892.97
Due to City of Solana Beach	165,552.69
Total Due to Member Agencies	504,017.45

JPMorgan Revolving Credit Agreement	3,000,000.00
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Total Noncurrent Liabilities	3,504,017.45
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Total Liabilities	3,730,245.71
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NET POSITION

Unrestricted (deficit)	(1,510,511.55)
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Total Net Position	\$(1,510,511.55)
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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the eight months ended February 28, 2021**

Operating Revenues	\$ -
Operating Expenses	
Power Supply	\$ 548,716.83
Professional Services	658,429.05
Membership	15,000.00
Insurance	5,569.38
Bank Fees	985.00
Website Maintenance	204.00
Total Operating Expenses	1,228,904.26
Operating Income (Loss)	(1,228,904.26)
Non-Operating Expenses	
Interest Expense	(2,922.92)
Change in Net Position	(1,231,827.18)
Net Position at beginning of period	(278,684.37)
Net Position at end of period	\$(1,510,511.55)

BUDGET TO ACTUALS COMPARISON SCHEDULE

At its January 21, 2021 board meeting, the CEA Board approved a Credit Agreement with JPMorgan for \$6MM to provide start-up funding for cash flow needs and a line of credit should the need arise. The first drawdown of funds from the Agreement was made on February 3, 2021 in the amount of \$3MM. At the same time, the Calpine Promissory Notes totaling \$650,000 were paid off along with \$2,923 in interest expense.

At its June 18, 2020 board meeting, the CEA Board adopted the Fiscal Year (FY) 2020/21 budget approving \$4,006,500 in total operating expenses and uses of funds. The CEA Board approved an amendment to the budget at its November 19, 2020 board meeting to cover the Financial Security Requirement amount of \$147,000. At its December 17, 2020 board meeting, the CEA Board approved an amendment to the budget totaling \$9,459,000 in expenses and uses of funds to reflect resource adequacy contracts executed and costs associated with CEA beginning to provide service in May and June 2021. These budget amendments brought the amended adopted budget total to \$13,612,500.

Of its approved \$13,612,500.00 amended budgeted operating expenses and uses of funds, \$867,068.00 has been expended, leaving \$12,745,432.00.

CLEAN ENERGY ALLIANCE
BUDGET TO ACTUALS COMPARISON SCHEDULE
For the eight months ended February 28, 2021

	AMENDED BUDGET	ACTUALS	VARIANCE
Operating Revenues			
Energy Sales	\$ 8,000,000.00	\$ -	\$ 8,000,000.00
Total Operating Revenue	8,000,000.00	-	8,000,000.00
Operating Expenses			
Power Supply	8,000,000.00	548,716.83	7,451,283.17
Professional Services			
Administrative	120,000.00	97,393.68	22,606.32
Legal	320,000.00	316,841.65	3,158.35
Technical	198,200.00	171,502.25	26,697.75
Data Manager	130,200.00	-	130,200.00
Marketing	102,238.00	57,371.47	44,866.53
Audit	40,000.00	8,000.00	32,000.00
Other	19,562.00	7,320.00	12,242.00
Total Professional Services	930,200.00	658,429.05	271,770.95
Print/Mail Services	132,000.00	-	132,000.00
SDG&E Service Fees & Deposit	83,800.00	-	83,800.00
Membership Dues	15,000.00	15,000.00	-
Advertising	10,000.00	-	10,000.00
Website Maintenance	2,500.00	204.00	2,296.00
Insurance	-	5,569.38	(5,569.38)
Bank Fees	-	985.00	(985.00)
Total Operating Expenses	9,173,500.00	1,228,904.26	7,944,595.74
Operating Income (Loss)	(1,173,500.00)	(1,228,904.26)	55,404.26
Non-Operating Expenses			
Interest Expense	10,000.00	2,922.92	7,077.08
Other Sources and Uses			
Sources			
JPMorgan Revolving Credit Agreement	5,000,000.00	3,000,000.00	2,000,000.00
Calpine Promissory Note	650,000.00	-	650,000.00
Total Sources	5,650,000.00	3,000,000.00	2,650,000.00
Uses			
CCA Bond(Financial Security Reqmt-FSR)	47,000.00	147,000.00	(100,000.00)
CAISO Deposit	500,000.00	-	500,000.00
Lock Box Reserves/Cash Flow	2,500,000.00	-	2,500,000.00
Calpine Promissory Note Repayment	650,000.00	-	650,000.00
Collateral Deposits-SDG&E	585,000.00	585,000.00	-
Financial Security Requirement	147,000.00	-	147,000.00
Total Uses	4,429,000.00	732,000.00	3,697,000.00
Total Sources and Uses	1,221,000.00	2,268,000.00	(1,047,000.00)
Net Increase (Decrease) in Available Fund Balance	\$ 37,500.00	\$ 1,036,172.82	\$ (998,672.82)
Total Operating and Non-Operating Expenses and Uses of Funds	\$ 13,612,500.00	\$ 1,963,827.18	\$ 11,648,672.82

BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**CLEAN ENERGY ALLIANCE
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the eight months ended February 28, 2021**

Net Increase (Decrease) in Available Fund Balance per Budgetary Comparison Schedule	\$ 1,036,172.82
Adjustments needed to reconcile to the changes in Net Position in the Statement of Revenues, Expenses, and Changes in Net Position	
Subtract Advances-JPMorgan Revolving Credit Agreement	(3,000,000.00)
Add back:	
Collateral Deposits-SDG&E	585,000.00
CCA Bond(Financial Security Reqmt-FSR)	147,000.00
Change in Net Position	<u>\$ (1,231,827.18)</u>

LIST OF PAYMENTS ISSUED

The report on the following page provides the detail of payments issued by CEA for February 2021. All payments were within approved budget.

**Clean Energy Alliance
List of Payments Issued February 2021**

Date	Via	Vendor	Description	Amount
02/04/21	WIRE	Calpine	Promissory Note Payoff	652,922.92
02/12/21	WIRE	CAISO	Candidate CRR Holder Application	5,000.00
02/12/21	WIRE	SDG&E	Cash Collateral Deposits	345,000.00
02/16/21	ACH	Integra Insurance Services, Inc.	General Liability Insurance	1,074.38
02/16/21	ACH	Integra Insurance Services, Inc.	D&O Insurance	4,495.00
02/16/21	ACH	Richards, Watson & Gershon	Dec 2020 General Counsel Svcs	8,149.00
02/16/21	ACH	CalCCA	FY 20-21 Operational Membership contributions	15,000.00
02/16/21	ACH	Tripepi, Smith & Associates, Inc.	Jan Zoom Meetings	548.80
02/16/21	ACH	Lance, Soll & Lunghard, LLP	2020 Government Audit (Project Completion/Report Issuance)	800.00
02/16/21	ACH	Tosdal APC	Jan 2021 Regulatory Counsel Svcs	8,569.28
02/16/21	ACH	Bayshore Consulting Group, Inc	Jan CEO Services	16,511.25
02/17/21	ACH	Pacific Energy Advisors, Inc	Jan 2021 Technical Consulting Svcs	23,600.00
02/17/21	ACH	Hall Energy Law PC	Jan 2021 Energy Procurement Counsel Svcs	6,426.00
02/17/21	ACH	Tripepi, Smith & Associates, Inc.	Jan 2021 Retainer	9,223.75
02/17/21	ACH	Keyes & Fox LLP	Jan 2021 ERRRA Forecast Counsel Services	5,890.75
02/19/21	ACH	Bolt Energy Marketing, LLC	January 2021 Invoice Resource Adequacy Confirmation Letters	74,750.00
02/19/21	ACH	Tullett Prebon Americas Corp	Physical Transactions - Subtotals for: 15-Jan-21	720.00
02/22/21	WIRE	Direct Energy	Jan 2021 PWR-CAP	157,000.00
02/22/21	WIRE	SDG&E	January 2021 RA Sales	623,837.80
02/26/21	ACH	Chapman and Cutler, LLP	JP Morgan Revolving Line of Credit	50,000.00
			Total February Payments	<u>\$ 2,009,518.93</u>

FISCAL IMPACT

There is no fiscal impact associated with these items.



Staff Report

DATE: March 25, 2021
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 2: Clean Energy Alliance Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

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

BACKGROUND AND DISCUSSION

This report provides an update to the Clean Energy Alliance (CEA) Board regarding the status of the operational, administrative and regulatory affairs activities.

OPERATIONAL UPDATE

CEA is meeting its milestones for the implementation of its community choice aggregation (CCA) program and is on track to begin serving customers in May 2021/June 2021. (Attachment A - Clean Energy Alliance Timeline of Implementation Action Items).

CEA Launch Update

CEA is on schedule to begin mass enrollment of customers beginning May 1, 2021, and will continue through June 30, 2021. The first CEA pre-enrollment notices were sent out to Carlsbad & Del Mar customers the week of March 15; the call center began operations on March 16, 2021, and customers can reach the call center by calling CEA's toll-free number: (833) 232-3110. CEA's website has been updated to provide the capabilities for customers to self-serve elections to opt-up, opt-down or opt-out.

The 2nd pre-enrollment notices will go out the beginning of April to Carlsbad & Del Mar customers and a notice will also be sent out to existing Solana Energy Alliance customers providing information regarding their transition to CEA.

Customers that do not opt-out of CEA will be automatically enrolled in CEA at the end of their billing period in the month of enrollment.

San Diego Gas & Electric (SDG&E) has been working over the past several years on their Customer Information System replacement program, known as Envision. They had committed to, and were on track, for a January 4, 2021 go live, despite the challenges of working remote in the COVID-19

environment. With a January 2021 go live, SDG&E committed to supporting the CEA launch of May 2021. On Friday July 10, CEA staff, its regulatory attorney Ty Tosdal, and data manager Calpine Energy Solutions participated in a call with San Diego Community Power and SDG&E regarding the recently approved California Public Utilities Commission (CPUC) Decision D. 20-06-003, which requires the Investor Owned Utilities (IOU) to adopt rules and policy changes designed to reduce the number of residential disconnections, provide assistance with debt forgiveness, and offer extended payment plans. The program, known as Arrearage Management Payment program, is required to be implemented by April 2021. This timing has presented a challenge to SDG&E to keep its go live date of January 4, 2021, while also meeting the requirements of the decision. SDG&E submitted a letter to the CPUC requesting an extension to September 30, 2021, for implementing the new procedures and policies required by the decision. This request was denied by the CPUC, resulting in SDG&E postponing implementation of its Envision project to April 2021. The postponement of the Envision go live date impacts CEA's implementation.

CEA and its consultants have worked diligently with SDG&E to develop a launch schedule that minimized impact to CEA while also minimizing the risk of incorrect bills being sent to customers. SDG&E and CEA have agreed to a two-phased schedule with accounts transitioning to CEA in May and June 2021, and the Board authorized the Interim Chief Executive Officer to enter into a letter agreement with SDG&E memorializing the phased approach. The May 2021 Phase 1 would include the transition of Solana Energy Alliance customers to CEA as well as customers in Carlsbad and Del Mar who do not have complex billing plans. Those customers who have been identified with complex billing plans would transition in June 2021. Staff continues to work with Calpine and SDG&E to fine tune the customer list for each phase.

CEA Communications and Marketing Update

The CEA communications team at Tripepi Smith have completed the CEA Toolkit (Attachment B), which includes the Brand Statement, Talking Points, Pocket Guide and PCIA Fact Sheet. CEA has begun making presentations to community groups, including the Carlsbad Chamber of Commerce Government Affairs Committee and Torrey Pines Democratic Club (March 25).

Coinciding with the 1st pre-enrollment notice mailing, social media blasts will be posted that highlight CEA benefits, addresses common FAQs, and respond to questions and misinformation that come to the attention of CEA staff.

Community Advisory Committee

The Community Advisory Committee (CAC) held a special meeting on March 11, 2021. The focus of the meeting was CEA's adopted rates and power supply product offerings and a review of the CEA Communications Toolkit. The CAC will assist with monitoring social media for comments, questions, or concerns, so that CEA can respond timely. The CAC is also assisting with identifying community groups to reach out to for presentation

Risk Oversight Committee

Consistent with the Energy Risk Management Policy Delegation of Authority, the CEA Board Chair and Interim Chief Executive Officer authorized the initial convention energy hedge transactions for CEA power supply needs.

Expansion of Clean Energy Alliance

In support of CEA's interest in attracting additional member agencies, letters will be going out to prospective agencies during the week of April 5, 2021, offering to meet with leadership to discuss the benefits and opportunities related to joining CEA.

Discussions with Key Potential CEA Customers

Staff continues its discussions with San Diego County Water Agency (SDCWA), Encina Wastewater Authority, and Carlsbad Municipal Water District regarding Clean Energy Alliance and implications related to enrollment in CEA. SDCWA presented a CCA overview to its Board at its February 25, 2021, Board of Directors meeting.

Resource Adequacy Compliance

As a load serving entity serving customers in 2021, CEA has an obligation to procure Resource Adequacy (RA), based on quantities allocated by CPUC and California Independent System Operator (CAISO). RA procurements do not supply any energy to CEA or its customers, rather it commits the seller to be available to supply energy to the grid if called upon by the CAISO and reduce the possibility of outages. This process is key to ensuring grid reliability. CEA successfully procured all its RA requirements and is fully compliant with its RA obligation.

Long-Term Renewable Procurement

As a load serving entity, CEA will be required to procure 65% of its minimum state required renewable portfolio standards in contracts of ten-years or longer. To ensure compliance with this requirement, CEA's initial renewable energy solicitation is underway. The solicitation process, from beginning through final execution can be lengthy, particularly in light of the impacts of COVID-19 on the renewable development industry. The solicitation opened on July 1, 2020, with proposals due July 27, 2020. CEA's consultant, Pacific Energy Advisors, has identified a short list of projects and negotiations are proceeding. Final power purchase agreements will be brought to the CEA Board for consideration of approval.

Staff has also begun discussions with SDG&E regarding entering into bilateral agreements for the procurement of renewable energy. These discussions are on-going and any proposed agreement will be brought to the CEA Board for approval.

Contracts \$50,000 - \$100,000 entered into by Interim Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None		

REGULATORY UPDATE

CEA's regulatory attorney, Ty Tosdal, will provide an update to the Board on current regulatory activities (Attachment C).

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

Attachment A - Clean Energy Alliance Timeline of Implementation Action Item

Attachment B – Clean Energy Alliance Communications Toolkit

Attachment C – Tosdal APC Regulatory Update Report

Attachment A

**Clean Energy Alliance
Timeline of Action Items
CCA Program Related**

Timing	Description	Status	3rd Qtr '20	4th Qtr '20	1st Qtr '21	Apr-21	May-21	Jun-21	Jul-21
9/1/20	Marketing/Customer Outreach Plan Development & Kickoff								
9/17/20	Bid Evaluation and Criteria Scoring System	Complete							
9/17/20	Award Scheduling Coordinator Services	Complete							
11/19/20	Introduce/Adopt Energy Risk Management Policy	Complete		10/15 & 11/19					
10/15/20	Records Retention Policy	Complete							
	System Testing with SDG&E	Complete							
	Set up Call Center/Scripting/IVR Recordings	Complete							
1/21/21	Credit Solution	Complete							
2/18/21	CEA Default Products/programs/renewable energy policies	Complete							
2/1/21	Create Customer Pre- and Post-Enrollment Notices	In progress							
1/21/21	Social Media Policy	Complete							
1/21/21	Debt Management Policy	Complete							
2/18/21	Investment Policy	Complete							
3/1/21	Rate Setting	Complete							
	Energy Supply Procurement	In progress							
3/1/21	Customer Noticing	In progress							
5/1/21	Launch - 2 phases May & June 2021								

Key:

Board Actions/Activity
Staff/Consultant Activity
Marketing/Customer Outreach
CCA Launch



GREEN. CLEAN. CONNECTED.

The CEA Brand Statement

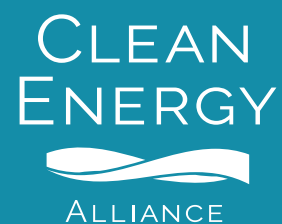
Clean Energy Alliance (CEA) is a Joint Powers Authority formed by the cities of Carlsbad, Del Mar and Solana Beach to operate a Community Choice Energy program within their communities. Like the people who live and work in its North San Diego County service territory, CEA is environmentally conscious, civically minded and intellectually curious.

CEA's progressive perspective on achieving its participating municipalities' Climate Action Plan goals is rooted in local control. Elected officials from the cities of Carlsbad, Del Mar and Solana Beach—all directly accountable to the residents who chose them—govern CEA and oversee financial and programmatic decisions. Each member city has equal voting power and an equal voice. Board meetings are open to the public, assuring community engagement, candid dialogue and transparent action.

CEA is a powerful new asset for hastening the move from dirty fossil fuels to clean renewable energy. Maximizing the procurement of carbon-free energy is its focus.

By accelerating investment in renewable energy infrastructure and energy efficiency programs, CEA will generate regional jobs and cultivate resilient communities. CEA's service territory includes not only a robust residential customer base but also a thriving commercial and industrial sector with high-tech, life science, sport and technology hubs that will greatly benefit from the program. Its financial model is feasible. Discretionary net proceeds from CEA will fund programs and projects—including enhanced green programs and projects in CEA's participating municipalities.

CEA pursues innovation with diligence and integrity.



For more information, please visit:
TheCleanEnergyAlliance.org

(833) 232-3110

We are available to assist
Monday — Friday from 8 AM to 5 PM.

KEY TALKING POINTS



Because CEA is a locally managed, not-for-profit entity, any excess revenue generated by CEA will be **reinvested in the community** through innovative energy projects, programs and other incentives.



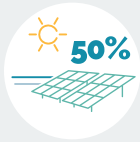
CEA provides a choice where there wasn't one before—customers can choose to stay with CEA or opt-out and remain with SDG&E.



CEA will now purchase energy on your behalf instead of San Diego Gas & Electric (SDG&E); however, **SDG&E will continue to deliver energy** to your home, maintain power lines and process your electricity bill.



SDG&E has indicated that they **may want to stop investing** in generation and only provide transmission and distribution services.



CEA's power supply will come from a **minimum 50% renewable** sources, increasing annually to 100% renewable sources by 2035.



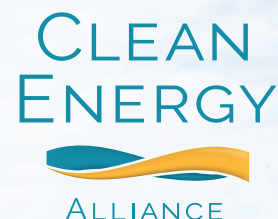
The generation side of customers' electricity bill is **approximately 25%**, which is all CEA controls.

GREEN. CLEAN. CONNECTED.

For more information, please visit:
TheCleanEnergyAlliance.org

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Monday — Friday from 8 AM to 5 PM.



CLEAN
ENERGY
ALLIANCE



CLEAN ENERGY. MORE CHOICES. LOCALLY CONTROLLED.



CLEAN ENERGY ALLIANCE

Learn more at
thecleanenergyalliance.org

Green. Clean. Connected.

Clean Energy Alliance (CEA) is a Joint Powers Authority formed by the cities of Carlsbad, Del Mar and Solana Beach to operate a Community Choice Energy program.

Elected officials from Carlsbad, Del Mar and Solana Beach govern CEA. Each member city has equal voting power and an equal voice. Board meetings are open to the public.

By accelerating investment in renewable energy infrastructure and energy efficiency programs, CEA will generate regional jobs and cultivate resilient communities. Discretionary net proceeds will fund green programs and projects.



CLEAN ENERGY ALLIANCE

Questions? Contact us:
askcea@thecleanenergyalliance.org

(833) 232-3110

We are available to assist
Monday–Friday from 8 AM to 5 PM.

POWERFUL BENEFITS

Clean Energy

Achieve
Climate Action
Plan Goals

Reduce GHG
Emissions

Local Control

Community
Investment

Increase
Transparency

Choice

Quality Service

HOW IT WORKS



1 CEA purchases power directly from power providers and/or builds energy generation sources. **2** SDG&E delivers energy, handles billing and serves customers. **3** Customers receive energy at competitive rates.

Your Energy Plan Choices



**CLEAN
IMPACT**

Minimum 50%
renewable energy content



**GREEN
IMPACT**

100%
renewable energy content



**PERSONAL
IMPACT**

**CEA's Net Energy
Metering Program**
(for customers who
generate their own power)

Customers are automatically enrolled in our Green Impact energy plan and may opt up or opt out.

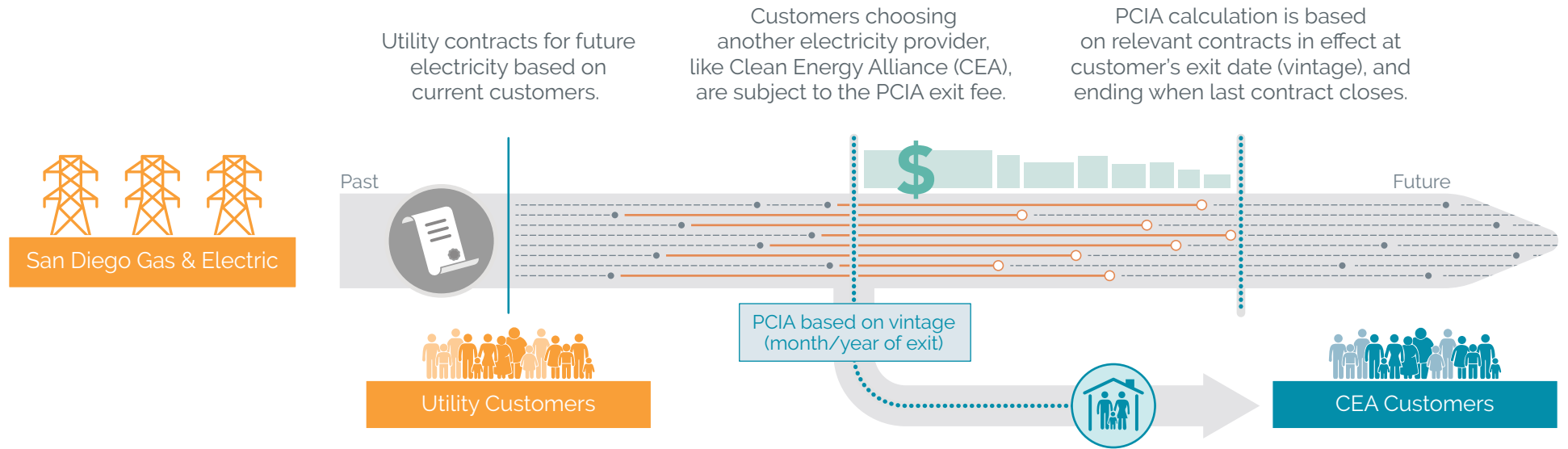
Economically Feasible

A feasibility study shows that CEA's model is financially sound. Net revenues may be invested in local programs.*

- * programs such as local distributed energy generation, enhanced energy efficiency programs, additional support for low-income customers, energy storage, electric vehicle charging and other relevant projects at the discretion of the CEA Board of Directors.

Understanding the PCIA Fee

Power Charge Indifference Adjustment



Current statute requires that remaining utility customers not experience cost increase as a result of the implementation of a Community Choice Aggregation program, like CEA.

Utility Customers

The methodology for calculating the PCIA is complex, intended to ensure that both utility and CEA customers pay their fair share for energy resources that the utility procured on their behalf.

PCIA rates use the concept of "vintaging" to assign different sets of costs to different customers depending on the month and year they left the utility.

In theory, the PCIA should reduce over time as energy contracts for that vintage close. However, some variables in the PCIA calculation can drive it up.

Vintage

CEA Customers

Understanding the PCIA Fee

Frequently Asked Questions

What is the PCIA?

The PCIA is an exit fee charged by SDG&E to customers that choose another provider of electricity generation service through direct access or community choice aggregation (CCA) like Clean Energy Alliance (CEA). The fee is designed to cover the difference in the market value of energy resources that were already contracted on a customer's behalf by SDG&E and the cost of those resources.

Why does SDG&E charge the PCIA?

The intent of the PCIA is to ensure that SDG&E's remaining customers are not burdened with costs associated with energy resources that were procured on behalf of departing CCA customers. Current statute requires that remaining utility customers not experience any cost increase as a result of the implementation of a CCA program.

How is the PCIA calculated?

Currently, the methodology is complex and includes calculating the difference between the actual costs paid by SDG&E and the current market value of those energy resources, or above market costs. In addition to conventional power, the PCIA includes benchmarks for resource adequacy, renewable energy, and other energy attributes that impact the value of the utility's energy portfolio. The calculation methodology is intended to ensure that both utility and CCA customers pay their fair share for energy resources that the utility procured on their behalf.

Do all departing customers pay the same amount?

No. PCIA rates use the concept of "vintaging" to assign different sets of costs to different customers. Each CCA is assigned a vintage based on the month and year the CCA's customers left utility service. PCIA rates are different between the vintages.

Does the PCIA ever go away?

The PCIA continues until the last energy contract in that vintage expires.

Will the PCIA go down every year?

In theory, there should be less contracted energy in the customer's vintage, however other variables affect the PCIA, such as the market value of energy. In recent years, the market value of conventional energy, which is heavily influenced by natural gas prices, has declined. Additionally, renewable energy prices have declined. Both of these factors cause the PCIA to increase even though the contracted volume of the energy resource may be less than the previous year.

Why is the PCIA of concern to CCAs?

The PCIA directly affects a CCA's ability to set rates competitive to the incumbent utility. The PCIA was initially conceived to prevent cost shifts between utility customers and direct access customers in 2001.

The issues with the PCIA are many:

- Non-transparency
- Lack of auditing of utility costs to determine accuracy
- Does not incentivize the utility to minimize or mitigate costs
- Leads to rate volatility
- Does not prevent cost shifts as required by statute



CEA's member agencies are able to pool their communities' energy demands and increase their purchasing power for higher renewable energy content. Revenue from the program will be reinvested in local energy infrastructure and energy efficiency programs for customers.

CEA is locally controlled and supported by ratepayers, with no taxpayer subsidies. By law, as a joint powers authority (JPA), CEA is a separate legal entity from its member agencies. Its budget is separate from the member cities' general funds. In addition, CEA is funded by program revenues and reserves.

Current members are:

- City of Carlsbad
- City of Del Mar
- City of Solana Beach

Clean Energy Alliance Board Update

March 18, 2021



Ty Tosdal
Tosdal APC



Overview

- Emergency Reliability ([R. 20-11-003](#))
- SDG&E Elimination of Seasonal Rates ([A. 19-09-014](#))
- SDG&E's GRC Phase II ([A. 19-03-002](#))
- [Utility Costs and Rate Affordability Report](#)



Emergency Reliability

- Proposed Decision issued, ordering IOUs to procure additional resources. Minimum targets –
 - PG&E – 450 MW
 - SCE – 450 MW
 - SDG&E – 100 MW
- Maximum undefined – IOUs encouraged to exceed targets, potentially resulting in 1,500 MW of incremental procurement (PRM of 19%).
- Increase PRM to 17.5% beginning summer 2021.
- IOUs to hold workshops on non-IOU Critical Peak Pricing (CPP) programs by April 7, 2021.
- SDG&E ordered to make modifications to its CPP program by summer 2022 to accommodate billing system freeze.



SDG&E Elimination of Seasonal Rates

- Final Decision issued adjusting High Usage Chare (HUC) and modifying SDG&E's Opt-In Residential TOU Rates.
- Decision adopts uncontested settlement to modify seasonal price differentials in SDG&E's opt-in residential TOU rates –
TOU-DR2, DR-SES, DR-TOU, TOU-DR, TOU-DR-P, EV-TOU2 and EV-TOU-5
- Average summer bills would decrease 4-5% and average winter bills would increase 4-5%.
- Eliminates HUC at the completion of each IOU's migration of residential customers to TOU. SDG&E as soon as possible.



SDG&E's General Rate Case Phase II

- Relates to development of SDG&E sales forecast used in ERRA Forecast proceedings to set rates.
- Settling Parties Motion for Admission of Addendum to the Settlement Agreement –
 - SDG&E will not use outdated forecast to set commodity rates.
 - SDG&E will use the same 2022 sales forecast in its upcoming standalone application and its 2022 ERRA Forecast application.



Utility Cost and Affordability Report

- Annual Study with new long-term approach.
- Major findings –
 - Rate base is steadily increasing 5-8% annually across IOUs, despite flat load growth
 - Wildfire hardening and transmission are significant drivers of increasing costs.
 - Transportation electrification costs are expected to grow in the future.

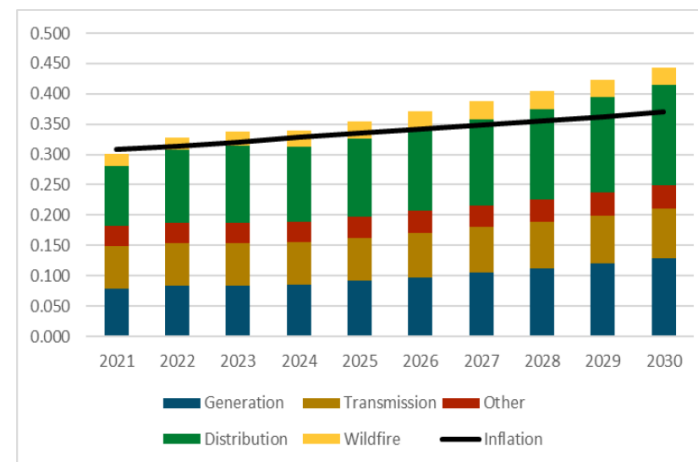


Utility Cost and Affordability Report, Continued

- SDG&E rates and costs –
 - SDG&E has increased rates 48% since 2013 (37% for PG&E, 6% for SCE).
 - Since 2016, rate base has been increasing on average by about 7% per year for SDG&E despite relatively flat load growth.
 - SDG&E's bundled rates are projected to rise from \$0.302 to \$0.443, or about an annual average increase of 4.7% over 2020-2030.

Utility Cost and Affordability Report, Continued

Figure ES-3: SDG&E Forecasted Bundled Residential Rates (\$ nominal/kWh), Wildfire Rate Relative to All-Other (Non-Wildfire) Rate





Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 3: Adopt Resolution Adopting Amendment No. 1 to the By-Laws with Respect to the Date, Time, and Location for Regular Meetings of the Board

RECOMMENDATION

Adopt Resolution No. 2021-009 Adopting Amendment No. 1 to the By-Laws with Respect to the Date, Time, and Location for Regular Meetings of the Board.

BACKGROUND AND DISCUSSION:

Article V, Section 1 of the Clean Energy Alliance (CEA) By-Laws, adopted at its regular meeting September 17, 2020, established the third Thursday of each month at 2 p.m. for the holding of the regular meetings of the Board of Directors. Due to a scheduling conflict, the CEA Board adopted Resolution No. 2021-006, changing the meeting date to the fourth Thursday at 2 p.m. and directed staff to bring an amendment to the By-Laws to the Board with respect to the date, time, and location of regular meetings of the Board. In order to have greater flexibility in establishing regular meeting dates, the proposed Amendment No. 1 to the By-Laws provides that the date, time and location of its regular meetings be established by a resolution adopted before the commencement of each fiscal year.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

Resolution No. 2021-009 Adopting Amendment No. 1 to the By-Laws with Respect to the Date, Time, and Location for Regular Meetings of the Board

CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2021-009

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY
ALLIANCE APPROVING AMENDMENT NO. 1 TO THE BY-LAWS WITH
RESPECT TO THE DATE, TIME, AND LOCATION
FOR REGULAR MEETINGS OF THE BOARD

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019, by the founding member cities of Carlsbad, Del Mar, and Solana Beach; and

WHEREAS, the CEA Board of Directors adopted By-Laws at its September 17, 2020 meeting; and

WHEREAS, Article V, Section 1 of the By-Laws established the third Thursday of each month at the time of 2 p.m. for the holding of regular meetings of the Board of Directors; and

WHEREAS, due to a scheduling conflict the Board has decided to move its regular meetings to the fourth Thursday of each month; and

WHEREAS, in order to have greater flexibility in establishing regular meeting dates, the Board desires to amend the By-Laws to provide that the date, time, and location of its regular meeting be established by a resolution adopted before the commencement of each fiscal year; and

WHEREAS, proposed Amendment No. 1 to the By-Laws was presented to the Board at its February 18, 2021 meeting for review and the Board directed that this amendment be presented to the Board for adoption at its March 25, 2021 meeting.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of the Clean Energy Alliance hereby adopts Amendment No. 1 to the Clean Energy Alliance By-Laws amending Article V, Section 1 of the By-Laws to read:

“Section 1. Regular Meetings. Prior to the commencement of each fiscal year, the Board shall adopt by resolution a calendar of regular meetings for the following fiscal year, establishing the date, time, and location of each meeting.”

The foregoing Resolution was passed and adopted this 25th day of March 2021, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Kristi Becker, Chair

ATTEST:

Sheila Cobian, Interim Board Secretary



Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 4: Approve Terms and Conditions for Clean Energy Alliance Renewable Energy Self-Generation Bill Credit Transfer Program

RECOMMENDATION

Approve Terms and Condition for Clean Energy Alliance Renewable Self-Generation Bill Credit Transfer Program.

BACKGROUND AND DISCUSSION

Through the process of preparing for the Clean Energy Alliance (CEA) customer enrollment, staff identified accounts within its territory that are currently participating in San Diego Gas & Electric's (SDG&E) Renewable Energy Self-Generation Bill Credit Transfer Program (RESBCT). This program provides the ability for local government customers to allocate credits earned by eligible generating facilities to be allocated among the local government customer's accounts. Customers that enroll with CEA would lose the benefit of the SDG&E RESBCT program. At its March 4, 2021 meeting, the CEA Board directed staff to develop a comparable program and return the program to the Board for consideration of adoption.

The proposed CEA RESBCT program has been developed to provide local government agencies the same benefits currently received with SDG&E's RESBCT program.

Summary of the proposed CEA RESBCT Program

As proposed, CEA local government customers who have an eligible generation facility can apply for the CEA RESBCT program in order to allocate monetary credits earned by the generation facility amount other electric service accounts. The credits are earned based on the applicable rate in effect at the time the electricity is generated by the facility and placed on the grid. The customer must submit an application that identifies the account number of the generation facility (Generating Account) and the account numbers, and percentage of credit to be allocated, of the Benefiting Accounts. Credits allocated may be used to offset CEA generation charges. The arrangement is effective for 12-months, also known as the Relevant Period. At the end of the Relevant Period, any remaining credits are set to zero, with no additional payment due to the customer. Customer accounts participating in the CEA RESBCT program are not eligible to participate in CEA's Net Energy Metering program.

FISCAL IMPACT

Credits are earned by the Generating Account based on CEA's rates in effect at the time the energy is generated and placed on the grid. The credits are allocated to offset charges incurred on the customer's Benefiting Accounts, within CEA's service territory, based on the allocation percentages identified on the CEA RESBCT application.

ATTACHMENTS

Clean Energy Alliance Renewable Energy Self-Generation Bill Credit Transfer Program Terms & Conditions

RENEWABLE ENERGY SELF-GENERATION BILL CREDIT TRANSFER PROGRAM (CEA-RESBCT) TERMS AND CONDITIONS OF SERVICE

A. PURPOSE

The purpose of the Clean Energy Alliance Renewable Energy Self-Generation Bill Credit Transfer Program (CEA-RESBCT) terms & conditions (T&C) is to provide a process for how eligible governmental customers are enrolled in CEA-RESBCT and how the program is administered.

B. APPLICABILITY

The CEA-RESBCT program is available to local government CEA customers with an eligible renewable electrical generating facility (defined in Section D Definitions) within CEA service territory. Eligible customers who take service under the CEA-RESBCT program shall not be eligible for any other program that requires an electrical corporation to purchase generation from the customer's eligible renewable generation facility enrolled in this program.

C. TERRITORY

Applicable in the CEA service area.

D. DEFINITIONS

ELIGIBLE RENEWABLE ELECTRICAL GENERATION FACILITY: A facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code. These sources are biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation (only if facility will not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow), digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

The eligible renewable electrical generation facility must also meet all of the following criteria:

- a. is a generation facility with a generation capacity of not more than five megawatts;
- b. is located within the geographical boundaries of Clean Energy Alliance service territory;
- c. is owned, operated or located on property under the control of the local government customer. Under certain circumstances when a local government customer is a lessee in a lease agreement, leased property within the geographical boundaries of the local government customer shall be considered under the control of the local government customer;

- d. is sized to offset all or a part of the electrical load of the Generating Account; and
- e. is interconnected and operates in parallel with SDG&E's transmission and distribution systems.

Eligible generators utilized to receive service under the terms of this rate schedule shall be in compliance with SDG&E's Electric Rule 21, Interconnection Standards for Non-Utility Owned Generation. The local government customer shall have installed a meter capable of recording net generation output in 15-minute intervals to interconnect with the generator, and which must be approved by SDG&E. The Local Government must execute and comply with the applicable SDG&E Interconnection Agreement, SDG&E tariffs, and any other regulations and laws governing the interconnection of the Eligible Renewable Generating Facility.

Eligible generators participating on this schedule are not eligible for service under CEA's Net Energy Metering program.

LOCAL GOVERNMENT: A city, county, (whether general law or chartered, city and county) special district, school district political subdivision, other local public agency Per PU Code § 2830, or a joint powers authority formed pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code) that has as members public agencies located within the CEA territory, but shall not mean the state or any agency or department of the state, other than an individual campus of the University of California or the California State University.

GENERATING ACCOUNT: A Generating Account is the SDG&E electricity billing account at the location of the eligible renewable generation facility served under a time-of-use (TOU) rate schedule with bills rendered in the name of the local government customer. Generating accounts will be allowed to take service under Schedule DG-R.

BENEFITING ACCOUNT: A Benefiting Account is a service account, or more than one service account, located within Clean Energy Alliance service territory, in the name of the local government agency and served under a time-of-use (TOU) rate schedule. The number of Benefiting Accounts is limited to 50. Benefiting Accounts will not automatically be eligible to receive service under Schedule DG-R, unless the Benefiting Account is already a host facility to a distributed generation project.

POWER DELIVERED: The Power Delivered is the metered output measured in kilowatt-hours, exported to the grid, as recorded by the net generator output meter and validated by the SDG&E billing processes during the specific billing period.

E. PROGRAM

In order to initiate service under this program, the local government customer must submit a CEA-RESBCT Allocation Request Form (Exhibit A - Request Form). The Request Form designates how the credits from the Generating Account will be allocated amongst the customer's Benefiting Accounts. The customer may submit an updated Form within a Relevant Period in the event there is a change in eligibility of a Benefiting Account (such as account closure) and which must be received by CEA at least 30 days prior to when the reallocation of Generating Account credits is to be effective. Local Government customers requesting to terminate CEA-RESBCT service shall provide written notice to CEA, which must be received at least 30 days in advance of the termination date.

Only the energy charge rate component of the Generating Account's CEA service charge shall be used in the calculation of credits to be applied under this program. Credits will be calculated by multiplying the Power Delivered by the appropriate CEA TOU rate in effect at the time the Power Delivered was produced and exported to the grid. Credits will be applied to Benefiting Accounts based on the Request Form. CEA will not compensate a local government for electricity generated from an eligible renewable facility in excess of the bill credits applied to the designated benefiting account.

A Benefiting Account Relevant Period is a twelve-month period, or portion thereof, corresponding to that of the Generating Account Relevant Period. However, due to possible differences in billing (and meter read) cycles, the Benefiting Account Relevant Period may lag in time behind the Generating Account Relevant Period by any number of days up to one full billing cycle.

For purposes of applying Bill Credit, the Bill Credit Relevant Period ends at the same time as the Benefiting Account Relevant Period (noted in the Request Form) that is lagging the *most* behind the Generating Account Relevant Period, up to one billing cycle.

For a new Benefiting Account credit arrangement, the initial Benefiting Account Relevant Period for a Benefiting Account that does not have the same billing cycle as the Generating Account, will start its Relevant Period at the start of its first full billing cycle that falls *after* that of the Generating Account. During the less-than-one-full billing-cycle period between the start of the Generating Account's Relevant Period and that of the Benefiting Account, no bill credit will be applied to that Benefiting Account's usage. The Benefiting Account's normal Relevant Period will consist of a twelve-month period, starting with the first full bill cycle.

Credits will be applied to the Generating Account and the Benefiting Account(s) based on whole percentages provided by the Local Government on the Request Form. The process of allocating credits shall commence on the effective date of the Request Form and shall continue for twelve consecutive billing periods (Relevant Period). Credits remaining at the end of the Relevant Period will be applied toward remaining eligible CEA electric generation charges during the Relevant Period. At the end of the Relevant Period, any remaining credit shall be reset to zero.

Each subsequent twelve-month period of service under this schedule shall be considered a new Relevant Period. The Local Government will not be compensated for electricity generated from an eligible renewable facility in excess of the bill credits applied to the Benefiting Accounts. The Local Government is responsible for all charges due on the Benefiting Account bill in excess of the Generating Account applied credits.

DRAFT

EXHIBIT A
CLEAN ENERGY ALLIANCE
RENEWABLE ENERGY SELF-GENERATION BILL CREDIT TRANSFER REQUEST FORM

DATE: _____

LOCAL GOVERNMENT CUSTOMER NAME: _____

MAILING ADDRESS: _____

CONTACT NAME: _____

CONTACT PHONE NUMBER: _____

CONTACT EMAIL ADDRESS: _____

REQUESTED EFFECTIVE DATE: _____

_____ Check here if this is an initial request

_____ Check here if this is an update to an existing CEA-RESBCT Request Form

During the twelve-month Relevant Period, updates to an existing CEA-RESBCT Request Form will only be considered in the event of a change in eligibility of a Benefiting Account, such as account closure. Changes to allocation in subsequent twelve-month Relevant Periods must be received at least 30 days prior to the start of the next Relevant Period.

Signature

Date

Generating Account Information.

Credits available as determined by the rates and terms of the CEA-RESBCT Program are to be allocated in the following whole percentages to the following authorized Benefiting Accounts (located within CEA service territory boundaries).

ACCOUNT NUMBER	ACCOUNT NAME	SERVICE ADDRESS	PERCENTAGE

Benefiting Account Information.

Credits available from the Generating Account, as determined by the rates and terms of the CEA-RESBCT Program, are to be allocated to the Benefiting Accounts within CEA territory, in the following whole percentages. Percentages may not sum to more than 100%.

ACCOUNT NUMBER	ACCOUNT NAME	SERVICE ADDRESS	PERCENTAGE

Additional sheets may be attached as needed for additional Benefiting Accounts and percentages.



Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 5: Approve Clean Impact Plus as Name for 50% Renewable/75% Carbon Free Power Supply

RECOMMENDATION

Approve Clean Impact Plus as name for 50% Renewable/75% Carbon Free Power Supply.

BACKGROUND AND DISCUSSION

At its March 4, 2021 meeting, the Clean Energy Alliance (CEA) Board approved its power supply products, including:

- Clean Impact – minimum 50% renewable
- 50% Renewable/75% Carbon Free
- Green Impact – 100% Renewable

The cities of Carlsbad, Del Mar and Solana Beach have all selected the 50% Renewable/75% Carbon Free power supply as the default power supply for their community. Keeping the 50% renewable Clean Impact power supply provides the ability for customers to opt down.

For ease in identifying the alternative default power supply, staff recommends naming the 50% Renewable/75% Carbon Free power supply Clean Impact Plus.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

None



Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 6: Receive Presentation and Provide Direction Regarding Consideration of Joining California Community Power Joint Powers Authority for Purposes of Joint Procurement

RECOMMENDATION

Receive presentation and provide direction regarding consideration of joining California Community Power Joint Powers Authority for Purposes of Joint Procurement.

BACKGROUND AND DISCUSSION

California Community Power Joint Powers Authority (CC Power) is a joint powers authority formed for the purpose of combining buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals. The Initial eight community choice aggregator members include: Central Coast Community Energy, East Bay Community Energy, MCE Clean Energy, Peninsula Clean Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy, and Sonoma Clean Power.

Benefits of joining CC Power include enhanced negotiating power, larger renewable and storage projects, shared risk mitigation, and increased opportunities for innovation. CC Power's first major joint procurement under evaluation is for 500 megawatts of long-duration energy storage.

Joining CC Power does not commit CEA to participating in any procurements that may be undertaken by CC Power, rather, it provides the opportunity for CEA to participate should a CC Power project meet CEA's goals, priorities, and energy supply needs.

There is no fee to join, however, administrative costs are shared equally by the Member CCAs. The current annual cost is \$12,000 per member agency. This figure will be adjusted as new agencies join the JPA.

Staff is seeking direction from the CEA Board regarding whether there is interest in further investigating of joining CC Power.

FISCAL IMPACT

There is no fiscal impact by this action, however, if CEA were to become a member of CC Power, it would share in the administrative costs of CC Power.

ATTACHMENTS

California Community Power Agency Joint Powers Agreement

CALIFORNIA COMMUNITY POWER AGENCY JOINT POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement, for the purpose of operating a separate joint powers agency, which is named "California Community Power" or "CC Power."

WITNESSETH

WHEREAS, it is to the mutual benefit of the Members and in the public interest that the Members join together to engage in the exercise of powers they have in common including, but not limited to, (i) the acquisition and operation of wholesale power supplies, resource adequacy and renewable attributes, (ii) the provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products, (iii) the offering of energy risk management and California Independent System Operator ("CAISO") scheduling services; and (iv) other energy services or programs which may be of benefit to Members (collectively, hereinafter "energy related programs");

WHEREAS, CC Power's primary objective is to provide for joint procurement of electrical power and storage and other energy projects for its Members, as set forth in this Agreement;

WHEREAS, the Members intend that CC Power shall better position the Members to administer community choice energy programs, and achieve their local agency goals, including but not limited to meeting or exceeding California's greenhouse gas emission reduction targets through procurement of renewable resources.

WHEREAS, each of the public community choice aggregation agencies which is a Member to this Agreement has the power to establish, manage, operate and maintain Community Choice Aggregation ("CCA") programs, electric service enterprises available to cities and counties pursuant to California Public Utilities Code Section 331.1(c) and 366.2 and to study, promote, develop, conduct, operate and manage energy related programs; and

WHEREAS, Title I, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Powers Act" or "Act") authorizes the joint exercise by two or more public agencies of any power which is common to each of them.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

Article I. DEFINITIONS

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

Section 1.01 "Board" means the Board of Directors of CC Power as established by this Agreement.

Section 1.02 "CC Power" means the Joint Powers Authority established by this Agreement.

Section 1.03 "Member" means a Public CCA Agency, or other public agency the Board determines to be eligible pursuant to Section 3.02, that is a signatory to this Agreement and has met the requirements of

Article III; the term “Member” shall, however, exclude any Public CCA Agency or other eligible public agency which shall have withdrawn or been excluded from CC Power pursuant to Section 3.04 below.

Section 1.04 “Project” means any and all of the following matters, which are approved by the Board pursuant to Article VI: (i) the construction, financing or acquisition of a wholesale power resource, resource adequacy and/or renewable and environmental attributes for use by the Members, and such other transactions, services, and goods that may be necessary or convenient to construct, finance, acquire or optimize the value of such resources, (ii) the bulk purchasing and/or financing of decarbonization products, including, but not limited to, heat pump water heaters, space heater heat pumps and electric vehicle charging services, (iii) energy risk management and CAISO scheduling products and services, (iv) acquisition, construction and financing of facilities for the generation or transmission of electrical energy and any related transactions, services, and goods that may be necessary or convenient to acquire, construct, and finance these facilities, (v) grid integration services, (vi) acquisition of capacity rights in any facility for the generation or transmission of electric energy, and (vii) any other energy related programs.

Section 1.05 “Project Agreement” means a contract between and among CC Power and Project Participants.

Section 1.06 “Project Participants” means any Member or group of Members who participate in a Project pursuant to Article VI below.

Section 1.07 “Public CCA Agency” means any public agency, or such joint powers agencies/authorities consisting of one or more public agencies, that has implemented a CCA program pursuant to California Public Utilities Code Sections 331.1 and 366.2.

Article II. FORMATION OF AUTHORITY

Section 2.01 Creation of CC Power. Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as “CC Power,” which shall be a public entity separate and apart from its Members.

Section 2.02 Purpose. The purpose of this Agreement is for CC Power to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members. CC Power is not intended to be a policy-maker or advocate, though it may, from time to time, advance or support public policies in support of its purpose that do not conflict with interests or policies advanced by any Member.

Section 2.03 Powers. CC Power is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement as referred to in Section 2.02 above, and engage in the exercise of powers the Members have in common including, but not limited to, each of the following:

- (a) Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects;
- (b) Establish, operate, maintain and/or fund energy related programs;
- (c) Make and enter into contracts;
- (d) Employ agents and employees;
- (e) Acquire, contract, manage, maintain, sell or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;
- (f) Receive contributions and donations of property, funds, services and other forms of assistance from any source;
- (g) Lease real or personal property as lessee and as lessor;
- (h) Sue and be sued in its own name;

- (i) Incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;
- (j) Receive, collect, invest and disburse moneys;
- (k) Issue revenue bonds and other forms of indebtedness, as provided by law;
- (l) Apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- (m) Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy related programs;
- (n) Adopt from time to time such policies, procedures, bylaws, rules or regulations for the conduct of its affairs as deemed necessary by the Board;
- (o) Exercise all other powers necessary and proper to carry out this Agreement; and
- (p) Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code of the State of California, as amended, subject only to such restrictions upon the manner of exercising such powers as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers. Should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy.

Section 2.04 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by CC Power within the territory of CC Power shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act.

Article III. MEMBERSHIP

Section 3.01 Member Agencies. Any Public CCA Agency, or other public agency determined by the Board to be eligible pursuant to Section 3.02, may become a Member upon meeting the following conditions:

- (a) The Public CCA Agency or other eligible public agency shall file with the Board a certified copy of a resolution of its governing body whereby it (i) agrees to the provisions of this Agreement, and (ii) requests to become a Member; and
- (b) No such Public CCA Agency or other eligible public agency shall become a Member until (i) its admission is approved at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and (ii) it deposits or agrees to pay CC Power a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any.

Upon completion of the foregoing, the Public CCA Agency or other eligible public agency shall become a Member for all purposes of this Agreement.

Section 3.02 Eligible Public Agency Members. The Board may adopt policies to determine whether public agencies that are not Public CCA Agencies may be eligible to become a Member of CC Power.

Section 3.03 Cost Allocations.

- (a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one member one share for general and administrative costs as determined by the Board associated with all operations of CC Power. General and administrative costs do not include any costs that relate solely to any specific Project Agreement.

- (b) Project Agreements and other program agreements between and among any Member and/or CC Power will determine cost allocation and may consider, among other relevant factors, credit strength of the Members and may differ in price and collateral requirements as determined solely for such Project Agreement or other program agreements.

Section 3.04 Withdrawal or Exclusion of Member.

- (a) Any Member may withdraw from CC Power upon the following conditions:
 - (i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. Once a Member files a resolution to withdraw with the Board Secretary, that Member no longer has any voting rights on the Board;
 - (ii) Members participating in Projects, programs or services pursuant to Project Agreements or other program agreements approved by the Board are subject to the participation and withdrawal terms and conditions described in the applicable agreement; and
 - (iii) Prior to accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of all debts, liabilities, and obligations of CC Power specifically assumed by the Member. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations secured or otherwise committed pursuant to Project Agreements or other program agreements between and among any Member and/or CC Power. The debts, liabilities and obligations of the Members to such Project Agreements or other program agreements shall be determined by their terms. Any obligations under this Agreement are subject to the limitations set forth in Article VIII.
- (b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Project Agreement or other program agreement.
- (c) Any Member which has (i) defaulted under this Agreement, a Project Agreement, or other program agreement, (ii) failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01 and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CC Power by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member). Prior to any vote to terminate participation of any Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Project Agreement or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Project Agreement or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion.

- (d) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.03 below.

Article IV. POWERS OF BOARD & MANAGEMENT OF CC POWER

Section 4.01 Board. CC Power shall be administered by a Board which shall consist of one Director representing each Member. Such Board shall be the governing body of this CC Power, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CC Power.

Section 4.02 Appointment and Vacancies. Each Director shall be the Chief Executive Officer, General Manager, or designee of the Chief Executive Officer or General Manager of each Member and shall be appointed by and serve at the pleasure of the Member that the Director represents, and may be removed as Director by such Member at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Member to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

Section 4.03 Notices. The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State, the State Controller, the applicable county clerk and local agency formation commissions, including, but not limited to:

- (a) Causing a notice of the Agreement or any amendment to the Agreement to be prepared and filed with the office of the Secretary of State within 30 days of the effective date of the Agreement or amendment, and
- (b) Filing a statement of facts with the Secretary of State within 70 days after the date of commencement of CC Power's legal existence. Upon any change in the statement of facts presented to the Secretary of State, an amended statement of facts shall be filed with the Secretary of State within 10 days of the change.

Section 4.04 Committees. The Board may create committees to provide advice to the Board or conduct the business of CC Power subject to delegation of authority from the Board.

Section 4.05 Director Compensation. Compensation for work performed by Directors, including alternates, on behalf of CC Power shall be borne by the Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

Section 4.06 Board Officers. At its first meeting in each calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary and a Treasurer/Controller each of whom may, but need not, be selected from among the Directors.

- (a) **Chair and Vice-Chair.** The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.
- (b) **Treasurer and Controller.** The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Controller, neither of whom needs to be a Director. If the Board so designates, and in accordance with the provisions of applicable law,

a qualified person may hold both the office of Treasurer and the office of Controller of CC Power. The Treasurer shall be the depository of CC Power to have custody of all the money of CC Power, from whatever source. The Controller shall draw warrants to pay demands against CC Power when the demands have been approved by the Chair or Vice Chair of CC Power. The Treasurer and Controller shall have the other powers, duties and responsibilities of such officers as specified in Section 6505 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized in Section 6550 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of CC Power pursuant to this Agreement. The Board may require the Treasurer and/or Controller to file with CC Power an official bond in an amount to be fixed by the Board, and if so requested CC Power shall pay the cost of premiums associated with the bond. The Treasurer and Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code.

- (c) **Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CC Power, and responding to public records requests of the JPA.

Section 4.07 Management of CC Power. The Board shall appoint a part-time or full-time General Manager, and may appoint one or more part-time or full-time Assistant General Managers, to serve at the pleasure of the Board. The General Manager shall be responsible for the day-to-day operation and management of CC Power. The General Manager may enter into and execute contracts in accordance with the policies established and direction provided by the Board, and shall file an official bond in the amount determined from time to time by the Board.

Section 4.08 Other Officers and Employees. The Board shall have the power to appoint such other officers and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Members may contract with CC Power to provide staff to perform services for CC Power, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Member only.

Section 4.09 Budget. The budget shall be approved by the Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and expected expenses. All subsequent budgets of CC Power shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

Article V. MEETINGS OF THE BOARD

Section 5.01 Regular Meetings. The Board shall hold at least one regular meeting per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution of the Board. Regular meetings may be adjourned to another meeting time.

Section 5.02 Special Meetings. Special and emergency meetings of the Board may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5, as amended.

Section 5.03 Brown Act Compliance. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.), and as

augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, only to the extent permitted by law.

Section 5.04 Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

Section 5.05 Quorum. A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

Section 5.06 Voting. Except to the extent set forth in a Project Agreement or as otherwise specified in this Agreement, each Member shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

(a) **Special Voting Requirements as specified in this Agreement:**

- (i) Action of the Board to amend Section 3.03 related to cost allocations shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (ii) Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (iii) Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Member's governing body.
- (iv) Action of the Board to amend this Agreement shall be subject to the voting requirements set forth in Section 11.02 below.

Article VI. PROJECTS

Section 6.01 Projects. The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to establish Projects within the purpose and power of CC Power and to adopt guidelines for their implementation.

Section 6.02 Right to Participate in Projects. The Board shall provide at least sixty (60) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Such notice shall be provided to the Director of each Member. Once a Project is approved by the Board as set forth in Section 6.01 above, all Members shall have the right, but not the obligation, to participate in a pro-rata share in the Project as determined by the Project Agreement. All Members who elect not to participate in the Project have no obligations under the Project.

Section 6.03 Project Agreement. All expenses, rights and obligations to any specific Projects will be handled through Project Agreements that will be separate and distinct from this Agreement.

Article VII. BONDS AND OTHER INDEBTEDNESS

CC Power shall also have the power to issue, sell and deliver bonds in accordance with the provisions of the Joint Powers Act for the purpose of acquiring, financing, performing or constructing one or more Projects and to enter into other indebtedness for the purpose of financing one or more studies or Projects and for the purpose of providing temporary financing of costs of development, construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds or indebtedness shall be set forth in such resolution, indenture or other instrument, as required by law and as approved by the Board. Bonds issued under this article and contracts or obligations entered into to carry out the purposes for which bonds are issued, payable in whole or in part from the proceeds of said bonds, shall not constitute a debt, liability or

obligation of any of the Members unless the governing body of the Member by resolution expressly agrees that the Member will be obligated under the bond or other indebtedness or the Member takes on obligations pursuant to a Project Agreement.

Article VIII. LIMITATION ON LIABILITY OF MEMBERS

Section 8.01 Pursuant to Section 6508.1 of the Government Code of the State of California, no debt, liability or obligation of CC Power shall be a debt, liability or obligation of any Member unless such Member agrees in writing to assume any of the debts, liabilities, or obligations of CC Power pursuant to a Project Agreement. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Project Agreement such Member enters into pursuant to this Agreement.

Section 8.02 Individual Member Provisions.

- (a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies, and, therefore, nothing in the Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of the Agreement. Any obligations under this Agreement and any Project Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund (defined as the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et seq.*) (“Designated Fund”) and shall not be a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.
- (b) CleanPowerSF’s payment obligations under this Agreement are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF. CleanPowerSF’s payment obligations under this Agreement are not a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-CleanPowerSF moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco. CleanPowerSF’s obligations hereunder shall not at any time exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of CleanPowerSF are not authorized to request, and CleanPowerSF is not required to reimburse CC Power for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of CleanPowerSF are not authorized to offer or promise, nor is CleanPowerSF required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the San Francisco City Controller. The San Francisco City Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

Article IX. TERM; TERMINATION; LIQUIDATION; DISTRIBUTION

Section 9.01 Term and Termination. This Agreement shall become effective when at least two Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; provided however, this Agreement cannot be terminated until such time as all principal of and interest on bonds and other forms of indebtedness issued by CC Power are paid in full. Thereafter, this Agreement may be terminated by a two-thirds (2/3) vote of the entire Board approved by resolution of each Member’s governing body; provided, however, that this Agreement and CC Power shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CC Power. In no event shall this

Agreement or the powers herein granted to CC Power be terminated until (a) all bonds and other indebtedness of CC Power and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and indebtedness and (b) all other obligations and liabilities of CC Power shall have been met or adequately provided for.

Section 9.02 Liquidation; Distribution. Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CC Power as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CC Power, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CC Power for the purpose of concluding and dissolving the business affairs of CC Power.

ARTICLE X. ACCOUNTS AND REPORTS

Section 10.01 Establishment and Administration of Funds. CC Power is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, particularly Section 6505 of the California Government Code. CC Power shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CC Power securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CC Power shall be open to inspection at all reasonable times to each Member and its representatives.

Section 10.02 Annual Audits and Audit Reports. The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CC Power to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member. CC Power will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

ARTICLE XI. GENERAL PROVISIONS

Section 11.01 Successors and Assigns. No Member may assign any right or obligation under this Agreement without the consent of all other Members. This section shall not affect, in any respect, any right of assignment under any Project Agreement.

Section 11.02 Amendments. Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Members pursuant to that Members' applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least 60 days prior to the date upon which the Board votes on such amendments.

Section 11.03 Indemnification and Insurance. To the fullest extent permitted by law, CC Power shall defend, indemnify, and hold harmless the Members and each of their respective Directors, alternates, officers, employees and agents from any and all claims losses damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of CC Power under this Agreement to the extent not otherwise provided under a Project Agreement. CC Power shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CC Power and the Members.

Section 11.04 Notices. The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service on behalf of the Board. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Director to their respective addresses on file with CC Power.

Section 11.05 Severability. Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 11.06 Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

Section 11.07 Choice of Law. This Agreement will be governed and construed in accordance with the laws of the State of California.

Section 11.08 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

Section 11.09 Dispute Resolution. The Members shall make reasonable efforts to informally settle all disputes arising out of, or in connection with, this Agreement. Should such informal efforts to settle a dispute fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Members hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

(Seal) Date: _____
CCA Name: _____
Attest: Address: _____

(Seal) Date: _____
CCA Name: _____
Attest: Address: _____

(Seal) Date: _____
CCA Name: _____
Attest: Address: _____

(Seal) Date: _____
CCA Name: _____
Attest: Address: _____

(Seal)

Attest:

Date:

CCA Name:

Address:

(Seal)

Attest:

Date:

CCA Name:

Address:

(Seal)

Attest:

Date:

CCA Name:

Address:

(Seal)

Attest:

Date:

CCA Name:

Address:



Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 7: Update on Clean Energy Alliance Member Agency Default Power Supply Selections and Net Energy Metering Customer Enrollments

RECOMMENDATION

Receive Report on Clean Energy Alliance Member Agency Default Power Supply Selections and Net Energy Metering Customer Enrollments.

BACKGROUND AND DISCUSSION

At its special meeting March 4, 2021, the Clean Energy Alliance (CEA) Board approved power supply product options to be available for member agencies to select as their default power supply and for individual customers to select as options. The approved power supply options are:

NAME	CONTENT	AVAILABLE AS DEFAULT	AVAILABLE FOR INDIVIDUAL OPTION
Clean Impact	Minimum 50% Renewable	Y	Y
Clean Impact Plus	Minimum 50% Renewable/75% Carbon Free	Y	N
Green Impact	100% Renewable	Y	Y

Default power supply selections by the member agencies are:

- Carlsbad – Clean Impact Plus
- Del Mar – Clean Impact Plus
- Solana Beach – Clean Impact Plus

Customers will be defaulted into the default power supply selected by their city upon enrollment with CEA, unless the customer makes an alternative selection. The customer can make alternative selections either on the CEA website or by calling customer service at (833) 232-3110.

Net Energy Metering

CEA staff has been working with San Diego Gas & Electric (SDG&E) staff to evaluate options related to enrolling Net Energy Metering (NEM) customers in CEA. Customers with self-generation systems such as rooftop solar are typically enrolled in the NEM program. The NEM program tracks credits and charges throughout a 12-month Relevant Period, with the Relevant Period beginning in the month the customer starts NEM service. At the end of the Relevant Period, credits and charges are trued-up, if there is a charge due the customer is billed the charge, and if there is a credit the account is zeroed out and a new Relevant Period begins. In addition to the monetary true-up, the customer's account is trued-up with regards to the kWh generation by the system as compared to the kWh energy used by the customer through the Relevant Period. If the system generated more energy on a kWh basis than the customer used, the customer is eligible to receive Net Surplus Compensation.

When a NEM customer enrolls in CEA, the NEM account is trued-up, regardless of when the Relevant Period normally ends, and a new Relevant Period will be established which will begin in the month the customer enrolls in CEA. This mid-Relevant Period true-up may result in a customer owing a charge due to not having the benefit of the full 12-month Relevant Period. Staff and SDG&E had been contemplating enrolling NEM customers throughout the year, based on the customer's normal Relevant Period end date. Upon further evaluation, it was discovered that customers that enroll starting in July 2021 would be assigned the 2021 Power Charge Indifference Adjustment (PCIA) vintage by SDG&E. The current rate for the 2021 PCIA vintage is \$.04517/kWh, this is 20% higher than the 2020 PCIA Vintage for Carlsbad & Del Mar customers enrolling in May & June (\$.03769/kWh) and 4% higher than the 2017 PCIA Vintage for Solana Beach customers transitioning from Solana Energy Alliance (\$.04340/kWh). Due to the impact this higher PCIA rate will have on NEM customers, staff recommends enrolling NEM customers in May and June 2021, along with all other Carlsbad & Del Mar non-NEM customers. Current Solana Energy Alliance NEM customers will maintain their 2017 PCIA vintage and will enroll in May 2021.

In order to ensure NEM customers are fully aware of the impact of enrollment in CEA, a letter will be sent to existing NEM customers in early April that fully explains the enrollment process and related true-up. Should the customer decide that a mid-Relevant Period is not to their advantage, information on how to opt-out of CEA enrollment will be provided. Call Center staff will also be available to answer any questions from NEM customers related to the true-up.

FISCAL IMPACT

There is no fiscal impact.

ATTACHMENTS

None



Staff Report

DATE: March 25, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 8: Approval of Agreement with San Diego Gas & Electric for the Procurement of Long-Term Renewable Power Supply

RECOMMENDATION

Authorize the Interim Chief Executive Officer to execute a power purchase agreement with San Diego Gas & Electric for the procurement of Long-Term Renewable Power Supply, pursuant to Energy Risk Management Policy and subject to Special Transactions Counsel approval.

BACKGROUND AND DISCUSSION

As a load serving entity, Clean Energy Alliance (CEA) has a requirement to procure a minimum of 65% of its state mandated renewable energy through long-term contracts of ten years or more. In July 2020 CEA issued a Request for Offers for Long-Term Renewable Energy and has been negotiating with short-listed developers for final agreements. In addition to that effort, CEA has been negotiating with San Diego Gas & Electric (SDG&E) for long-term renewable energy. Upon approval of the agreement by the CEA Board, SDG&E will file an Advice Letter with the California Public Utilities Commission for approval of the transaction.

The agreements under negotiation through CEA's solicitation and the agreement with SDG&E will not fulfill all of the long-term renewable energy that CEA requires, and CEA will need to issue, and participate in, other long-term renewable solicitations.

FISCAL IMPACT

The costs of the SDG&E agreement have been factored into CEA's financial pro forma, and CEA's rates have been established to generate sufficient revenue to fund the costs of the agreement.

ATTACHMENTS

None