

Board of Directors Regular Meeting Agenda

November 17, 2022, 2:00 p.m.

City of San Marcos | Virtual Meeting

Pursuant to Government Code Section 54953(3) (Assembly Bill 361), and in the interest of public health and safety, Clean Energy Alliance (CEA) is temporarily taking actions to prevent and mitigate the effects of the COVID-19 pandemic by holding CEA 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 CEA Joint Powers Authority Board of Directors.

Members of the public can watch the meeting live through the You Tube Live Stream Link at:

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

or

<https://www.youtube.com/channel/UCGXJILzITUJOCZwVGpYoC8Q>

This is a view-only live stream. If the You Tube live stream experiences difficulties members of the public should access the meeting via the Zoom link below.

Members of the public can observe and participate in the meeting via Zoom by clicking:

<https://us06web.zoom.us/j/81376410530>

or telephonically by dialing:

(253) 215-8782

Meeting ID: 813 7641 0530

Members of the public can provide public comment in writing or orally as follows:

Written Comments: If you are unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: Secretary@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments at least an hour prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: You can participate in the meeting by providing oral comments either: (1) online by using the raise hand function and speaking when called upon or (2) using your telephone by pressing *9 to raise your hand and speaking when called upon.



If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact Secretary@thecleanenergyalliance.org prior to the meeting for assistance.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PRESENTATIONS

San Diego Gas & Electric – Update on 2023 Rate Forecast: Scott Crider, Senior Vice President of External and Operations Support; Adam Pierce, Director of Customer Pricing

PUBLIC COMMENT

APPROVAL OF MINUTES

October 20, 2022, Special Meeting

Consent Calendar

Item 1: Clean Energy Alliance Treasurer’s Report

RECOMMENDATION

Receive and file Clean Energy Alliance Treasurer’s Report for September 2022 activity.

Item 2: Consider Approval of Scheduling Special Clean Energy Alliance Board Meetings on December 15, 2022, and January 12, 2023, and cancel Regular Clean Energy Board meeting on December 22, 2022

RECOMMENDATION

Approve scheduling Special Clean Energy Alliance Board Meetings for December 15, 2022, and January 12, 2023, and cancel regular Clean Energy Alliance Board meeting on December 22, 2022.



New Business

Item 3: Receive Annual Audited Financial Report for the Fiscal Year Ended June 30, 2022

RECOMMENDATION

Receive and file Clean Energy Alliance Annual Audited Financial Report for the Fiscal Year Ended June 30, 2022.

Item 4: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

Receive and file Community Choice Aggregation Update Report from Chief Executive Officer and Regulatory Affairs Report from Special Counsel Tosdal APC.

Item 5: Consideration of the Circumstances of the COVID-19 State of Emergency to Determine Whether the Legislative Bodies of Clean Energy Alliance will Continue to Hold Meetings Via Teleconferencing and Making Findings Pursuant to Government Code Section 54943(e)

RECOMMENDATION

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

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Special Board Meeting December 15, 2022, Subject to Board Approval

**Clean Energy Alliance - Board of Directors
Special Meeting Minutes
October 20, 2022, 2:00 p.m.
City of San Marcos|Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)**

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

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

FLAG SALUTE: Board Member Keim led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None

PRESENTATIONS: Community Advisory Committee (CAC) Chair Dwight Worden reported on the Clean Energy Alliance – CAC Meeting of October 6, 2022, commenting on the addition of new committee members Dolores Jamison of Del Mar and Greg Coleson of Solana Beach; highlights of subcommittee reports – Local Programs Subcommittee prepared a summary of all the Climate Action Plans of CEA member cities in efforts to support the goals of the plans; CAC supporting consideration of CEA grant writer; the Electrical Vehicle Subcommittee discussion regarding home charging vs business charging and impact on the grid; and CAC discussion regarding strategies regarding community outreach on greenhouse gas reduction.

PUBLIC COMMENT: None

APPROVAL OF MINUTES

September 22, 2022, Special Meeting

July 23, 2020, Special Meeting

Motion by Vice Chair Druker, second by Board Member Inscoe, to approve the minutes of the special meetings held September 22, 2022, and July 23, 2020.

Motion carried unanimously, 5/0 with Board Member Keim abstaining.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

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

Item 2: Consider Adoption of Resolution 2022-009 Approving Clean Energy Alliance 2022 Integrated Resource Plan

RECOMMENDATION

Adopt Resolution 2022-009 Approving Clean Energy Alliance 2022 Integrated Resource Plan.

Chair Becker noted that the recommendation for Item 1 on the agenda face should read August 2022 rather than July and that the report in the packet is correct.

**Motion by Vice Chair Druker, second by Board Member Keim, to approve the consent calendar.
Motion carried unanimously, 6/0.**

New Business

Item 3: Consider Adoption of Resolution No. 2022-008 Approving Clean Energy Alliance Addendum No. 2 to the Community Choice Aggregation Implementation Plan and Statement of Intent to Address Expansion to the Cities of Oceanside and Vista

RECOMMENDATION

Adopt Resolution No. 2022-008 Approving Clean Energy Alliance Addendum No. 2 to the Community Choice Aggregation Implementation Plan and Statement of Intent to address expansion to the cities of Oceanside and Vista and direct staff to file with the California Public Utilities Commission no later than December 31, 2022.

CEO Barbara Boswell presented the item noting that consultants John Dalessi and Kirby Dusel of Pacific Energy Advisors are in attendance should there be any questions and that it is their good work represented in the Addendum No. 2 Implementation Plan.

Motion by Board Member Green, second by Board Member Keim, to approve the recommendation.

Motion carried unanimously, 6/0.

Item 4: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

Receive and file Community Choice Aggregation Update Report from Chief Executive Officer and Regulatory Affairs Report from Special Counsel Tosdal APC.

CEO Barbara Boswell indicated that no highlights of the CEO report will be given and deferred to Special Counsel Ty Tosdal who updated the Board on the following items: Integrated Resource Plan Ruling (R. 20-05-003) commenting that CPUC staff is proposing major changes to procurement programs which would contain new long-term contract requirements enforceable with penalties and seeking to eliminate one-time procurement orders. Mr. Tosdal noted that there is no legislative support for the proposal and comments are due to CPUC in December. In addition, CPUC is seeking near-term changes to advance procurement. Decision 21-09-035, the mid-term reliability ruling (MTR), requires Load Serving Entities (LSEs) including CEA to procure zero-emitting and long lead-time

resources; SDG&E General Rate Case: Scoping Memo (A. 22-05-016) commenting that CPUC issued a scoping memo and acknowledged that cost functionalization (the method by which the utility distinguishes eligible costs) is within the scope of the proceeding which will allow for questions regarding SDG&E's higher level cost methodologies; regarding PG&E Application to Sell Generation Assets (A.22-09-018) – an application to create a subsidiary called Pacific Generation LLC was filed proposing to transfer all non-nuclear generation assets to the subsidiary and sell up to 49.9% interest in the company supporting their financial goals; regarding Financial Security Requirements (R. 21-03-011) – CalCCA is negotiating with the Investor-Owned Utilities (IOUs regarding changes to Financial Security Requirements (FSRs) as part of the Provider of Last Resort (POLR) proceeding. Issues concern the methodology by which the amount of FSR is established. A joint case management statement and evidentiary hearings are scheduled with a proposed decision expected by end of year or early 2023.

Board questions and comments included providing information that can be issued to consumers regarding pricing structure; the completion of the state audit prior to CPUC Decision in the SDG&E General Rate Case; methods available to satisfy FSR; and outreach regarding SDG&E rate increases.

Board received and filed report.

Item 5: Consideration of the Circumstances of the COVID-19 State of Emergency to Determine Whether the Legislative Bodies of Clean Energy Alliance will Continue to Hold Meetings Via Teleconferencing and Making Findings Pursuant to Government Code Section 54943(e)

RECOMMENDATION

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

Find that: (1) the Board has considered the circumstances of the state of emergency created by the COVID-19 pandemic; and (2) the state of emergency no longer continues to directly impact the ability of the members to meet safely in person.

General Counsel Johanna Canlas presented an overview of the item and Board discussion included the rise of Covid 19 cases in the county; the elimination of the state of emergency scheduled for end of February 2023; and the return of in-person meetings for various public agencies.

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

Motion carried unanimously, 6/0.

Item 6: Provide Direction Regarding Amending Resolution No. 2022-002 Setting Time and Place for Clean Energy Alliance Board Meetings

RECOMMENDATION

Provide direction regarding amending Resolution No. 2022-002 Setting Time and Place for Clean Energy Alliance Board Meetings.

CEO Boswell presented the item commenting that the CEA Board adopted Resolution 2022-002 the time and place for CEA Board meetings for July 28, 2022 – June 29, 2023, selecting the City of San Marcos as the in-person location based on compatible live stream capabilities with CEA’s current live streaming platform. In September the Board requested staff research Oceanside as a possible alternative location for in-person meetings. Oceanside staff confirmed willingness to host as well as capability to stream via Zoom although technology test has not yet taken place.

Board comments included waiting until testing is complete and the San Marcos Board Member has returned.

This item was continued to the meeting of November 17, 2022.

Item 7: Consider Approving Policy Establishing Term Limits for Clean Energy Alliance Chair and Vice Chair

RECOMMENDATION

Approve CEA Policy No. CEA-020 Establishing Term Limits for Clean Energy Alliance Chair and Vice Chair.

General Counsel Canlas presented the item indicating that the Board requested an administrative policy be presented for consideration reflecting a maximum of two consecutive terms for chair and vice chair.

Motion by Vice Chair Druker, second by Chair Becker to approve CEA Policy No. CEA-020 Establishing Term Limits for Clean Energy Alliance Chair and Vice Chair.

Motion carried unanimously, 6/0.

Item 8: Consider Opening Applications for Clean Energy Alliance Community Advisory Committee for Terms Ending December 31, 2022

RECOMMENDATION

Open applications for Clean Energy Alliance Community Advisory Committee for terms ending December 31, 2022.

CEO Boswell presented the item commenting that the Community Advisory Committee (CAC) Policy establishes that each member agency has two appointee that serve staggered

three-year terms with the initial term having one member serve a two-year term to establish the staggered terms. The cities of Carlsbad, Del Mar, and Solana Beach have CAC members with a term ending December 31, 2022.

Motion by Vice Chair Druker, second by Chair Becker, to extend the appointment for the CAC members through December 31, 2025, for those interested in continuing, and open application period for those that do not.

Motion carried unanimously, 6/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

ADJOURN: Chair Becker adjourned the meeting at 3:01 p.m.

Susan Caputo, MMC
Interim Board Secretary



Staff Report

DATE: November 17, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for September 2022.

BACKGROUND AND DISCUSSION

This report provides the Board with the following financial information through September 30, 2022:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of September 30, 2022.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended September 30, 2022.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of September 30, 2022.
- List of Payments Issued – Reports payments issued for September 2022.

As of September 30, 2022, liabilities represent invoices and estimated accruals for energy and services received but not yet paid. The noncurrent liabilities relate to debt with JPMorgan as well as amounts due to the member cities of Carlsbad, Del Mar and Solana Beach. CEA is currently making interest only payments on the debt from JPMorgan. The amounts due to the member agency were 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.

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of September 30, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 6,452,406
Accounts receivable, net	11,507,887
Accrued revenue	5,701,344
Prepaid expenses	347,134
Deposits	<u>500,000</u>
Total current assets	24,508,771

Noncurrent assets

Restricted cash	227,000
Deposits	<u>1,115,000</u>
Total noncurrent assets	<u>1,342,000</u>
Total assets	<u>25,850,771</u>

LIABILITIES

Current liabilities

Accrued cost of energy	10,622,178
Accounts payable	206,002
Deferred revenue	164,000
Other accrued liabilities	<u>259,884</u>
Total current liabilities	<u>11,252,064</u>

Noncurrent liabilities

Due to member agencies	504,017
Bank note payable	<u>13,820,000</u>
Total noncurrent liabilities	<u>14,324,017</u>
Total liabilities	<u>25,576,081</u>

NET POSITION

Unrestricted	<u>274,690</u>
Total net position	<u>\$ 274,690</u>

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Three Months ended September 30, 2022

OPERATING REVENUES	
Electricity sales, net	\$ 25,953,421
OPERATING EXPENSES	
Cost of electricity	21,032,300
Contract services	631,957
General and administration	36,816
Total operating expenses	<u>21,701,073</u>
Operating income (loss)	<u>4,252,348</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	3,192
Interest expense	<u>(206,855)</u>
Nonoperating revenues (expenses), net	<u>(203,663)</u>
CHANGE IN NET POSITION	4,048,685
Net position at beginning of period	<u>(3,773,995)</u>
Net position at end of period	<u><u>\$ 274,690</u></u>

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 30, 2022, board meeting, the CEA Board approved the Fiscal Year (FY) 2022/23 budget approving \$76,745,240 in total operating and nonoperating expenses. For the year-to-date, \$21,907,928 has been expended. Revenues for the year-to-date reached \$25,953,421. The overall increase in net position (ignoring loan proceeds) for the year-to-date was \$4,046,165.

The Budget to Actuals Comparison Schedules as of September 30, 2022, is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGET TO ACTUALS COMPARISON SCHEDULE
Three Months ended September 30, 2022

	ANNUAL BUDGET	ACTUAL YEAR-TO- DATE	BUDGET REMAINING
Operating Revenues			
Energy Sales	\$ 80,786,405	25,953,421	\$ 54,832,984
Total Operating Revenue	80,786,405	25,953,421	54,832,984
Operating Expenses			
Power Supply	73,000,000	21,032,300	51,967,700
Data Manager / Call Center	1,151,180	213,151	938,029
Staffing/Consultants	529,360	69,277	460,083
Legal Services	335,000	73,495	261,505
Professional Services	981,600	236,094	745,506
Audit Services	10,000	8,010	1,990
Software & Licenses	15,100	5,363	9,737
Membership Dues	121,000	29,785	91,215
Printing	55,000	10,228	44,772
Postage	50,000	19,233	30,767
Advertising	15,000	4,137	10,863
Insurance	30,000	-	30,000
Bank Fees	2,000	-	2,000
Total Operating Expenses	76,295,240	21,701,073	54,594,167
Operating Income (Loss)	4,491,165	4,252,348	238,817
Non-Operating Revenues (Expenses)			
Interest Income	5,000	3,192	1,808
Interest Expense	(450,000)	(206,855)	(243,145)
Total Non-Operating Revenues (Expenses)	(445,000)	(203,663)	(241,337)
Net Increase (Decrease) in Available Fund Balance	\$ 4,046,165	\$ 4,048,685	\$ (2,520)

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

LIST OF PAYMENTS ISSUED

The report on the following page provides the detail of payments issued by CEA for September 2022. All payments were within approved budget.

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
09/06/2022	Wire	THE ENERGY AUTHORITY	August 2022 - CAISO Weekly Settlement	246,759.38
09/06/2022	ACH/CK	MULTIPLE	NEM Cash Out	1,132.26
09/12/2022	Wire	THE ENERGY AUTHORITY	August 2022 - CAISO Weekly Settlement	205,032.63
09/20/2022	Wire	Direct Energy	AUGUST -2022 - Capacity SWAP	171,500.00
09/20/2022	Wire	EDF TRADING NORTH AMERICA	AUGUST 2022 - Capacity Purchase	208,500.00
09/20/2022	Wire	SEMPRA	August 2022 - Capacity Purchases	274,400.00
09/20/2022	Wire	Powerex	Transactions for the Period of September 2022	107,157.74
09/20/2022	Wire	SDG&E (Procurement)	August 22 -REC Sales	685,000.00
09/19/2022	Wire	THE ENERGY AUTHORITY	August 2022 - CAISO Weekly Settlement	742,076.00
09/20/2022	Wire	SDG&E (Procurement)	August 2022 - RA Purchases	76,012.00
09/22/2022	ACH/CK	NEMS	NEM Cash Out	4,455.43
09/26/2022	Wire	THE ENERGY AUTHORITY	September 2022 - CAISO Weekly Settlement	1,924,522.71
09/28/2022	ACH/CK	Calpine Energy Solutions	August 2022 Services	71,124.00
09/12/2022	ACH/CK	CLIMATE ACTION CAMPAIGN	Nexus Silver Sponsorship	2,500.00
09/28/2022	ACH/CK	Keyes & Fox LLP	August 2022 - Professional Services	7,203.25
09/28/2022	ACH/CK	Maher Accountancy	Accounting during the month of September 2022	7,500.00
09/08/2022	ACH/CK	Neyenesch Printers	August 2022 - CEA New Move Letter & Postcard Mailing	3,900.06
09/28/2022	ACH/CK	Neyenesch Printers	September 2022 - CEA New Move Letter & Postcard	5,169.07
09/13/2022	ACH/CK	OneStream Networks, LLC	August 2022 Telephone	224.35
09/15/2022	ACH/CK	OneStream Networks, LLC	March - May 2022	328.51
09/28/2022	ACH/CK	Pacific Energy Advisors, Inc	August 2022 - Technical Consulting	23,600.00
09/22/2022	ACH/CK	STERN, ANDREW	CFO Services - August 22, 2022 - September 21, 2022	7,500.00
09/28/2022	ACH/CK	The Bayshore Consulting Group	August 2022 - CEO and Interim Secretary Services &	16,278.75
09/28/2022	ACH/CK	THE ENERGY AUTHORITY	August 2022 - Scheduling Fees	11,700.00
09/28/2022	ACH/CK	Tosdal APC	August 2022 - Regulatory Services	6,381.75
09/28/2022	ACH/CK	Tripepi, Smith & Associates, Inc.	August 2022 - Communications and Marketing Service	3,759.47
09/30/2022	Wire	JPMorgan	JP Morgan - September 1, 2022 - October 2, 2022 -	74,469.28
09/19/2022	ACH/CK	USPS	September 2022 - Postage Payment	16,304.24
Total for Operating Account				\$ 4,904,490.88
09/23/2022	Lockbox	Exelon Generation Company, LLC	July 2022 - Power Purchase	2,297,486.02
09/23/2022	Lockbox	Morgan Stanley Capital Group, Inc.	August 2022 - Energy Purchase	1,709,253.78
09/23/2022	Lockbox	Shell Oil North America	July 2022 - Energy purchase	367,460.60
Total for Lockbox Account				\$ 4,374,200.40

FISCAL IMPACT

There is no fiscal impact associated with this report.



Staff Report

DATE: November 17, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 2: Consider Approval of Scheduling Special Clean Energy Alliance Board Meetings on December 15, 2022, and January 12, 2023, and Canceling Regular Board Meeting on December 22, 2022.

RECOMMENDATION

Schedule Special Clean Energy Alliance Board meetings on December 15, 2022, and January 12, 2023, and cancel the December 22, 2022, Regular CEA Board Meeting.

BACKGROUND AND DISCUSSION

Pursuant to Government Code Section 54943(e) (Code), Clean Energy Alliance (CEA) has been holding its Board and Community Advisory meetings remotely via video and telephonic means, which requires the Board to make findings pursuant to the Code every 30 days. To ensure there are CEA Board meetings every 30 days, staff recommends scheduling Special meetings on December 15, 2022, and January 12, 2023. With the Special meeting on December 15, the Regular Board meeting currently scheduled for December 22, 2022, can be canceled.

FISCAL IMPACT

There is no fiscal impact of this action.

ATTACHMENTS

None



Staff Report

DATE: November 17, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 3: Receive Annual Audited Financial Report for the Fiscal Year Ended June 30, 2022

RECOMMENDATION:

Receive and File Clean Energy Alliance's (CEA) Annual Audited Financial Report (Attachment A) for the Fiscal Year Ended June 30, 2022.

BACKGROUND AND DISCUSSION:

The CEA's annual audit, and preparation of the Annual Audited Financial Report, for the period July 1, 2021, through June 30, 2022, has been completed.

Lance, Soll & Lunghard, LLC (LSL) completed the audit of CEA's financial statements for the fiscal year ended June 30, 2022. The goal of the independent audit is to provide reasonable assurance that the financial statements of CEA for the fiscal year are free of material misstatement. As part of CEA's annual audit, reviews are made to determine the adequacy of the internal control structure as well as to determine that CEA has complied with applicable laws and regulations. The Statement of Auditing Standards (SAS) No. 115, Communication of Internal Control Related Matters Identified in an Audit (Attachment B), received from the auditor's states that there were no material instances of noncompliance, no material weaknesses in internal controls, and no reportable conditions. The independent auditor concluded there was a basis for rendering an unmodified opinion and CEA's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this Report.

FISCAL IMPACT

There is no fiscal impact associated with these items.

ATTACHMENTS:

Attachment A - Clean Energy Alliance Annual Audited Financial Report for the Fiscal Year ended June 30, 2022

Attachment B - The Statement of Auditing Standards No. 115, Communication of Internal Control Related Matters Identified in an Audit

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Clean Energy Alliance
Carlsbad, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of Clean Energy Alliance ("CEA") as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise CEA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of CEA as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Comparative Information

We have previously audited CEA's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2021. Certain reclassifications were made to the 2021 financial information in the 2022 financial report. The reclassified, comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived, and our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Directors
Clean Energy Alliance
Carlsbad, California

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CEA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Board of Directors
Clean Energy Alliance
Carlsbad, California

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of CEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CEA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CEA's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
November 14, 2022

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Clean Energy Alliance
Carlsbad, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clean Energy Alliance ("CEA"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise CEA's basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CEA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CEA's internal control. Accordingly, we do not express an opinion on the effectiveness of CEA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CEA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Directors
Clean Energy Alliance
Carlsbad, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CEA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CEA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lingham, LLP

Brea, California
November 14, 2022



Staff Report

DATE: November 17, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 4: Clean Energy Alliance Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

- 1) Receive and File Operational and Administrative Update Report from Chief Executive Officer.
- 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 operational, administrative, and regulatory affairs activities.

OPERATIONAL UPDATE

Community Advisory Committee Vacancy Recruitments

CEA is currently recruiting for Community Advisory Committee members for the cities of Oceanside and Vista. There are two openings for each city, one with a term ending December 31, 2024, and the second with a term ending December 31, 2025. The application period was extended through November 15, 2022, to provide additional time to advertise the opportunities to the residents and business owners in the communities. Recommendations for appointment will be brought before the Board at its December 22 meeting.

Expansion of Clean Energy Alliance

Clean Energy Alliance (CEA) is planning two service expansions over the next two years:

April 2023 – Escondido and San Marcos Service Enrollments

April 2024 – Oceanside and Vista Service Enrollments

The chart below reflects activities related to the expansions over the six months:

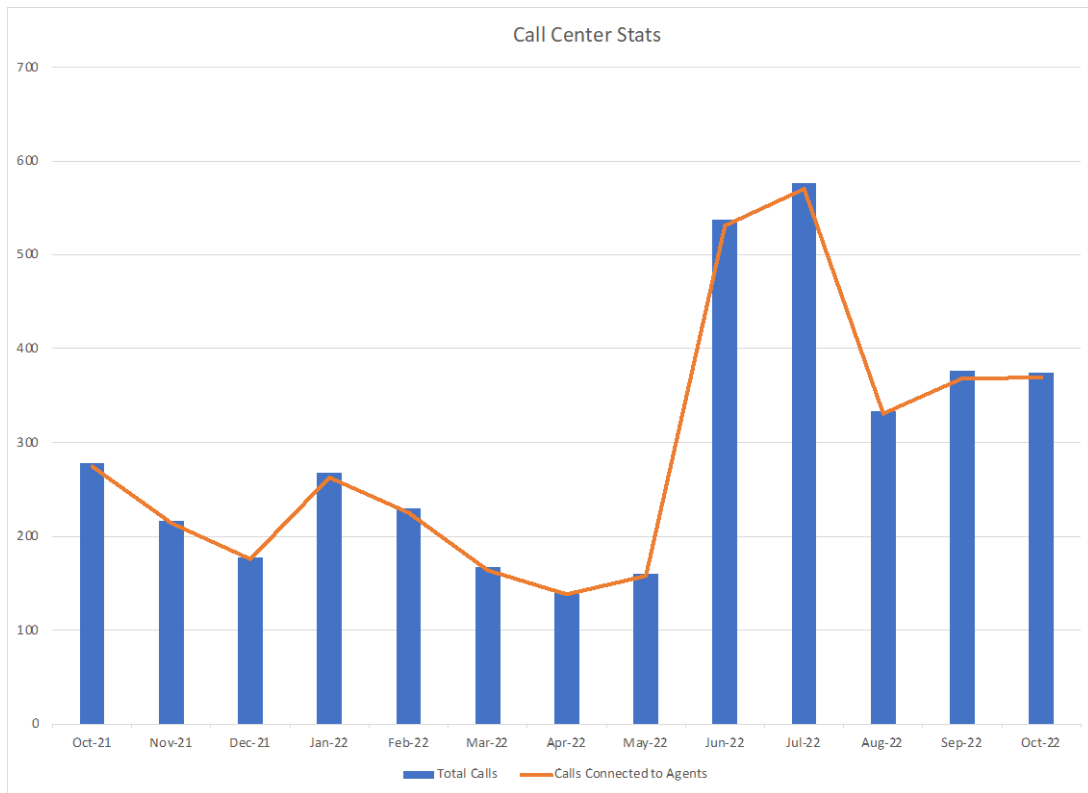
ACTIVITY	TIMING	STATUS
Draft Implementation Plan Amendment – Oceanside & Vista to CEA Board	October 2022	Completed
Marketing & Outreach – Escondido & San Marcos	December 2022 – April 2023	Strategy in process
CEA: File Implementation Plan Amendment	By December 31, 2022	
Default Power Supply Selection – Escondido & San Marcos	December 2022	December 13 - San Marcos January - Escondido
Noticing – Escondido & San Marcos	February/March/May/June 2023	CEA communications team has met with San Marcos communications to discuss out-reach strategy. Meeting with Escondido is being scheduled
Year-Ahead Resource Adequacy Filing to include Oceanside & Vista	April 2023	
Marketing & Outreach – Oceanside & Vista	December 2023 – April 2024	
Default Power Supply Selection – Oceanside & Vista	November/December 2024	
Noticing – Oceanside & Vista	February/March/May/June 2024	

Risk Oversight Committee

Pursuant to CEA’s Energy Risk Management Policy, the Risk Oversight Committee met September 1, 2022. The Committee reviewed CEA’s recent procurement activity, current portfolio positions and future procurement targets, and portfolio mark to market and counterparty exposure. The Committee confirmed that CEA is in compliance with its Energy Risk Management Policy. The next meeting of the Committee is scheduled for December 1, 2022.

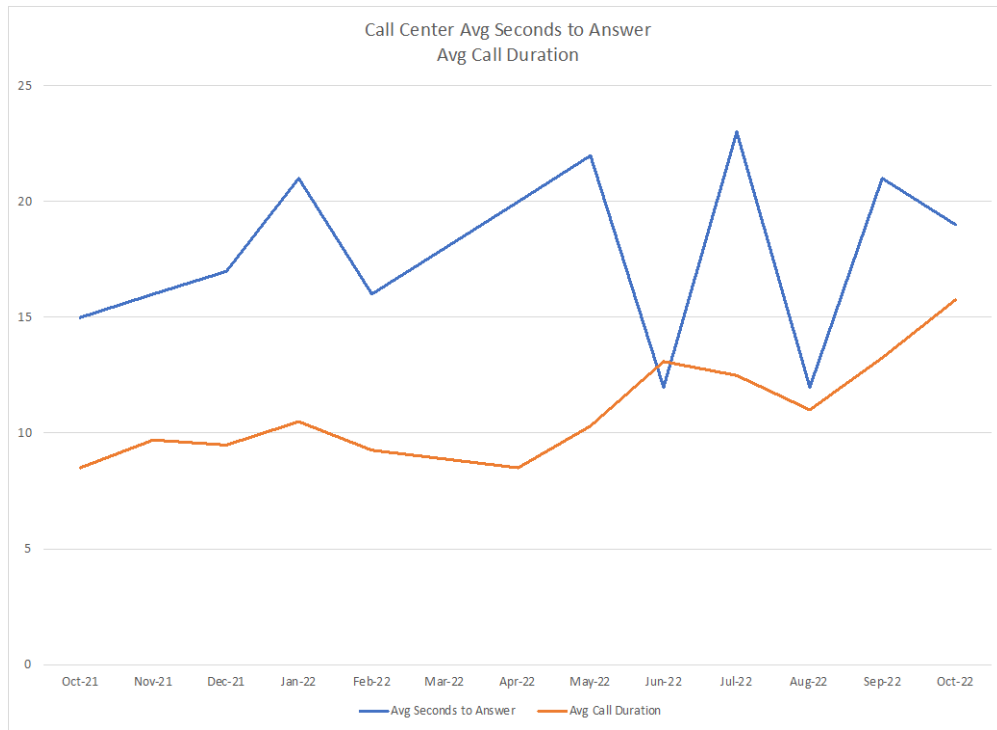
Call Center Activity

The charts below reflect customer activity through October 31, 2022:



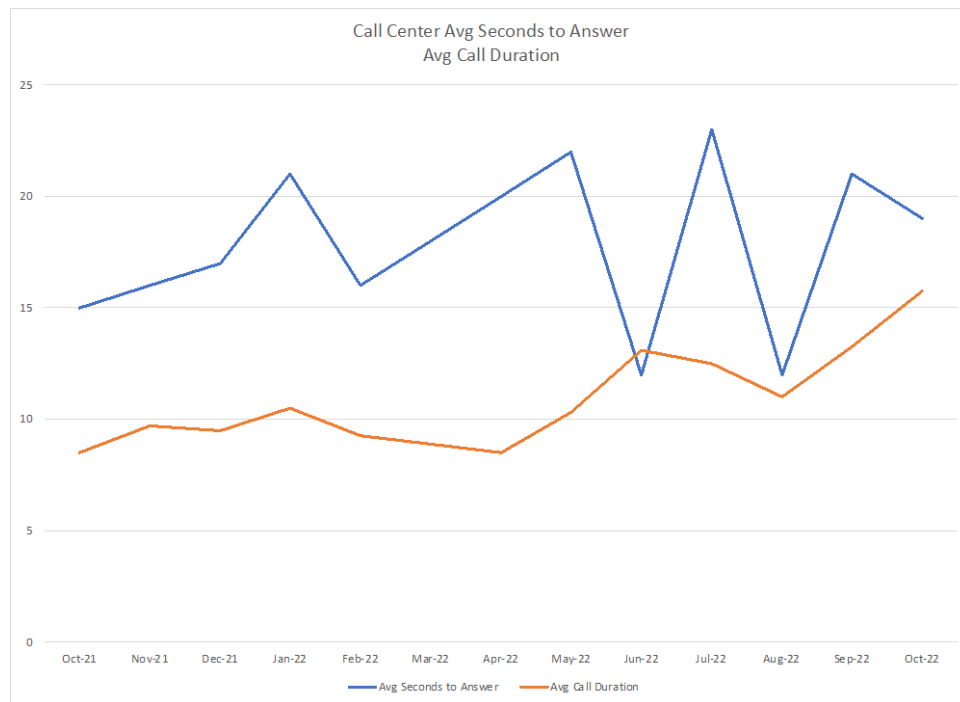
Net Energy Metering inquiries continue to be the top issue, with 54% of the calls related to the calls, followed by billing questions (17%).

The chart below reflects call center average seconds to answer and average call duration:



Calls are being answered within an average of 19 seconds, lasting an average 16 minutes.

The following chart reflects the monthly and cumulative opt-outs for CEA.



CEA realized a slight net decrease in opt outs again in September with an overall participation rate of 92.08%.

The following chart reflects enrollments in CEA’s power supply products:

POWER SUPPLY PRODUCT	SEPT 2022	OCT 2022	Net Change
Clean Impact – 50% Renewable	169	177	+ 8
Clean Impact Plus - 75% Carbon Free	59,322	59,214	- 108
Green Impact – 100% Renewable	428	432	+ 4
TOTAL ACCOUNTS	59,919	59,823	-96

Contracts \$50,000 - \$100,000 entered into by 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 A).

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

Attachment A – Tosdal APC Regulatory Update Report

Clean Energy Alliance: Regulatory Update

November 17, 2022

Tosdal APC



Overview

Net Energy Metering: Proposed Decision (R. 20-08-020)

CEC Load Management Standards Decision (21-OIR-03)

Renewable Portfolio Standard: Proposed Decision (R. 18-07-003)

Net Energy Metering: Proposed Decision

CPUC issued a new Proposed Decision in the Net Energy Metering (NEM) proceeding on November 11, 2022.

- Proposed decision eliminates energy netting in favor of net billing and replaces the term *Net Energy Metering* with *Net Billing*.
- Participating customers will now have (1) an import rate established by eligible TOU rate, and (2) an export rate set by the Avoided Cost Calculator (ACC):
 - Years 1-5: Export compensation lock-in period.
 - Year 6 + : Export compensation fluctuates based on ACC.

Net Energy Metering: Proposed Decision

While the CPUC NEM decision applies only to IOUs, CCA NEM programs and billing procedures will need to be reviewed when the decision is ultimately adopted.

- IOU NEM compensation will change as a result of the decision.
- NEM 2.0 will sunset within 120 days of the decision being adopted.
- CCA programs should be responsible for energy, cap and trade, and generation capacity while the IOU is responsible for transmission, distribution, greenhouse gas adder, and methane leakage.

Net Energy Metering: Proposed Decision

Proposed Implementation Schedule:

Step 0: NEM 2.0 Sunset Period begins.

Step 1: Within 30 days, IOUs submit Tier 1 advice letters on rates and marketing.

Step 2: Within 60 days, IOUs submit Tier 2 advice letters with rate factors.

Step 3: CPUC Energy Division disposes of advice letters.

Step 4: Within 120 days, IOUs implement NEM 2.0 sunset.

Step 5: Within 12 months, IOUs shall implement Net Billing Tariff.

CEC Load Management Standards Decision

California Energy Commission (CEC) adopted a decision on October 12, 2022, approving Load Management Standards (LMS).

- Purpose is to establish cost-effective programs and rate structures to encourage the use of electrical energy at off-peak hours and encourage control of daily peak loads.
- Decision requires Large CCA programs:
 1. Adopt a marginal cost-based rate.
 2. Establish a marginal cost-based program.
 3. Develop and submit a compliance plan to the CEC.
- Marginal Cost is defined as the change in current and committed future electric system utility cost that is caused by a customer-initiated change in electricity usage during a specified time interval at a specified location.

CEC Load Management Standards Decision

Decision raises questions regarding the CEC's jurisdiction over CCA program rate-setting authority because the LMS fail to distinguish a rate from a program.

- LMS provisions do not explicitly require that CCAs adopt a rate – they only require that the CCA apply for approval and that the CCA adopt a rate *or* program.
- However, the prescriptive marginal cost pricing requirements in Subsection 1623.1(b)(3) are such that the LMS effectively imposes a rate adoption requirement.
- CCAs may also be required to adopt or change marginal cost rates in the future in order to comply with the regulations. Executive Director of the CEC has the authority to order CCA programs to adopt or modify rates pursuant to criteria established in the LMS.

Renewable Portfolio Standard: Proposed Decision

Proposed Decision adopts the Draft 2022 RPS plans of LSEs, including CEA, subject to detailed revisions.

CEA is required to submit additional information regarding:

- Long-term contracts
- Portfolio diversity and reliability
- Transportation electrification
- Risk assessment and compliance delay
- Renewable Net Short calculations
- Cost quantification

Final plans are due 30 days following the issuance of the final decision.

QA



Staff Report

DATE: November 17, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 5: Consideration of the circumstances of the COVID-19 state of emergency to determine whether the legislative bodies of Clean Energy Alliance will continue to hold meetings via teleconferencing and making findings pursuant to Government Code Section 54953(e)

RECOMMENDATION

Continue meetings by teleconferencing pursuant to Government Code Section 54953(e), find that: (1) the Board has considered the circumstances of the state of emergency created by the COVID-19 pandemic; and (2) the state of emergency continues to directly impact the ability of the members to meet safely in person.

BACKGROUND AND DISCUSSION

On September 16, 2021, Governor Newsom signed AB 361 amending the Brown Act to allow local agencies to meet remotely during declared emergencies under certain conditions. AB 361 authorizes local agencies to continue meeting remotely without following the Brown Act's standard teleconferencing provisions, including the requirement that meetings be conducted in physical locations, under specified conditions. Namely, the meeting is held during a state of emergency proclaimed by the Governor and either of the following applies: (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the agency has already determined or is determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The Board of Directors and CEA's other legislative bodies have met using teleconferencing throughout the COVID-19 pandemic to protect the health and safety of the public and staff. On October 20, 2022, the Board of Directors determined that the factual circumstances exist for CEA to continue to hold meetings pursuant to AB 361.

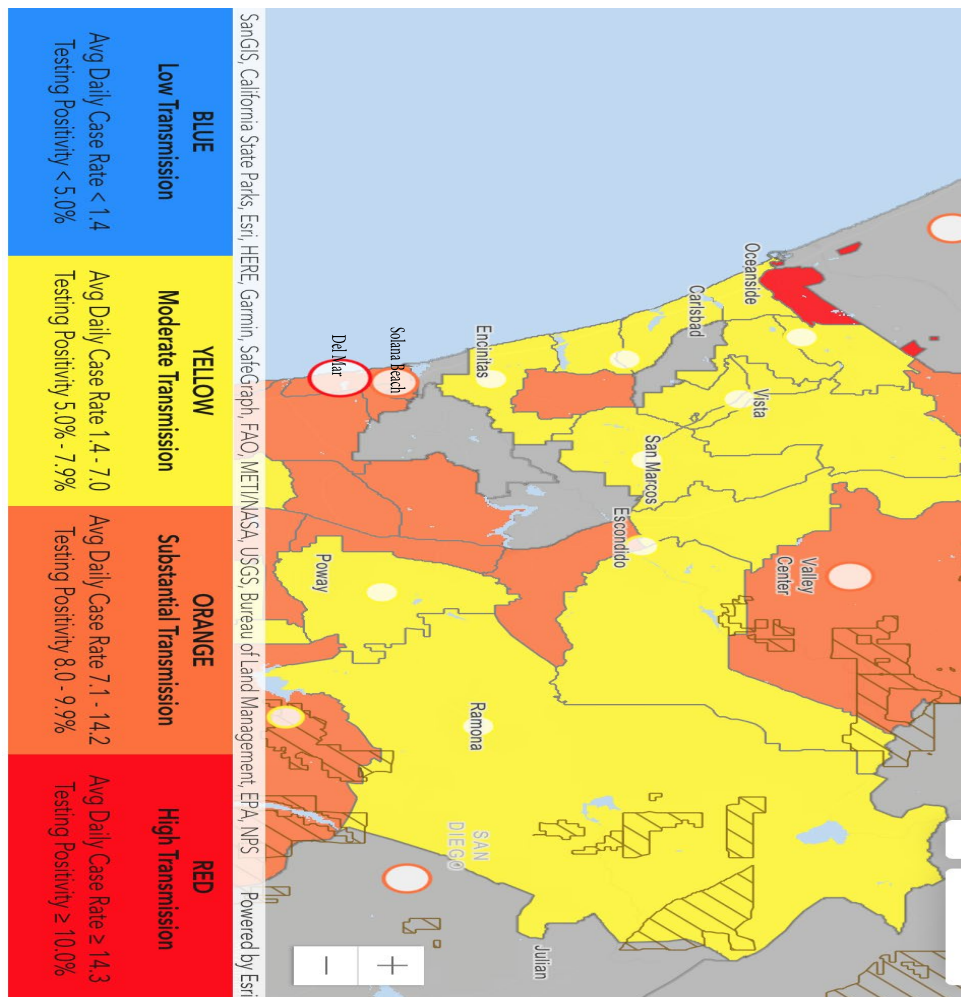
March 4, 2020, Governor Newsom declared a State of Emergency in response to the COVID-19 pandemic (the "Emergency"). The Emergency continues to exist. In addition, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than six feet apart from others for longer periods of time. Based on this advice and as a result of the emergency, the Board determined that meeting in person presents imminent risks to the health or safety of attendees.

On October 17, 2022, Governor Newsom announced the State of Emergency would end on February 28, 2023.

To continue meeting remotely pursuant to AB 361, an agency must make periodic findings that: (1) the body has reconsidered the circumstances of the declared emergency; and (2) the emergency impacts the ability of the body's members to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing. These findings should be made not later than 30 days after teleconferencing for the first time pursuant to AB 361, and every 30 days thereafter.

The County of San Diego Health and Human Services Agency (HHSA) tracks COVID-19 cases and hospitalizations by zip codes and prepares a map reflecting the COVID-19 case level which is updated weekly.

The map below is taken from the County HHSA website, updated as of November 10, 2022:



The data shows Escondido, Del Mar and Solana Beach in the Substantial Transmission level and Carlsbad, Oceanside, San Marcos and Vista in the Moderate Transmission level.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

None.