

Clean Energy Alliance

JOINT POWERS AUTHORITY

Special Board Meeting
July 23, 2020, 3 p.m.
Hosted by the City of Carlsbad

Item 1: Clean Energy Alliance Integrated Resource Plan Presentation

Barbara Boswell, Interim Chief Executive Officer
John Dalessi, Pacific Energy Advisors

Item 1: Integrated Resource Plan

- Recommendation
 - Receive Informational Item on Integrated Resource Plan

Item 1: Integrated Resource Plan

- All CPUC jurisdictional load serving entities must file an IRP with the CPUC every two years
- 2020 IRP consists of a narrative template, resource data template, and clean system power calculator (GHG calculator) showing planned energy and capacity resources through 2030
- Plans are assessed for reliability, greenhouse gas emissions, and local air pollutant minimization in disadvantaged communities
- Two plans will be required, consistent with a statewide GHG emission limit for the electric sector for 2030 of 46 MMT and a lower limit of 38 MMT

Item 1: Integrated Resource Plan 2030 GHG Benchmarks

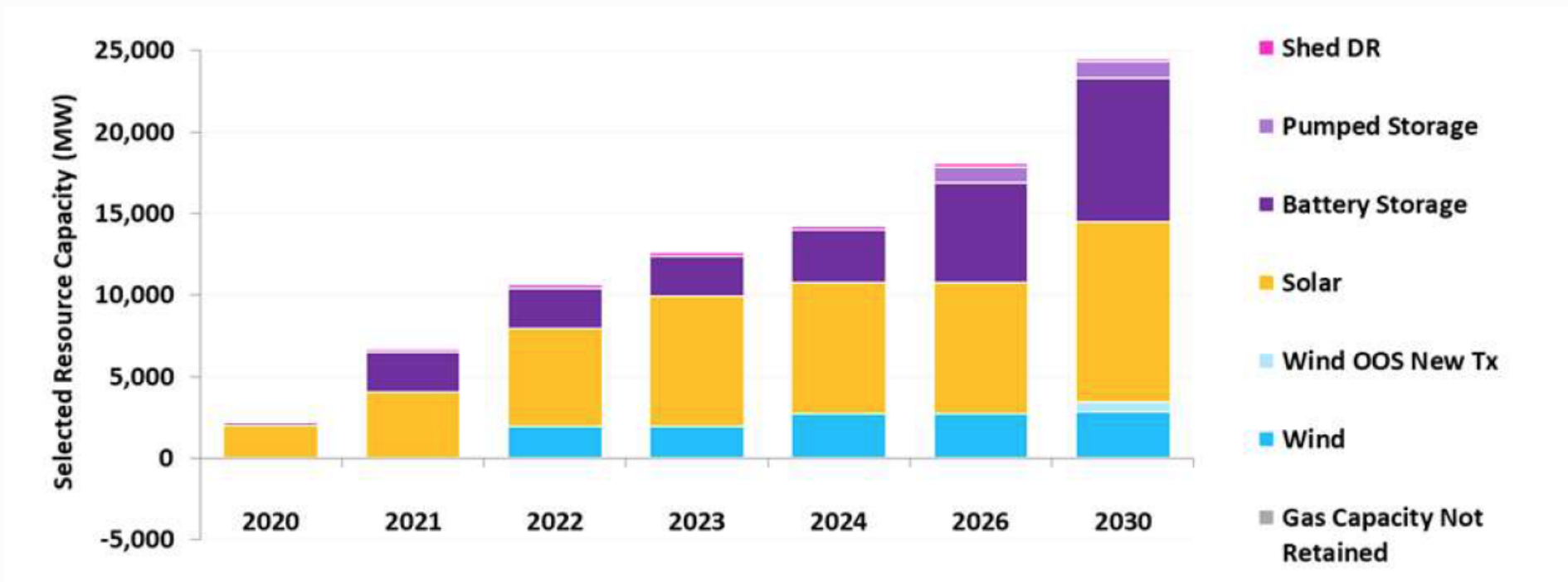
LSE	Proportion of 2030 emissions inclusive of industrial load*	2030 Load (GWh)	Proportion of 2030 Load within IOU Territory	2030 GHG emissions benchmark (MMT) -- 46 MMT scenario	2030 GHG emissions benchmark (MMT) -- 38 MMT scenario
SDG&E Area					
Bundled	8.84%	5,366	29.46%	1.198	0.990
Direct Access		3,940	21.63%	0.880	0.727
Clean Energy Alliance		992	5.45%	0.222	0.183
Solana Energy Alliance		0	0.00%	0.000	0.000
San Diego Community Power		7,914	43.45%	1.768	1.460

Item 1: Integrated Resource Plan

- Reference System Portfolio
 - CPUC's Reference System Portfolio (RSP) represents the optimal (least cost) mix of resources to reliably meet electric sector's GHG emissions targets
 - CPUC modeling has identified the statewide Reference System Portfolio for the 46 MMT target and an alternative portfolio that would achieve a 38 MMT target
 - Both include large amounts of new solar, wind, and battery storage resources, as well as long-duration storage and out-of-state wind on new transmission

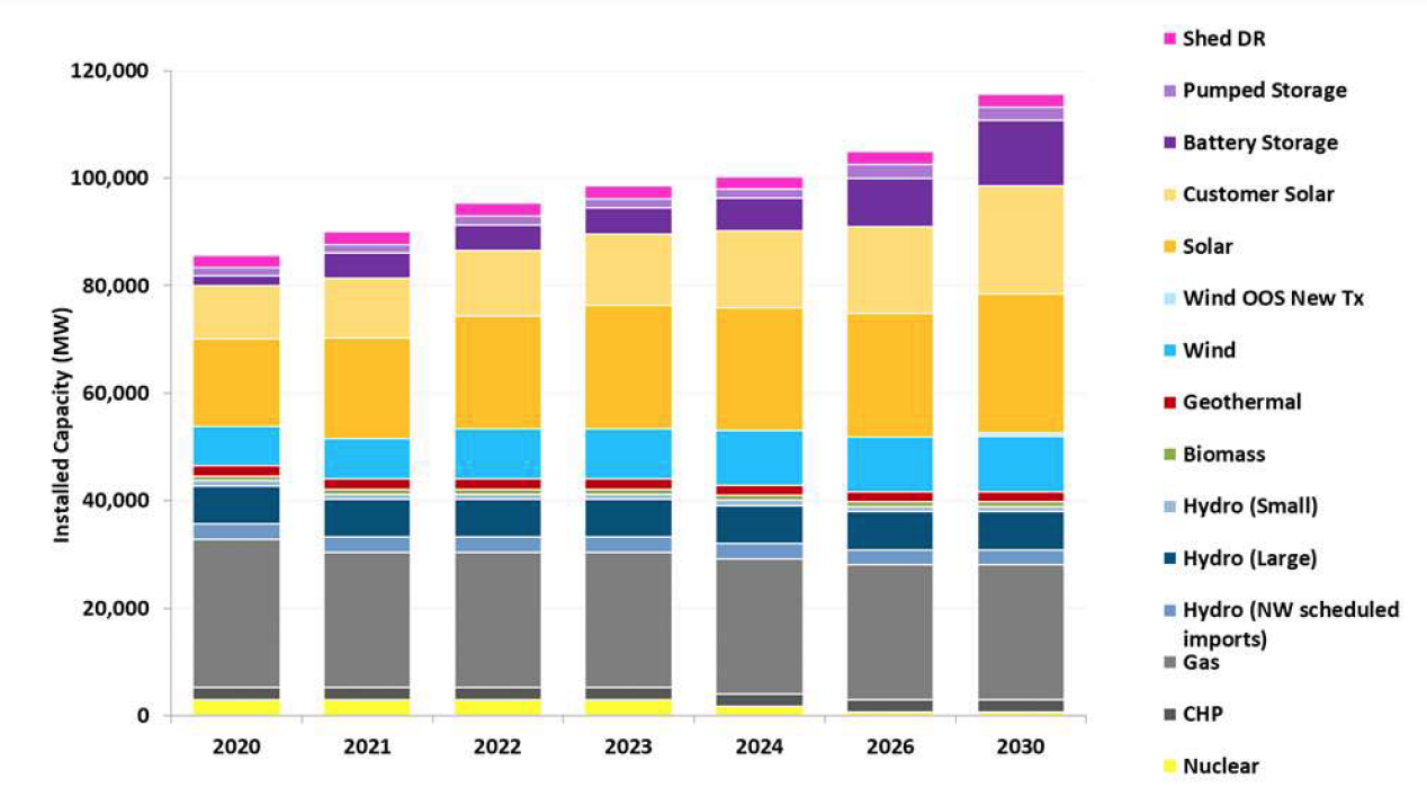
Item 1: Integrated Resource Plan

Cumulative Buildout of New Resources in RSP



Item 1: Integrated Resource Plan

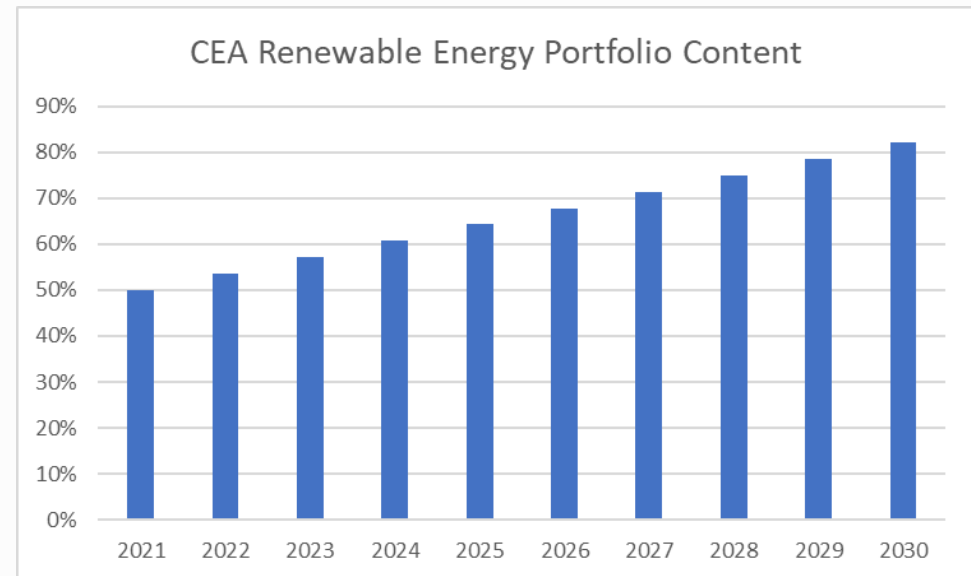
Cumulative Resources in RSP



Item 1: Integrated Resource Plan

Planning Assumptions for CEA's IRP

- Planned renewable energy portfolio targets (PCC 2 phase out?)
- Planned generation mix (solar, wind, nat. gas, batteries, etc.) for energy and capacity
- Assumptions regarding new buildout vs. use of existing resources
- Geographic regions for planned resources



Item 1: Integrated Resource Plan

- Next Steps
 - Late July- Mid August: PEA to prepare IRP draft
 - August 20: Board review and approval
 - Assumes templates available from CPUC timely
 - September 1: IRP submission to CPUC

Item 1: Integrated Resource Plan

Board Questions/Discussion

Item 2: Clean Energy Alliance Credit Solution Update

Barbara Boswell, Interim Chief Executive Officer

Item 2: Clean Energy Alliance Credit Solution Update

- Recommendation:
 - Receive Update regarding CEA Credit Solution

Item 2: Clean Energy Alliance Credit Solution Update

- Background:
 - June 18, 2020 CEA Board received report regarding financing options
 - River City Bank – selected as preferred option
 - JP Morgan
 - Funding Need:

\$1,000,000	Funding for FY 20/21 Operating Budget
\$450,000	Repayment of Initial Advances to Member Agencies
\$500,000	CAISO Deposit
<u>\$2,500,000</u>	Lockbox Reserves and Cash Flow
\$4,450,000	Total Funding needed

Item 2: Clean Energy Alliance Credit Solution Update

- River City Bank
 - ~ \$105,000 lower interest/costs than JP Morgan
 - Requires Security from Member Agencies
 - Cash Collateral
 - Guaranty
 - Pro Rata Guaranty by Agency

AGENCY	% OF LOAD	PRO-RATA SHARE \$ OF GUARANTY
CARLSBAD	90%	\$2,250,000
DEL MAR	3%	\$75,000
SOLANA BEACH	7%	\$175,000

Item 2: Clean Energy Alliance Credit Solution Update

- Requested Members to consider Guaranty
 - July 8 Solana Beach Authorized Guaranty
 - July 20 Del Mar Authorized Guaranty
 - July 14 Carlsbad considering an alternative
 - Provide Funding Needed
 - Carlsbad City Council considering terms July 28
 - Would need to come back to CEA Board to Authorize financing from Carlsbad

Item 2: Clean Energy Alliance Credit Solution Update

- Benefits to CEA of Carlsbad Option:
 - Reduced costs related to elimination of loan fees charged by both banks;
 - Lower interest rate terms (possibly Carlsbad Treasurer's Avg Yield + 1%);
 - Cash flow benefit of annual interest payments vs monthly with banks
 - Streamlined process for executing the loan agreement and drawing down the funds.

Item 2: Clean Energy Alliance Credit Solution Update

Board Discussion

Item 3: Clean Energy Alliance Regulatory Update

Barbara Boswell, Interim Chief Executive Officer
Ty Tosdal, Tosdal APC

Item 3: Clean Energy Alliance Regulatory Update

- Recommendation
 - 1) Authorize filing protest of San Diego Gas & Electric Expedited Application 20-07-____, Under the Power Charge Indifference Adjustment Account Trigger Mechanism.
 - 2) Authorize filing motion for party status of San Diego Gas & Electric 2021 ERRA Application 20-04-014.
 - 3) Direct staff to bring a draft Policy on Delegation of Authority to CEO Regarding Regulatory and Legislative Matters to the Board for consideration.

Item 3: Clean Energy Alliance Regulatory Update

- Report from Special Counsel Ty Tosdal
- Board Discussion

Item 4: Clean Energy Alliance Community Advisory Committee Timeline

Barbara Boswell, Interim Chief Executive Officer

Item 4: Community Advisory Committee

- Recommendation
 - Review, Discuss and Approve Community Advisory Committee Timeline

Item 4: Community Advisory Committee

- Background
 - July 16, 2020 CEA Board reviewed & Approved Community Advisory Committee
 - Requested Timeline to return for discussion

Item 4: Community Advisory Committee

PROPOSED TIMELINE:

TASK	DATE
Open Application Process	August 3, 2020
CEA Board Approve Initial CAC Workplan & Meeting Schedule	August 20, 2020
Applications due to CEA Board Secretary	August 28, 2020
Applications distributed to CEA Board Member	September 4, 2020
CEA Board Member Application Review & Evaluation	September 7 – October 2
CEA Board Meeting Review Recommendations & Approve Appointees	October 15, 2020
First Meeting of CAC	November/December 2020

Timeline accommodates for CAC to Work on Customer Outreach & Marketing

Item 4: Community Advisory Committee Timeline

Board Discussion

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

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

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

- Recommendation
 - Review, Provide Input & Approve CEA Inclusive & Sustainable Workforce Policy

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

- Background
 - May 7, 2020 CEA Board provided input & direction to staff to bring an Inclusive & Sustainable Workforce Policy to Board for consideration.
 - July 16, 2020 Draft Policy presented to Board for Consideration.
 - Board requested the approval action to be considered at special meeting.

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

- Two edits on current draft:
 - Page 2 - Updating language in the Non-Discrimination Pledge Section to require in its contracts with suppliers that the suppliers will not discriminate;
 - Page 3 - Deleting the specific licenses in the CEA Power Purchase Agreements with Third Parties Section

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

Board Discussion
