

Clean Energy Alliance
JOINT POWERS AUTHORITY

Regular Board Meeting
August 20, 2020, 2 p.m.
Hosted by the City of Solana Beach

Item 2: Clean Energy Alliance Interim Chief Executive Officer & Regulatory Affairs Update

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

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- Recommendation
 - Receive & file CEA Interim Chief Executive Officer Report
 - Receive & file CEA Regulatory Affairs Update Report

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- CEA Launch Schedule
 - San Diego Gas & Electric Billing Replacement Delay
 - CEA working with SDG&E to determine amended launch schedule
 - Potential 2-phased approach
 - May 2021 – SEA transition to CEA & select “non-complex” accounts
 - June 2021 – all remaining accounts
 - Staff working with SDG&E, Calpine & Pacific Energy Advisors to determine customer mix that minimizes risk of billing issues, and impact to CEA financial results

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- Communications & Marketing RFP Results
 - May 21, 2020 Board Authorized RFP
 - Scope of Work
 - Community outreach and stakeholder engagement
 - CEA branding, design, messaging and identity
 - Website update, content development related to CEA implementation and maintenance
 - Regulatory required noticing, marketing and advertising campaign
 - Media relations and public affairs
 - Project management/performance metrics

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- Eleven proposals received
 - Proposals evaluated based on:
 - Experience & Qualifications
 - Approach to performance of scope of work
 - Project costs
 - Four firms short-listed invited to interview
 - Top two firms references were checked

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- Tripepi Smith selected through this evaluation process
 - Experience performing similar work for new CCAs
 - Firm focus on local government communications & marketing
 - Contract cost is within CEA Interim Chief Executive Officer authority of \$100,000 and within FY 2020/21 approved budget
- Tripepi Smith team available for Board introduction and questions

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

- Regulatory Affairs Update – Ty Tosdal, Tosdal APC
 - SDG&E Trigger Application (A.20-07-009)
 - SDG&E ERRA Proceeding (A.20-04-014)
 - Integrated Resource Planning (R.20-05-003)

Item 2: Clean Energy Alliance Interim CEO & Regulatory Affairs Update

Board Questions/Discussion

Item 3: Clean Energy Alliance Integrated Resource Plan

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

Item 3: CEA Integrated Resource Plan

- Recommendation
 - Adopt Resolution Approving CEA Integrated Resource Plan

Item 3: CEA Integrated Resource Plan

- Background
 - 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 are 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 3: CEA Integrated Resource Plan

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 3: CEA Integrated Resource Plan

- CEA Board Determination regarding
 - CEA's Preferred Conforming Portfolios
 - Achieves economic, reliability, environmental, security and other benefits consistent with Utilities Code Section 454.52
 - Includes a diversified procurement portfolio consisting of short-term and long-term electricity and electricity-related and demand reduction products
 - Achieves Resource Adequacy requirements
 - Consistent with the procurement timing, resource mix and operational attributes of 38MMT RSP And 46MMT RSP

Item 3: CEA Integrated Resource Plan

- CEA Preferred Conforming Portfolios
 - 38 MMT Preferred Conforming Portfolio
 - 82% renewable energy content by 2030, reflecting progress toward 100% goal by 2035
 - 5% large hydro energy
 - 13% system energy
 - 46 MMT Preferred Conforming Portfolio
 - 74% renewable energy content by 2030 (limited to meet GHG benchmark)
 - 26% system energy

Item 3: CEA Integrated Resource Plan

- Planned Capacity Resources
 - 150/75 MW of new solar + storage
 - 75 MW of new wind
 - 7 MW of new long duration storage
 - 117 MW of existing resource adequacy capacity needed to meet reliability obligations
- New CEA resource additions may be adapted in future IRP processes to the extent actual procurement differs from noted projections

Item 3: CEA Integrated Resource Plan

- IRP narrative developed based on template consistent with CCAs throughout state
- Meets Utilities Code requirements
- Reflects State benchmarks and resources build-out forecasts
- Will be filed by due date of September 1, 2020

Item 3: CEA Integrated Resource Plan

Board Discussion

Item 4: Clean Energy Alliance Credit Solution Update

Barbara Boswell, Interim Chief Executive Officer

Item 4: Clean Energy Alliance Credit Solution Update

- Recommendation
 - Authorize Interim Chief Executive Officer to execute \$400,000 Promissory Note with Calpine Energy Solutions to provide operational funding through February 2021, subject to General Counsel Approval
 - Direct Interim Chief Executive Officer to continue to work towards a credit solution for remaining CEA start-up funding needs and to return with options at the November 19, 2020 CEA Board Meeting

Item 4: Clean Energy Alliance Credit Solution Update

- Background
 - June 18, 2020 Board considered credit solution options
 - Funding Needed for FY 20/21 through start-up:

Funding for FY 20/21 Operating Budget	\$	1,000,000
Repayment of initial Member Advances		450,000
CAISO Deposit		500,000
Lockbox Reserves & Cash flow		2,500,000
Total Funding Needed	\$	<u>4,450,000</u>

- Board considered two options: River City Bank (RCB) and JP Morgan
 - Selected RCB as option to initially pursue

Item 4: Clean Energy Alliance Credit Solution Update

- RCB Option
 - Requires Security for \$2.5M of credit line
 - Board directed staff contact Member Agencies regarding possibility of providing the loan guaranty
 - Pro-rata share of guaranty based on load:

AGENCY	% OF LOAD	PRO-RATA SHARE
Carlsbad	90%	\$ 2,250,000
Del Mar	3%	\$ 75,000
Solana Beach	7%	\$ 175,000

Item 4: Clean Energy Alliance Credit Solution Update

- July 8 Solana Beach Approved Loan Guaranty
- July 20 Del Mar Approved Loan Guaranty
- July 14 Carlsbad considered loan guaranty and alternative option of providing the credit solution
- July 28 Carlsbad City Council considered possible terms of CEA financing – did not approve financing or the guaranty

Item 4: Clean Energy Alliance Credit Solution Update

- Carlsbad City Council cited concerns regarding
 - Uncertainty regarding launch schedule
 - Resolution expected late August/Early September
 - SDG&E ERRA Rate Proceeding & Impact to CEA Rates
 - Impacts known November
 - SDG&E Trigger Application & Impact to CEA
 - Impacts known September

Item 4: Clean Energy Alliance Credit Solution Update

- Credit Solution options:
 - Continue to Pursue RCB guaranty options from other sources
 - Begin working with JP Morgan for its credit solution
 - Loan from Calpine Energy Solutions for FY 20/21 Operational Budget Needs
 - Option up to \$650,000

Item 4: Clean Energy Alliance Credit Solution Update

- Staff recommends executing loan with Calpine in the amount of \$400,000 to fund operations through February 2021:

Professional Consulting Services	\$ 98,000
Technical Consulting Services	118,000
Legal Services	115,000
CalCCA Membership Dues	15,000
Balance due on CCA Bond	47,000
Operational costs through Feb 2021	\$ 393,000

Item 4: Clean Energy Alliance Credit Solution Update

- Calpine Loan Terms:
 - Interest 1-Month LIBOR plus 2% on date funds deposited
 - Libor on 8/14/20 was .1515%
 - Repayment in twelve equal installments beginning 90-days after CEA begins serving customers
 - No recourse to Member Agencies
- Provide funding for operational costs while current areas of concern are resolved

Item 4: CEA Credit Solution

Board Discussion

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

Barbara Boswell, Interim Chief Executive Officer

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 23, 2020 CEA Board considered draft Inclusive & Sustainable Workforce policy
 - Recommendations submitted to Board by IBEW 569
 - Directed staff to bring draft Policy back to CEA Board at next meeting.

Item 5: Clean Energy Alliance Inclusive & Sustainable Workforce Policy

Board Discussion

Item 6: Clean Energy Alliance Community Advisory Committee Work Plan

Barbara Boswell, Interim Chief Executive Officer

Item 6: CEA Community Advisory Committee Work Plan

- Recommendation:
 - Review, provide input and approve CEA Community Advisory Committee Scope of work and desired outcome for CAC work plan.

Item 6: CEA Community Advisory Committee Work Plan

- Background:
 - July 16, 2020 – CAC Policy Approved
 - July 23, 2020 – CAC Timeline Approved
 - August 3, 2020 – CAC Applications Period Opened
 - August 28, 2020 – Applications due to Board Secretary
 - October 15, 2020 – Board to discuss & Approve Appointees
 - November/December – CAC First Meeting

Item 6: CEA Community Advisory Committee Work Plan

- Scope of Work Identified at May 7, 2020 Special Meeting:
 - Community Outreach
 - Social Equity Issues
 - CEA Program Review for meeting CEA goals of equity & innovation
 - Monitoring Climate Action Plan Goals
 - Play role in strategic plan process
- Further refine scope of work
- Board desired outcomes for scope of work

Item 6: CEA Community Advisory Committee Work Plan

Board Discussion

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Services

Barbara Boswell, Interim Chief Executive Officer

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Recommendation
 - Authorize Interim Chief Executive Officer to execute agreement with Pacific Energy Advisors to provide Portfolio Management Services, through June 30, 2023, for an amount not to exceed \$120,000, subject to General Counsel approval.

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Background
 - May 21, 2020 Board authorized issuance of RFQ for Portfolio Manager and Scheduling Coordinator Services
 - May 26, 2020 – RFQ Issued
 - June 17, 2020 – Responses Due

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Scope of Work
 - Task 1 – Portfolio Manager
 - Portfolio Management Strategy
 - Energy Risk Management Policy Development
 - Power Procurement
 - Policy and Program Development
 - Other Services offered by Responder
 - Task 2 – Scheduling Coordinator Services
 - Scheduling of Load into CAISO
 - Congestion Revenue Rights Management

Item 7: Clean Energy Alliance

Award RFQ #2020-004 Portfolio Manager Svcs

- Responders could propose either or tasks
 - Task 1: Portfolio Manager – 4 Responses
 - Task 2: Scheduling Coordinator – 4 Responses
- Proposals were evaluated and short list developed
- Firms interviewed from short list
- Task 2 continues to be evaluated

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Task 1 Short List

FIRM	NOT TO EXCEED AMOUNT	NOTES
Pacific Energy Advisors	\$100,000 FY 20/21 \$120,000 FY 21/22 & FY 22/23	Additional services added: Rate Setting Reporting included Monthly EIA and Quarterly QFER, and Joint Rate Comparison Preparation
The Energy Authority	\$103,000 FY 20/21 \$198,000 FY 21/22 & FY 22/23	
ZGlobal	\$69,100 FY 20/21 \$82,920 FY 21/22 & FY 22/23	

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Pacific Energy Advisors Recommended
 - Expertise in providing services
 - Additional value of services Added
 - Focus on supporting CCA programs
 - Cost effectiveness of proposal
 - Positive experience with PEA providing existing Scope of Services to CEA
- Pacific Energy Advisors available for Board questions/comments

Item 7: Clean Energy Alliance Award RFQ #2020-004 Portfolio Manager Svcs

- Scheduling Coordinator Services Recommendation anticipated for September 17, 2020 Board meeting

Item 7: CEA Award RFQ #2020-004 Portfolio Manager Svcs

Board Discussion

Item 8: Clean Energy Alliance Interim Treasurer

Barbara Boswell, Interim Chief Executive Officer

Item 8: Clean Energy Alliance Interim Treasurer

- Recommendation
 - Authorize Interim Chief Executive Officer to execute agreement with Marie Berkuti to provide Interim Treasurer Services, through June 30, 2021, for an amount not to exceed \$10,000, subject to General Counsel approval.

Item 8: Clean Energy Alliance Interim Treasurer

- Background
 - Section 5.4 of CEA Joint Powers Agreement requires Board Appoint Treasurer/Chief Financial Officer & Auditor
 - November 4, 2019 CEA Board appointed Marie Berkuti, City of Solana Beach Finance Director Treasurer as CEA Interim Treasurer
 - Ms. Berkuti is retiring from City of Solana Beach September 2020

Item 8: Clean Energy Alliance Interim Treasurer

- Inquiry of Member Agencies regarding providing Interim Treasurer Services
 - Current workloads don't allow the bandwidth
- Ms. Berkuti is available to continue to provide services on contractual basis through June 30, 2021
- Funds available in CEA Approved Budget to cover
- Solana Beach would continue to provide accounting services (processing of invoice payments, internal control)
- Board to determine subsequent Treasurer fulfillment thought FY 21/22 budget process

Item 8: Clean Energy Alliance Interim Treasurer

Board Discussion
