

MINUTES

REGULAR MEETING of the Executive Committee of the
Clean Power Alliance of Southern California

Wednesday, May 18, 2022, 1:30 p.m.

Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Executive Committee conducted this meeting remotely.

CALL TO ORDER & ROLL CALL

Chair Mahmud called the meeting to order at 1:30 p.m. and Gabriela Monzon, Board Clerk, conducted roll call.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Beverly Hills	Julian Gold	Committee Member	Remote
Camarillo	Susan Santangelo	Committee Member	Remote
Los Angeles County	Sheila Kuehl	Vice Chair	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Sierra Madre	Robert Parkhurst	Committee Member	Remote
South Pasadena	Diana Mahmud	Chair	Remote
Ventura County	Linda Parks	Vice Chair	Remote
West Hollywood			Absent

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from April 20, 2022 Executive Committee Meeting

Motion: Director Parkhurst, Sierra Madre
Second: Director Zuckerman, Rolling Hills Estates
Vote: Item 1 was approved by a roll call vote.

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1.

Nancy Whang, General Counsel, reported that no reportable action was taken.

REGULAR AGENDA

3. Oral Update from the Chief Executive Officer on CPA Operations

Ted Bardacke, CEO, provided a presentation on the Financial Security Requirement (FSR) that all Community Choice Aggregations (CCAs) are required to post. The FSR amount is recalculated every six months using updated power prices with a minimum posting of \$147,000. Mr. Bardacke indicated there was a historic surge in forward power prices right before Southern California Edison (SCE) calculated the new FSR which led to an extreme rise in the FSR amount for CCAs in SCE territory. Unless the amount is recalculated using a more favorable methodology, or the Advice Letter is suspended by the California Public Utilities Commission (CPUC), CPA must post \$97 million by July 1. CPA staff is working closely with CalCCA on both regulatory and financial approaches. Mr. Bardacke noted that additional June 2 Board meeting agenda item(s) will request one or more authorizations to execute a surety bond and/or increase J.P. Morgan facility should regulatory efforts be unsuccessful.

Responding to Committee Member Zuckerman's question, staff noted that it is still evaluating several options for handling the FSR but will include interest rates in the proposed budget for both the surety bond and the JPM credit facility. Vice Chair Kuehl asked how staff is working with the CPUC to address the issue and how cities may participate in strategic communication. CalCCA and CPA staff have initiated conversations with the CPUC to communicate alternative solutions, including an alternative interpretation for reprieve from the CPUC that could result in the reduction or elimination of the required posting in this cycle. The POLR proceeding is a more long-term approach that may modify the FSR favorably. Staff will almost certainly be filing a protest on May 31st, at which point it may be possible that member agencies will be asked to participate in outreach efforts. Committee Member Gold expressed a preference to be financially ready for any regulatory outcome.

4. Review Draft Agenda for June 2, 2022 Board of Directors Meeting

Mr. Bardacke reviewed the consent agenda, including the Community Advisory Committee (CAC) appointments and reappointments and bill positions. Mr. Bardacke indicated there will be a staff report on the Senate energy package if the Committee decides to take a position. Committee Member Parkhurst and Vice Chair Parks expressed gratitude for Committee Member Zuckerman's question posed during Lobby Day. Mr. Bardacke reviewed several items on the regular agenda, including the approval of the rates and the election of at-large Executive Committee positions; the nominations for which remain open until the end of the week.

5. Review Draft Fiscal Year 2022/2023 Budget

Mr. Bardacke noted a few budget items yet to be finalized before the Finance Committee receives the formal proposed budget, including staffing/cost-of-living adjustments, General and Administrative increases, and assumption of bad debt. In response to Committee Member Zuckerman's questions regarding communication increases, Mr. Bardacke clarified that the increase in the budget item for customer mailers is directly related to upcoming default changes and about 300,000 customers changing to 100% Green in October; communications consultants are needed for additional marketing and outreach in the eight jurisdictions changing some or all of their default rates; the budget item for CPA's website reflects ongoing costs, but the current overhaul of the website is being paid for with capital expenses.

6. Presentation on the 2022 Integrated Resource Plan (IRP) and Rate Product Discussion

This presentation was deferred and will be presented to the Energy Committee at its Wednesday, May 25, meeting.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Mahmud adjourned the meeting at 3:30 p.m.