

Board of Directors Meeting Agenda

June 24, 2021, 2 p.m.

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/>

or

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

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

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held May 27, 2021

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

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

New Business

Item 2: Clean Energy Alliance Fiscal Year 21/22 Budget Adoption

RECOMMENDATION

Adopt Clean Energy Alliance Fiscal Year 21/22 Budget.

Item 3: Clean Energy Alliance Interim Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

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

Item 4: Elect Clean Energy Alliance Board Chair and Vice Chair for July 2021 - June 2022
Elect Clean Energy Alliance Board Chair and Vice Chair for July 2021 – June 2022.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

ADJOURN

NEXT MEETING: July 29, 2021, 2 p.m., 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.

**Clean Energy Alliance - Board of Directors
Meeting Minutes
May 27, 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 (CEA) 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: Chair Becker thanked staff on behalf of the member cities for their experience and guidance in launching CEA.

PRESENTATIONS

Clean Energy Alliance Flips the Switch! - Recognition of Clean Energy Alliance Launch – Video Presentation

Interim CEO Barbara Boswell expressed gratitude to the Board for their leadership and guidance and to the member cities for their support in launching CEA and bringing cleaner energy to the region and presented the Clean Energy Alliance Flips the Switch video in celebration of the launch.

PUBLIC COMMENT: None

APPROVAL OF MINUTES

Minutes of the Regular Meeting held April 22, 2021

**Motion by Vice Chair Bhat-Patel, second by Member Druker to approve the minutes of the regular meeting held May 27, 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 Setting Time and Place for Clean Energy Alliance Board Meetings July 2021 – June 2022

RECOMMENDATION

Adopt Resolution No. 2021-010 Setting Time and Place for Clean Energy Alliance Board Meetings July 2021 – June 2022.

Item 3: Approve Increase in Keyes & Fox Legal Services Agreement

RECOMMENDATION

Approve Increase in Keyes & Fox Legal Services Agreement from \$120,000 to a not to exceed amount of \$150,000 and authorize the Interim Chief Executive Officer to execute all documents, subject to General Counsel approval.

Motion by Chair Becker, second by Member Druker to approve the Consent Calendar.

Motion carried unanimously, 3/0.

New Business

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

RECOMMENDATION

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

Interim CEO Barbara Boswell gave an update highlighting Call Center activity; total participation of 95%; Green Impact Opt Up of 186 and no Opt Downs to Clean Impact; and customer outreach events noting initial meetings held with the Carlsbad Unified and Solana Beach School Districts to discuss partnering with the schools to develop rates specific to the school districts and the way they operate.

Ms. Boswell commented regarding the Western Community Energy CCE declaring a fiscal emergency and filing for Chapter 9. Ms. Boswell assured that CEA is not in the same position and has a very conservative Energy Risk Management Policy that is used to manage CEA portfolio and procurement and ensures compliance for sufficient energy procurement to meet CEA's needs.

Special Council Ty Tosdal updated the Board on the following regulatory affairs: AB 1139 Net Energy Metering (NEM) proceeding commenting that this bill eliminates grandfathering for customers who have been on any previous NEM tariff for more than 10 years; makes projects eligible for the new tariff after 2023 public works projects and imposes interconnection fees and wholesale new generation credits on the NEM tariff if the CPUC does not adopt a new tariff by February 2022. Mr. Tosdal commented regarding the NEM proceedings and the large number of proposals under consideration with utilities and solar developers on opposite ends of the spectrum. He commented that the Joint Investor Owned Utility proposal would default new NEM customers onto new Time of Use rates, set new export compensation and impose grids benefit charge commensurate to size of system and a customer charge to recover billing costs. The California Solar and Storage Association (CALSSA) would step down existing export compensation to 45% of retail based on capacity thresholds, provide full retail compensation for exports from low income, CARE and multi-family customers with no changes to commercial customers. This proposal also indicates monthly true ups would be appropriate. Solar developers are concerned rates could be structured in a way that customers would no longer see the benefit of solar and the demand would dissipate. A proposed decision is anticipated for end of year. Mr. Tosdal updated on PCIA Decision indicating that the Revised Proposed Decision lifts annual PCIA cap but leaves cap in place for SDG&E in 2021; adopts RPS but rejects RA and GHG-free allocation mechanisms and declines to address ERRA timing issues. Lastly, the CPUC issued a Proposed Decision recommending against further expansion of direct access.

Board questions and comments included inquiry regarding how AB 1139 might sync with California Legislature decision; CEA watch position; and when is the earliest benefit date to CEA if SB 612 passed.

Mr. Tosdal commented that the Legislature decision prevails over CPUC decision, and the Commission would have to restructure NEM program to accommodate and implement provisions of the bill. Regardless of the outcome there would be no direct impact on CCA rates. Regarding SB 612, 2023 would be the earliest benefit year but cap would be lifted in 2022.

CEA Board received reports received.

Item 5: Review Proposed Clean Energy Alliance Fiscal Year 21/22 Budget and Schedule Adoption for June 24, 2021

RECOMMENDATION

Review Proposed Fiscal Year 21/22 Budget and Schedule Adoption for June 24, 2021.

Interim CEO Barbara Boswell gave an overview of the CEA FY21/22 Budget and reviewed the additions recommended to the draft budget or a Program/Key Account Manager position and a Human Resources Consultant.

Board consensus to revisit the recommended additions in the fall when CEA has been operational for a few months and schedule budget adoption for June 24, 2021.

Item 6: Adopt Resolution Establishing Policy for Adding New Member Agencies to Clean Energy Alliance

RECOMMENDATION

Adopt Resolution No. 2021-011 Establishing Policy for Adding New Member Agencies to Clean Energy Alliance.

Interim CEO Barbara Boswell gave the presentation outlining the policy for adding new members to the CEA.

Board comments and questions included estimates for startup costs; policy of City of San Diego; possible viewed impediments for joining CEA; alternatives to consider for startup costs; and possible existing CALCCA policies that could be shared.

Ms. Boswell indicated that estimated start up cost is approximately \$50,000 which could be shared by all members joining at the same time and commented that she is not aware of a City of San Diego policy for adding new members.

Motion by Chair Becker, second by Member Druker, to adopt Resolution 2021-011 Establishing Policy for Adding New Member Agencies to Clean Energy Alliance.

Motion carried unanimously, 3/0.

Item 7: Approve Response to County of San Diego Requesting CCE Information

RECOMMENDATION

Approve response to County of San Diego requesting CCE information.

Interim CEO Barbara Boswell presented the item reviewing the request from the San Diego Board of Supervisors (BOS) to engage in discussion with Clean Energy Alliance and San Diego Community Power and return to the BOS in August 2021 with options and the response to the County.

Motion by Chair Becker, second by Member Druker, to approve response to the County of San Diego requesting CCE information.

Motion carried unanimously, 3/0.

Item 8: Approval of Agreement for the Procurement of Long-Term Renewable Power Supply with Shell Energy North America

RECOMMENDATION

Authorize the Interim Chief Executive Officer to execute a power purchase agreement with Shell Energy North America for the procurement of long-term renewable power supply, subject to Special Transactions Counsel approval.

Interim CEO Barbara Boswell gave an overview of SB 350 and indicated that the transfer of Solana Energy Alliance (SEA) customers to CEA would also transfer the 65% of state mandated renewable energy standards since SEA served customers through May 2021. SEA selected Shell Energy North America to fulfill the requirement and execution of the agreement ensures compliance with SB 350. Ms. Boswell also commented that the agreement is consistent with CEA Goals and sufficient revenue will be generated to pay costs through the term of the contract at CEA's current rates.

Board comments and questions included: what percent of the long-term renewable energy would be procured for SEA/CEA needs; this agreement currently covers SEA renewable requirements and future contracts to cover CEA minimum renewable requirements of 39% of total energy with the state mandated 65% of the 39% in long-term contracts of 10 years or more for the current compliance period; and the need for CEA to focus on developing more local renewable options from small and mid-size clean energy companies.

Ms. Boswell commented that the agreement fulfills all the renewable requirements for SEA customers and that approximately 15 to 20% of CEA's long-term renewable contracting requirements continue to be negotiated with other suppliers.

Motion by Member Druker, second by Chair Becker, to authorize the Interim Chief Executive Officer to execute a power purchase agreement with Shell Energy North America for the procurement of long-term renewable power supply, subject to Special Transactions Counsel approval.

Motion carried 2/1 with Member Bhat-Patel voting no.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: The Board requested that the subject of returning to in-house meetings be placed on the July agenda.

ADJOURN: Chair Becker adjourned the meeting at 3:26 pm.

NEXT MEETING: June 24, 2021, 2 p.m., hosted by Carlsbad (Virtual Meeting)

Susan Caputo, MMC
Interim Board Clerk



Staff Report

DATE: June 24, 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 May 2021.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through May 31, 2021:

- Statement of Financial Position – Reports assets, liabilities, and financial position of the CEA as of May 31, 2021.
- Statement of Revenues, Expenses and Changes in Net Position for the eleven months ended May 31, 2021.
- Budget to Actuals Comparison Schedule – Reports actual revenues and expenditures compared to the amended budget as of May 31, 2021.
- Budget Reconciliation to Statement of Revenues, Expenses and Changes in Net Position
- List of Payments Issued – Reports payments issued for May 2021.

As of May 31, 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.

MAY 31, 2021 REPORTS

STATEMENT OF FINANCIAL POSITION

**CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of May 31, 2021**

ASSETS

Current Assets

Cash Operating Account	\$ 514,868.24
Lockbox Account	100,000.00
A/R Customers	1,226.31
A/R Miscellaneous	154,298.42
	770,392.97

Total Current Assets

Noncurrent Assets

Deposits	
CCA Bond	147,000.00
CAISO Collateral Deposit	500,000.00
SDG&E Collateral Deposits	585,000.00
	1,232,000.00

Total Noncurrent Assets

Total Assets

1,232,000.00
2,002,392.97

LIABILITIES

Current Liabilities

Accounts Payable	115,598.84
Accrued Liabilities	16,552.00
Refundable Deposits	75,000.00
Electric Energy Surcharge	8.28
NEMS Liability	15.65
	207,174.77

Total Current Liabilities

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	4,500,000.00
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Total Noncurrent Liabilities

Total Liabilities

5,004,017.45
5,211,192.22

NET POSITION

Unrestricted (deficit)	(3,208,799.25)
Total Net Position	\$ (3,208,799.25)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

CLEAN ENERGY ALLIANCE	
STATEMENT OF REVENUES, EXPENSES	
AND CHANGES IN NET POSITION	
For the eleven months ended May 31, 2021	
Operating Revenues	<u>\$ 1,218.03</u>
Operating Expenses	
Power Supply	\$ 1,871,916.07
Professional Services	913,013.74
Print/Mail Services	64,240.74
Membership Dues	15,444.00
Advertising	8,108.51
Website Maintenance	204.00
Insurance	5,569.38
Bank Fees	985.00
Subscriptions/Publications	399.00
Miscellaneous G&A	4,847.24
NEM Expense	15.65
Total Operating Expenses	<u>2,884,743.33</u>
Operating Income (Loss)	<u>(2,883,525.30)</u>
Non-Operating Expenses	
Interest Expense	<u>(46,589.58)</u>
Change in Net Position	(2,930,114.88)
Net Position at beginning of period	<u>(278,684.37)</u>
Net Position at end of period	<u>\$ (3,208,799.25)</u>

BUDGET TO ACTUALS COMPARISON SCHEDULE

CEA received its first customer revenue in May 2021! The amount, \$1,218.03, represents revenue from 340 accounts transferred to CEA and then closed in May.

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. A second drawdown was made on May 1, 2021 in the amount of \$1.5MM.

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, \$3,663,332.91 has been expended, leaving \$9,949,167.09.

The Budget to Actuals Comparison Schedule is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGET TO ACTUALS COMPARISON SCHEDULE
For the eleven months ended May 31, 2021

	AMENDED BUDGET	ACTUALS	VARIANCE
Operating Revenues			
Energy Sales	\$ 8,000,000.00	\$ 1,218.03	\$ 7,998,781.97
Total Operating Revenue	8,000,000.00	1,218.03	7,998,781.97
Operating Expenses			
Power Supply	8,000,000.00	1,871,916.07	6,128,083.93
Professional Services			
Administrative	120,000.00	135,811.02	(15,811.02)
Accounting	10,000.00	20,504.80	(10,504.80)
Legal	320,000.00	384,648.45	(64,648.45)
Technical	198,200.00	242,302.25	(44,102.25)
Data Manager	130,200.00	19,900.00	110,300.00
Marketing	102,238.00	93,289.72	8,948.28
Audit	40,000.00	8,000.00	32,000.00
Other	9,562.00	8,557.50	1,004.50
Total Professional Services	930,200.00	913,013.74	17,186.26
Print/Mail Services	132,000.00	64,240.74	67,759.26
SDG&E Service Fees & Deposit	83,800.00	-	83,800.00
Membership Dues	15,000.00	15,444.00	(444.00)
Advertising	10,000.00	8,108.51	1,891.49
Website Maintenance	2,500.00	204.00	2,296.00
Insurance	-	5,569.38	(5,569.38)
Bank Fees	-	985.00	(985.00)
Subscriptions/Publications	-	399.00	(399.00)
Miscellaneous G&A	-	4,847.24	(4,847.24)
NEM Expense	-	15.65	(15.65)
Total Operating Expenses	9,173,500.00	2,884,743.33	6,288,756.67
Operating Income (Loss)	(1,173,500.00)	(2,883,525.30)	1,710,025.30
Non-Operating Expenses			
Interest Expense	10,000.00	46,589.58	(36,589.58)
Other Sources and Uses			
Sources			
JPMorgan Revolving Credit Agreement	5,000,000.00	4,500,000.00	500,000.00
Calpine Promissory Note	650,000.00	-	650,000.00
Total Sources	5,650,000.00	4,500,000.00	1,150,000.00
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	3,768,000.00	(2,547,000.00)
Net Increase (Decrease) in Available Fund Balance	\$ 37,500.00	\$ 837,885.12	\$ (800,385.12)
-			
Total Operating and Non-Operating Expenses and Uses of Funds	\$ 13,612,500.00	\$ 3,663,332.91	\$ 9,949,167.09

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 eleven months ended May 31, 2021**

Net Increase (Decrease) in Available Fund Balance per Budgetary Comparison Schedule	\$ 837,885.12
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	(4,500,000.00)
Add back:	
Collateral Deposits-SDG&E	585,000.00
CCA Bond(Financial Security Reqmt-FSR)	147,000.00
Change in Net Position	<u>\$ (2,930,114.88)</u>

LIST OF PAYMENTS ISSUED

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

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

Date	Via	Vendor	Description	Amount
05/03/21	WIRE	JPMorgan	6-Apr-2021 5-May-2021 30 days \$3,000,000 3.700000%	\$ 9,250.00
05/03/21	WIRE	JPMorgan	1-Apr-2021 3-May-2021 33 days \$1,500,000 3.700000%	5,087.50
05/03/21	ACH	OneStream Networks, LLC	March Telephone	132.37
05/03/21	ACH	USPS	04/29/21 Mailing	153.09
05/05/21	ACH	Neyenesch Printers	Statement	2,694.52
05/06/21	WIRE	JPMorgan	3-Feb-2021 31-Mar-2021 57 days \$3,000,000.00 2.150000% (un	10,212.50
05/07/21	ACH	USPS	05/05/21 Mailing	2,013.52
05/17/21	WIRE	Direct Energy	April 2021 PWR-CAP	157,000.00
05/17/21	WIRE	SDG&E	April 2021 RA Sales	623,733.00
05/17/21	ACH	The Coast News Group	TCN AD	465.00
05/17/21	ACH	The Coast News Group	TCN AD	465.00
05/17/21	ACH	Tullett Prebon Americas Corp	01/15/21 Brokers Fee (Direct Energy)(Invoice Date 01/31/21)(a	1,237.50
05/17/21	ACH	Tripepi, Smith & Associates, Inc.	Apr 2021 Retainer	9,223.75
05/17/21	ACH	Bolt Energy Marketing, LLC	April 2021 Invoice Resource Adequacy Confirmation Letters	74,750.00
05/17/21	ACH	USPS	05/13/21 Mailing	1,940.76
05/24/21	ACH	Keyes & Fox LLP	Apr ERRA Forecast Counsel Services	1,894.50
05/24/21	ACH	Tosdal APC	Apr 2021 Regulatory Counsel Svcs	5,919.30
05/24/21	ACH	Bayshore Consulting Group, Inc	Apr CEO/Clerk Services	19,464.98
05/24/21	ACH	OneStream Networks, LLC	April Telephone	328.96
05/24/21	ACH	Neyenesch Printers	Statement	8,536.14
05/24/21	ACH	Pacific Energy Advisors, Inc	Apr 2021 Technical Consulting Svcs	23,600.00
05/24/21	ACH	Richards, Watson & Gershon	March General Counsel Services	2,666.50
05/24/21	ACH	Tripepi, Smith & Associates, Inc.	Apr 2021 Video Shoot/General Acct Support	2,737.50
05/24/21	ACH	Hall Energy Law PC	Apr 2021 Energy Procurement Counsel Svcs	4,105.50
05/25/21	ACH	USPS	05/24/21 Mailing	3,402.94
			Total May Payments	<u>\$ 971,014.83</u>

FISCAL IMPACT

There is no fiscal impact associated with these items.



Staff Report

DATE: June 24, 2021
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 2: Adopt Clean Energy Alliance Fiscal Year 21/22 Budget

RECOMMENDATION

Adopt Clean Energy Alliance Fiscal Year 21/22 Budget.

BACKGROUND AND DISCUSSION

At its regular meeting May 27, 2021, the Clean Energy Alliance (CEA) Board reviewed the draft Fiscal Year 21/22 budget. The Board provided input to the budget related to postponing the addition of a Program/Key Account Manager position and Human Resources Consultant. These items will be brought to the Board in the fall for discussion and consideration.

The proposed Fiscal Year 21/22 budget represents the first full fiscal year of operations for Clean Energy Alliance (CEA) and provides funding for a full year of power supply, on-going regulatory compliance requirements, professional, and legal services required to support operations.

Assumptions used to develop the proposed budget are:

- Revenue based on 7% opt out rate – current opt out rate under 5%
- **Power supply costs based on actual executed contracts and April forward price curves**
- Consulting services based on approved contracts
- Reserves to achieve minimum 5% of FY 20/21 and 21/22 revenues

Sufficient revenues are projected to cover costs based on the current assumptions. Energy forward price curves have been increasing, driven by concerns about summer reliability, impacts of the Texas winter events on gas prices, low California water reservoir levels and Diablo Canyon Unit 2 concerns. Should this trend continue, CEA rates would need to be adjusted to reflect the increased costs. Staff continues to monitor the market and anticipates bringing forward a market update in the fall, along with an update on San Diego Gas & Electric 2022 rates proceedings.

The proposed budget is shown below:

**Clean Energy Alliance
 FY 20/21 Estimates and FY 21/22 Proposed Budget**

	FY 20/21 Estimates		FY 21/22 Summary
REVENUE			
Energy Sales Revenue	\$ 6,700,000		\$ 53,573,000
Funds provided by Financing	\$ 5,650,000		
TOTAL REVENUE	\$ 12,350,000		\$ 53,573,000
EXPENDITURES			
Power Supply	\$ 8,150,000		\$ 48,700,000
Data Management/Call Center	\$ 130,200		\$ 811,000
Staffing/Consultants	\$ 180,612		\$ 235,700
Legal Services	\$ 432,660		\$ 510,000
Professional Services	\$ 420,678		\$ 848,600
Audit Services	\$ 8,000		\$ 25,000
Software & Licenses	\$ 3,230		\$ 9,100
CCA Bond	\$ 47,000		
CAISO Fee	\$ 505,000		
Memberships & Dues	\$ 15,444		\$ 116,000
Printing	\$ 32,266		\$ 12,000
Postage	\$ 53,985		\$ 31,100
Advertising	\$ 7,320		\$ 15,000
Insurance	\$ 5,569		\$ 7,000
Bank Fees	\$ 985		\$ 2,000
Miscellaneous	\$ 8,386		
Debt Service	\$ 713,665		\$ 225,000
Cash Collateral Deposits	\$ 585,000		
TOTAL PROJECTED BUDGET	\$ 11,300,000		\$ 51,547,500
Net Results of Operations	\$ 1,050,000		\$ 2,025,500
Beginning Fund Balance			1,050,000
Ending Fund Balance			\$ 3,075,500

The proposed budget provides sufficient funds in reserves to achieve a 5.74% cumulative operating reserve.

FISCAL IMPACT

Revenue from energy sales to customers provides funding for the proposed expenditures.

ATTACHMENTS

None



Staff Report

DATE: June 24, 2021

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer

ITEM 3: 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 began serving customers in May 2021 with final enrollments in June 2021.

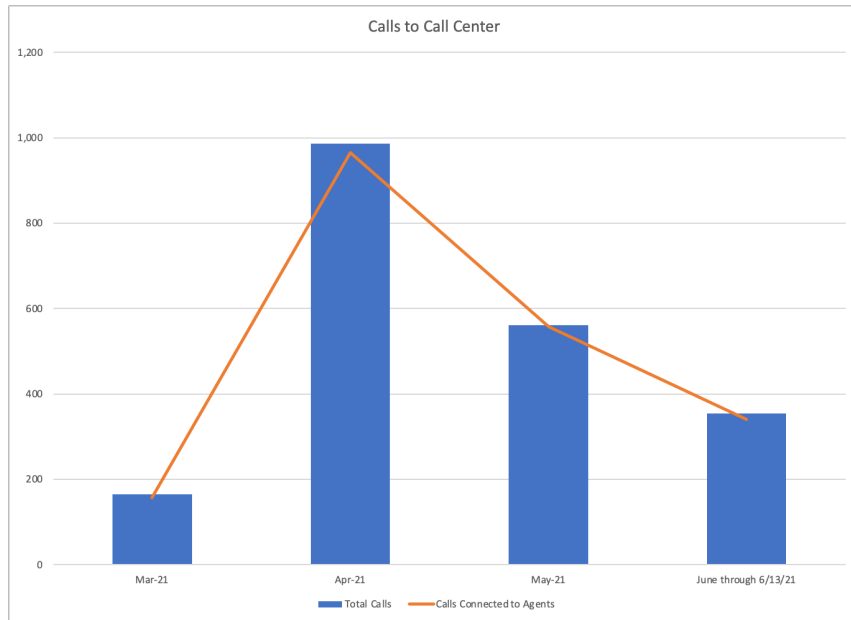
CEA Launch Update

As of this meeting date, CEA will have completed enrollments of its customers, with the final customers enrolling through the end of June.

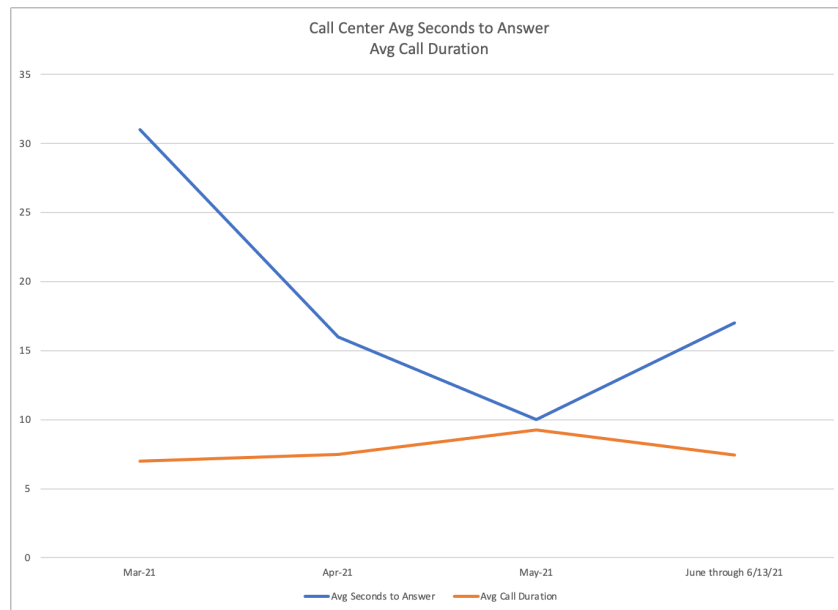
Customers receive two final notices after enrollment, one 30-day post enrollment and the final 60-day post enrollment. Once this period has concluded, customers may still opt-out should they choose, however, they are subject to San Diego Gas & Electric's (SDG&E's) one-time re-entry fee (currently \$1.12), will be required to stay with SDG&E a minimum of 12-months before they can come back to CEA and either need to provide SDG&E with a 6-month notice that they want to return to SDG&E or be placed on SDG&E's transitional bundled rate.

Call Center Activity

Calls to CEA's call center have seen a drop-off since its peak in April 2021 as reflected below:

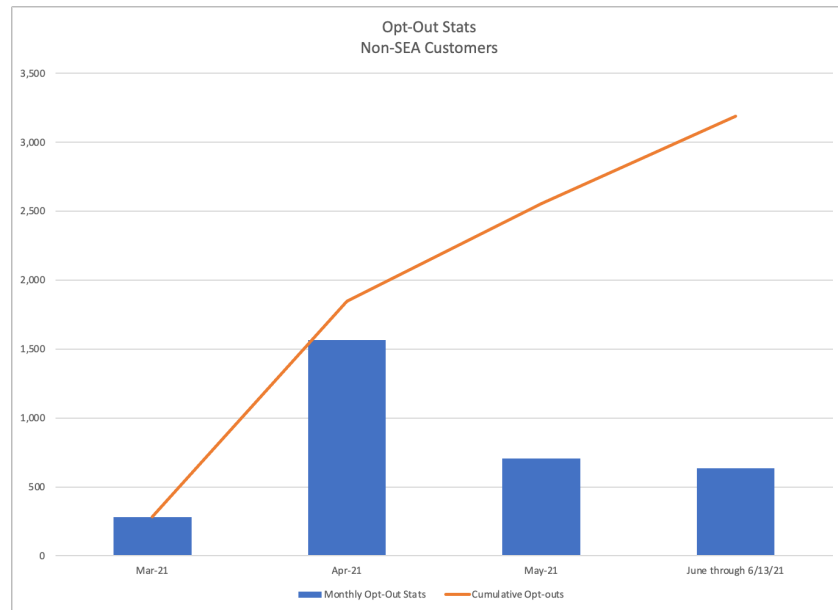


This trend is to be expected as CEA moves through the noticing periods and enrollment phases.



Calls are being answered within 17 seconds on average, with an average duration of approximately 7 minutes.

The chart below reflects the monthly opt-out requests and cumulative opt-outs for the non-Solana Energy Alliance Customers (include customers departing SDG&E service in Carlsbad and Del Mar).



CEA's overall participation rate, taking into account customers that transferred from Solana Energy Alliance to CEA service, is 93.89%.

CEA has seen 124 customers opt up to Green Impact, 100% renewable energy. In reviewing statistics, we have found 55 customers have opted down to Clean Impact to date.

CEA Communications and Marketing Update

CEA was invited to present to the Electric Vehicle Association of San Diego, which was very well received by the group.

Return to In-Person Board Meetings

Governor Newsom's Executive Order N-29-20 temporarily amended the Brown Act to allow public agencies to hold remote meetings without in-person public participation since last March. With the Governor's Beyond the Blueprint plan to reopen California, as well as Executive Order N-08-21, Executive Order N-29-20 will be lifted on September 30, 2021. CEA's in-person Board meetings would resume with its regular meeting on October 28, 2021 scheduled to be hosted by the City of Del Mar. The Brown Act rules related to teleconference meetings will be back in effect. The Board could still meet remotely after September 30, but the agenda would need to identify the remote locations of each Board member, the public would have a right to participate in the meeting at the Board member's remote location, and an agenda would need to be timely posed at each remote location. Staff will coordinate with the member agencies regarding hosting the in-person CEA meetings.

Expansion of Clean Energy Alliance

Pursuant to CEA Board direction, CEA sent a response to the County of San Diego's letter inquiring about membership in CEA. Staff also prepared and sent a response to an inquiry from the City of Oceanside, who is also evaluating options related to community choice energy for its residents and businesses.

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.

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 A).

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

Attachment A – Tosdal APC Regulatory Update Report

Clean Energy Alliance Board Update

June 24, 2021

The logo for Tosdal Energy & Environmental Law is displayed on a yellow rectangular background. It features the name "TOSDAL" in a bold, dark blue, sans-serif font. A white circle is positioned between the "T" and "S". Below the name, the words "ENERGY & ENVIRONMENTAL LAW" are written in a smaller, dark blue, sans-serif font.

T • SDAL
ENERGY & ENVIRONMENTAL LAW

Ty Tosdal
Tosdal APC



Overview

- **Integrated Resource Plan (IRP)** ([R. 20-05-003](#))
- **Renewable Portfolio Standard (RPS)** ([R. 18-07-003](#))
- **Customer Bill Debt Due to Covid-19** ([R. 21-02-014](#))
- **Net Energy Metering (NEM)** ([R. 20-08-020](#))



Integrated Resource Plan: Proposed Decision

- The Proposed Decision orders 11,500 MW of additional procurement statewide for 2023 to 2026 to meet reliability needs.
- Requires specific resources, e.g., firm energy zero emissions product.
- Allocations are based on 2020 forecasts that are out of date.
 - CEA allocated 9 MW. SDG&E contends CEA should be allocated 62 MW.
- Resources are PCIA-eligible and predetermined to be 2020 vintage.



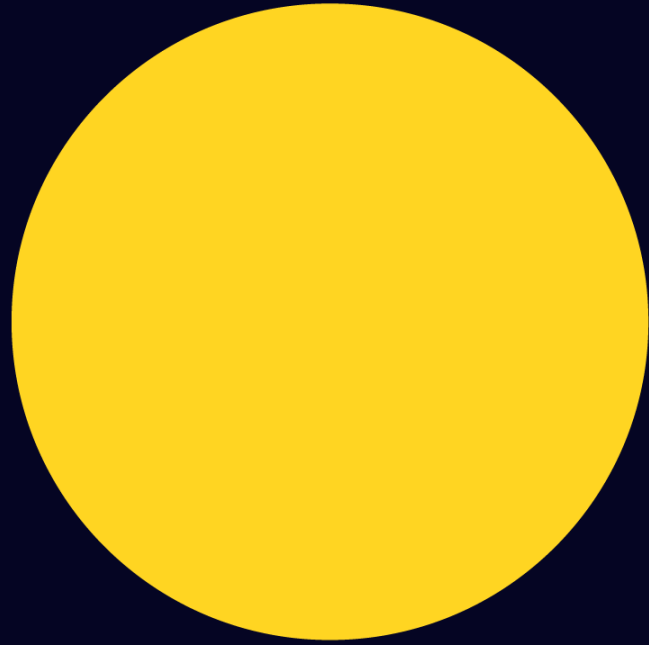
RPS: Resolution E-5143 Establishing Penalties

- Resolution E-5143 establishes new penalties for (1) failure to file a draft or final RPS plan, (2) failure to comply with RPS compliance reporting requirements, and (3) failure to respond to RPS-related data requests.
- Most violations are punishable by a \$500 fine, plus \$500 per day for the first 10 days a submission is late, and \$1,000 per day each day after.



Customer Bill Debt due to COVID-19: Proposed Decision

- Proposed Decision requires IOUs to adopt a 24-month amortization schedule for customers in arrears to pay balance.
- Customers eligible on basis of arrears, not any specific COVID-19 related showing.
- Participating customers may not be disconnected.
- Cost recovery questions.



Net Energy Metering

- AB 1139 failed to pass the Assembly.
- No major developments in NEM proceeding.
- Remaining procedural schedule:
 - July 26 – Evidentiary Hearings
 - August 27 – Opening Briefs
 - September 10 – Closing Briefs
 - December 10 or sooner – Proposed Decision



Staff Report

DATE: June 24, 2021
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Interim Chief Executive Officer
ITEM 4: Elect Board Chair and Vice Chair for Fiscal Year 2021/2022

RECOMMENDATION

The Board elect a Chair and Vice Chair for Fiscal Year 2021/22.

BACKGROUND AND DISCUSSION

Section 5.2 of the Clean Energy Alliance (“CEA”) Joint Powers Agreement (“JPA”) establishes the requirement for the Board to elect a Chair and Vice Chair from the Board of Directors for each fiscal year. The Chair and Vice Chair shall serve with no limit on the number of terms that can be held by the Chair or Vice Chair.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

None