CLEAN ENERGY ALLIANCE

AGENDA

Board of Directors Regular Meeting Agenda
May 26, 2022, 2:00 p.m.
City of Del Mar|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/UCGXJILzlTUJOCZwVGpYoC8Q
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. Written comments received up to an hour prior to the commencement of the meeting will be announced at the meeting and become part of the meeting record. 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

PUBLIC COMMENT

APPROVAL OF MINUTES
March 31, 2022, Regular Meeting
April 21, 2022, Special Meeting

Consent Calendar

Item 1: **Reconsideration 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
To continue meetings by teleconferencing pursuant to Government Code Section 54943(e), finding that: (1) the Board has reconsidered 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.

Item 2: **Clean Energy Alliance Treasurer's Report**

RECOMMENDATION
Receive and file Clean Energy Alliance Treasurer's Report for February and March 2022 activity.

Item 3: **Consider Resolution No. 2022-002 Setting Time and Place for Clean Energy Alliance Board Meetings July 2022 – June 2023**

RECOMMENDATION
Adopt Resolution No. 2022-002 Setting Time and Place for Clean Energy Alliance Board Meetings July 2022 – June 2023.

Item 4: **Approve Extension of Bayshore Consulting Group, Inc. Agreement through June 30, 2023, for Chief Executive Officer and Interim Board Clerk Services**

RECOMMENDATION
Approve extension of Bayshore Consulting Group, Inc. Agreement through June 30, 2023, for Chief Executive Officer and Interim Board Clerk Services for a total not to exceed amount $200,000 and a one-time Bonus of $10,000; and authorize the Board Chair to execute the agreement, subject to General Counsel approval.

Item 5: Approve Extensions of Professional Services Agreements for Fiscal Year 2022/23

RECOMMENDATION
Approve extensions of professional services agreements for Fiscal Year 2022/23 and authorize the Chief Executive Officer to execute the agreements, subject to General Counsel approval, for the following not to exceed amounts and terms:

Scope of Work	Consultant	Not to Exceed	Term
Special Counsel – Regulatory	Tosdal APC	$120,000	6/30/2023
Special Counsel – Energy Transactions	Hall Energy Law	$50,000	6/30/2023
Special Counsel – CPUC Proceedings	Keyes & Fox	$50,000	6/30/2023
Interim Treasurer/CFO	Marie Marron Berkuti	$10,000	8/31/2022
Marketing & Communications	Tripepi Smith	$150,000	6/30/23

Item 6: Consider Approval of Letter Regarding AB 2838 Taking Position of Oppose Unless Amended Related to Program Closure Costs of San Diego Gas & Electric's Green Tariff Shared Renewables (TSR) Known as EcoChoice

RECOMMENDATION
Approve Letter Regarding AB 2838 taking position of oppose unless amended related to program closure costs of San Diego Gas & Electric Green Tariff Shared Renewables (GTSR) program, known as EcoChoice.

Item 7: Consider Scheduling Special Meeting for June 23, 2022, for Purpose of Reconsideration 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
Schedule Special Clean Energy Alliance Board Meeting on June 23, 2022, for purpose of reconsideration 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).

New Business

Item 8: **Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update**

RECOMMENDATION
1) Receive and file Community Choice Aggregation Update Report from Chief Executive Officer.
2) Receive and file Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

Item 9: **Review Proposed Fiscal Year 2022/23 Budget and Schedule Adoption for June 30, 2022, Regular Board Meeting.**

RECOMMENDATION
Review proposed Fiscal Year 2022/23 Budget and schedule adoption for June 30, 2022, regular board meeting.

Item 10: **Receive Update and Assessment Report Related to the cities of Oceanside, San Clemente, and Vista Joining Clean Energy Alliance**

RECOMMENDATION
Receive update and assessment report related to the cities of Oceanside, San Clemente, and Vista joining Clean Energy Alliance.

Item 11: **Authorize Board Chair and Chief Executive Officer to Execute Agreement with Pattern SC Holdings for Resource Adequacy, for a Fifteen (15) Year Term Beginning June 2023 for an amount not to exceed $6.5MM in compliance with California Public Utilities Commission Mid-Term Reliability Procurement Mandate.**

RECOMMENDATION
Authorize Board Chair and Chief Executive Officer to Execute Agreement with Pattern SC Holdings for Resource Adequacy, for a Fifteen (15) Year Term Beginning June 2023 for an amount not to exceed $6.5MM in compliance with California Public Utilities Commission Mid-Term Reliability Procurement Mandate.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting June 30, 2022, 2pm, Solana Beach, Virtual

Clean Energy Alliance - Board of Directors
Regular Meeting Minutes
March 31, 2022, 2:00 p.m.
Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)

CALL TO ORDER: Chair Becker called to order the regular meeting of the Clean Energy Alliance at 2:00 p.m.

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

FLAG SALUTE: Chair Becker led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS - None

REPORT FROM BOARD SUBCOMMITTEE REGARDING CHIEF EXECUTIVE OFFICER CONTRACT REVIEW:
Vice Chair Druker reported on the subcommittee meeting to address the review of contract and salary of CEO Barbara Boswell that the current salary is in line with other CCAs of comparable size and requested that an agenda item be added to the next meeting agenda to consider a CEO bonus for the level of work performed launching CEA.

PRESENTATIONS - Presentation Regarding Nuclear Fusion Energy – Zabrina Johal, Director of Strategic Development, General Atomics

CEO Barbara Boswell introduced Zabrina Johal, Senior Director of Strategic Development at General Atomics who delivered an informative presentation regarding Nuclear Fusion Energy and answered questions of the Board.

PUBLIC COMMENT – None

APPROVAL OF MINUTES
Minutes of the Regular Meeting – February 24, 2022
Minutes of the Special Meeting – March 24, 2022

Motion by Chair Becker, second by Vice Chair Druker, to approve the minutes of the regular meeting held February 24, 2022, and the special meeting held March 24, 2022, as submitted.
Motion carried unanimously, 5/0.

Consent Calendar

Item 1: **Reconsideration 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)**

<u>RECOMMENDATION</u>
To continue meetings by teleconferencing pursuant to Government Code Section 54943(e), finding that: (1) the Board has reconsidered 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 by Chair Becker, second by Vice Chair Member Druker, to approve the consent calendar. Motion carried unanimously, 5/0.

<u>New Business</u>

Item 2: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

<u>RECOMMENDATION</u>
1) Receive and file Community Choice Aggregation Update Report from Chief Executive Officer.
2) Receive and file Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

CEO Barbara Boswell updated the Board the with highlights from the CEO report including CEA expansion commenting that the reports are in final stages and meetings scheduled with the cities of Oceanside, Vista, and San Clemente, and results will be brought to the Board at the CEA April Board meeting; commented on growth potential and outreach activities including attending Cleantech San Diego Procurement Webinar and the Carlsbad Chamber of Commerce Green Business Expo at the Carlsbad Flower Fields in April, and an invitation to meet with SDG&E Executive Team on a quarterly basis to hear of CEA planned expansion as well as opportunities to work together in meeting the needs of shared customers.

Special Counsel Tosdal updated the Board on the following regulatory affairs: Provider of Last Resort proceeding commenting PG&E argues that in addition to Financial Security Requirements (FSRs) liquidity in the event of mass return of customers is required and is proposing an insurance pool to be funded according to load share. Currently energy purchases must be made immediately when customers return to ensure adequate resources, but the current FSR mechanism does not provide for cash flow. PG&E proposes that establishment of a credit facility to be drawn upon by Investor Owned Utilities (IOU) for energy purchases in the event of mass return of customers to be funded by CCA programs with cash or letters of credit. Cal CCA argues that PG&E's liquidity pool is unworkable, and that traditional balancing account treatment should be used and that the real issue is financing costs which can be obtained through the commercial paper rate that is traditionally applied to balancing accounts, and changes to FSRs should be adequate to address financing costs. Proposed SB 1287 would raise FSR amounts and require FSR amounts to be based on 12 months rather than the current 6 months of procurement costs; SDG&E RPS Voluntary Allocation and Market Offer (VAMO) process established to allow CCA programs to purchase power allocations from utility portfolios and is a new process with implementation details not fully adopted. SDG&E submitted Advice Letter 3962-E seeking approval for pro forma contract raising issues around pricing, data, and discretion over resource pool and collateral requirements. Protests were filed by CalCCA to all IOU Advice Letters and Board will be updated as process continues; lastly, SoCal Gas has been fined $9.8MM and ordered to repay all ratepayer funds that were improperly used to lobby again local and other reach codes which are codes that go beyond current building codes in state law to achieve energy efficiency and emissions goals and in many cases have the effect of reducing gas consumption. SoCal Gas advocacy at issue, was related to appliance standards and is prohibited from using ratepayer funds for any standards activity until policy changes are made.

CEA Board received and filed the report.

Item 3: **Fiscal Year 2022/2023 Budget Planning - Review of Current Professional Services Contracts and Provide Direction Regarding Staffing and Consulting Services for Fiscal Year 2022/2023**

RECOMMENDATION

1) Review current professional services contracts and provide direction related to extensions for fiscal year 2022/2023.
2) Direct staff to engage a Human Resources consultant to develop a staffing plan to integrate into the fiscal year 2022/2023 draft budget.

CEO Barbara Boswell presented the item commenting that part of the budget planning is to review the contracts that are set to expire and seek direction of the Board regarding extensions of current contracts or engaging in solicitation for those services. In addition, request to engage a Human Resources consultant to develop a staffing plan as CEA and its needs grow.

Vice Chair Druker inquired regarding the expiration of contracts and whether renewal is at the discretion of the Board or other requirements for solicitation. CEO commented that audit services is recommended to be solicited every five years and other services at the discretion of the Board.

Chair Becker commented on satisfaction with current services, but local General Counsel might be beneficial for inhouse in person meetings.

Board Member Acosta concurred with Vice Chair Druker regarding the idea of long-term contracting and CEO Boswell recommended that a plan be developed during the next fiscal year for solicitation of services on a multi-year basis.

Chair Becker indicated a desire to solicit an RFP for General Counsel services to have local presence.

Board Member Musgrove inquired regarding the current services and how they were acquired, and CEO Boswell responded for each service indicating the different methods used to select initial services.

Motion by Chair Becker, second by Board Member Acosta, to approve staff recommendation to extend current professional services contracts and to solicit an RFP for General Counsel services. Approved unanimously, 5/0.

CEO Boswell commented regarding consideration of proposed positions for FY 2022/23 including Board Secretary, Key Accounts and Program Manager, Regulatory & Legislative Affairs Manager and Procurement & Contracts Administrator.

Chair Becker inquired as to full or part time position regarding the Regulatory & Legislative position and CEO Boswell commented that San Diego Community Power has a Director of Legislative & Regulatory Affairs and does collaborate with CEA, but that CEA has its own issues and own positions on bills etc.

Motion by Becker, second by Acosta, to direct staff to engage a Human Resources consultant to develop a staffing plan to integrate into the fiscal year 2022/2023 draft budget.
Approved unanimously, 5/0.

Item 4: **Consider Appointments for Clean Energy Alliance Community Advisory Committee for Cities of Escondido and San Marcos**

RECOMMENDATION
1) Approve Clean Energy Alliance Community Advisory Committee Nominees for City of Escondido – one for term ending December 31, 2024, and one for term ending December 31, 2025.
2) Approve Clean Energy Alliance Community Advisory Committee Nominees for City of San Marcos – one for term ending December 31, 2024, and one for term ending December 31, 2025.

Motion by Board Member Inscoe, second by Board Member Acosta, to approve the recommendations for CAC nominees as stated:
Appoint Rick Paul for the term ending 2024 and Susan Reveles for the term ending 2025 for the City of Escondido.
Motion carried unanimously, 5/0.

Motion by Board Member Musgrove, second by Board Member Inscoe, to approve the recommendations for CAC nominees as stated:
Appoint Kevin Norris for the term ending 2024 and Jennifer Kerschbaum for the term ending 2025 for the City of San Marcos.
Motion carried unanimously, 5/0.

Item 5: **Consider Options and Provide Direction Related to In Person Meeting Location for Clean Energy Alliance Board and Community Advisory Committee Meetings and Consider Rescheduling April 28, 2022, CEA Regular Board Meeting.**

RECOMMENDATION
1) Consider Options and Provide Direction Related to In Person Meeting Location for Clean Energy Alliance Board and Community Advisory Committee Meetings;
2) Consider rescheduling April 28, 2022, CEA Regular Board meeting; Direct Staff to Post Notice of Cancellation of April 28, 2022, CEA Board Meeting and Notice of Special Meeting for New Date, Pursuant to Brown Act.

CEO Boswell gave an overview of the item commenting that CEA priorities include geographic location, broadcast capabilities, appropriate meeting space and cost to city and went over the details of feasibility meetings with City of Carlsbad and San Marcos.

Vice Chair Druker commented that San Marcos is public transit friendly, and Member Musgrove commented on the three-story parking structure available.

Member Acosta thanked CEO and Carlsbad staff for work on determining best option.

Motion by Musgrove, second by Inscoe, to approve staff recommendation to establish City of San Marcos as the most viable location for in person regular meetings upon the end of the California Covid 19 Pandemic state of emergency.
Approved unanimously, 5/0.

Motion by Becker, second by Druker, to cancel the April 28, 2022, Regular Board meeting, direct staff to post Notice of Cancellation of such meeting, and schedule a special meeting on April 21, 2022, at 2:00 p.m.
Approved unanimously, 5/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: Consideration of CEO salary and bonus.

ADJOURN: Chair Becker adjourned the meeting at 3:54 p.m.

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Susan Caputo, MMC
Interim Board Clerk

Clean Energy Alliance - Board of Directors
Special Meeting Minutes
April 21, 2022, 2:00 p.m.
City of Carlsbad/Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)

CALL TO ORDER: Chair Becker called to order the regular meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Board Members: Inscoe, Walton (2:03), Acosta, Vice Chair Druker, Chair Becker

FLAG SALUTE: Board Member Acosta led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS - Board Member Acosta congratulated CEO Boswell and the entire Board on the successful Carlsbad Green Business Expo commenting that the CEA booth was both well attended and engaged.

REPORT FROM COMMUNITY ADVISORY COMMITTEE CHAIR REGARDING APRIL 7, 2022, MEETING:
Committee Chair Worden reported on the CAC meeting commenting that the new members from Escondido and San Marcos were in attendance and the great enthusiasm of the group. He then highlighted meeting discussion including CEA budget, new positions and the CAC Workplan commenting the committee is very supportive ready to contribute for the betterment of CEA.

PRESENTATIONS - None

PUBLIC COMMENT – None

APPROVAL OF MINUTES
January 13, 2022, Adjourned Meeting
January 27, 2022, Special Meeting
January 27, 2022, Regular Meeting

Motion by Vice Chair Druker, second by Board Member Inscoe, to approve the minutes of the adjourned meeting held January 13, 2022, the special meeting held January 27, 2022, and the regular meeting held January 27, 2022, as submitted.
Approved unanimously, 4/1 with Member Walton abstaining.

Consent Calendar

Item 1: **Reconsideration 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
To continue meetings by teleconferencing pursuant to Government Code Section 54943(e), finding that: (1) the Board has reconsidered 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 by Vice Chair Druker, second by Board Member Acosta, to approve the consent calendar. Motion carried unanimously, 5/0.

<u>New Business</u>

Item 2: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

<u>RECOMMENDATION</u>

1) Receive and file Community Choice Aggregation Update Report from Chief Executive Officer.
2) Receive and file Community Choice Aggregation Regulatory Affairs Report from Special Counsel.

CEO Barbara Boswell thanked Board Member Acosta for her comments regarding the Green Business Expo and reiterated what a wonderful outreach event it was. Ms. Boswell updated the Board regarding CEA expansion process with Escondido and San Marcos scheduled to launch in April 2023 and indicated that the Implementation Plan Amendment was certified by the California Public Utilities Commission (CPUC) and allows CEA to move forward with the next steps toward launch; commented regarding the cities of Oceanside, Vista, and San Clemente consideration of joining CEA and that a potential 2024 launch is indicated should those cities move forward and CEA approve the addition; commented that CEA will see a 142% increase in the number of accounts and a 137% increase in energy load provided to customers with the launch of Escondido and San Marcos, and with potential Phase 2 expansion an additional 92% increase in accounts and 76% increase in energy load provided to customers of Oceanside, San Clemente, and Vista.

Board Member Walton inquired regarding outreach to customers of the new cities and CEO Boswell responded that two different mailers are sent to customers as well as in person events to be determined as launch grows nearer.

CEO Boswell commented regarding SDG&E resuming collections processes for delinquent accounts following the lifting of CPUC Covid-19 consumer protection suspension of collections and the payment assistance programs that are available through SDG&E and encouraged those in need to contact SDG&E at 800-411-7343.

Special Counsel Tosdal updated the Board on the following regulatory developments: Supplier Diversity Program stating that CCA programs will have to submit an annual report and an annual plan regarding supplier diversity beginning in March 2023 that must include plan for expanding opportunities for increasing procurement from "small, local, and diverse business enterprises,", data collection on Business Enterprises at least 51% owned by U.S. Citizen/Permanent Resident and Women, Minorities, Disables Veterans, and LGBT.

CEO Boswell commented that a new CEA position that will be brought for Board consideration will have responsibility for developing, implementing the program, and tracking to ensure CEA is in full compliance of SB 255.

Mr. Tosdal reported on Emergency Resource Orders Decision 19-11-016 that ordered SDG&E to procure System Resource Adequacy (RA) according to load share, but made no provision for new CCA programs including CEA the new Proposed Decision orders utilities to contract with CCA programs for share of resources at the Market Price Benchmark and above-market costs will be recovered through the Power Charge Indifference Adjustment (PCIA); Denial of Rehearing on PCIA Eligible Resource Allocations indicating that CCA programs have advocated for actions to reduce the PCIA-eligible resources in Investor Owned Utilities (IOU) portfolios and the CPUC adopted the Voluntary Allocation and Market Offer (VAMO) process for Renewables Portfolio Standard (RPS) resources only and Cal CCA filed an application for rehearing to have RA and GHG-free resources included in the VAMO process. The application was denied leaving limited prospects for further IOU portfolio optimization; updated the Board on AB 1814 introduced and would have authorized CCA programs to apply for and obtain funding for transportation electrification projects in their service territories. The bill was sponsored by CalCCA, opposed by two labor organizations, and denied by committee. The bill will not move forward. Lastly, Mr. Tosdal commented regarding AB 2838 that would authorize IOUs to shut down their green tariff shared renewables programs and would permit outstanding costs to be recovered from non-participating rate payers which could include CEA. SDG&E is the only utility seeking to shut down their green tariff shared renewables program with an undercollection of approximately $2 million. This bill is currently moving forward.

Chair Becker commented regarding AB 2838 and the possibility of CEA assuming some SDG&E RA contracts that would reduce the outstanding cost.

Vice Chair Druker requested with Board agreement that a letter of opposition be drafted and returned to the Board for approval to be sent to the CPUC.

CEA Board received and filed the report.

Item 3: **Clean Energy Alliance Board Appoint an Ad-Hoc Board Subcommittee for Purpose of Evaluating General Counsel Request for Qualifications Responses and Making Recommendation to the Board for Selection to Award Contract**

RECOMMENDATION

Clean Energy Alliance Board appoint an ad-hoc Board Subcommittee for purpose of evaluating General Counsel Request for Proposal responses and making recommendation to the Board for selection to award contract.

CEO Boswell presented the item highlighting the background and issuance of an RFQ for General Council services with responses due May 16, 2022. Ms. Boswell commented that the subcommittee will assist in the selection process for final recommendation to the CEA Board.

Motion by Chair Becker, second by Board Member Inscoe, to appoint Vice Chair Druker and Board Member Acosta to serve as the Ad-Hoc Board Subcommittee.

Approved unanimously, 5/0

Item 4: **Consider Special Clean Energy Alliance Board Meeting on May 19, 2022, for Purpose of Reconsideration 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

Schedule Special Clean Energy Alliance Board meeting on May 19, 2022, for purpose of reconsideration 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).

CEO Boswell commented that pursuant to AB 361, the Board consider scheduling a special meeting on May 19, 2022, due to the fact that there would otherwise be more than the required 30 days to make certain findings between meetings.

Motion by Chair Becker, second by Member Walton, to schedule a special meeting of the CEA Board on May 19, 2022, for consideration of making certain findings to continue to hold meetings via teleconferencing.
Approved unanimously, 5/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None

ADJOURN: Chair Becker adjourned the meeting at 2:50 p.m.

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Susan Caputo, MMC
Interim Board Clerk

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 1: Reconsideration 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

To continue meetings by teleconferencing pursuant to Government Code Section 54953(e), find that: (1) the Board has reconsidered 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 28, 2021, the Board of Directors determined that the factual circumstances exist for CEA to continue to hold meetings pursuant to AB 361. Specifically, on 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.

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.

Due to the ongoing emergency, the need to promote social distancing to reduce the likelihood of exposure to COVID-19, and the imminent risks to the health or safety of meeting attendees, staff recommends that the legislative bodies of CEA hold public meetings via teleconferencing pursuant to Government Code Section 54953(e) and make the requisite findings to continue to do so.

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

None.

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Marie Marron Berkuti, Interim Treasurer

ITEM 2: Clean Energy Alliance Treasurer's Report for March 2022 Transactions

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RECOMMENDATION

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for March 2022 and List of Payments for February 2022.

BACKGROUND AND DISCUSSION

This report provides the Board with the following financial information through February 28, 2022, and March 31, 2022:

- Statement of Financial Position (Unaudited) – Reports assets, liabilities, and financial position of the CEA as of February 28, 2022, and March 31, 2022.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited) for the nine months ended March 31, 2022.
- Budget to Actuals Comparison Schedule (Unaudited) – Reports actual revenues and expenditures compared to the annual adopted budget as of March 31, 2022.
- Budget Reconciliation to Statement of Revenues, Expenses and Changes in Net Position
- List of Payments Issued – Reports payments issued for February and March 2022.

As of March 31, 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 March 31, 2022

ASSETS	
Current assets	
Cash and cash equivalents	$ 1,612,947
Accounts receivable, net	7,482,619
Accrued revenue	1,856,507
Other receivables	108,254
Prepaid expenses	330,479
Deposits	500,000
Total current assets	11,890,806
Noncurrent assets	
Restricted cash	227,000
Deposits	877,000
Total noncurrent assets	1,104,000
Total assets	12,994,806
LIABILITIES	
Current liabilities	
Accrued cost of energy	7,964,092
Accounts payable	145,046
Other accrued liabilities	100,531
Interest payable	55,314
Total current liabilities	8,264,983
Noncurrent liabilities	
Due to member agencies	504,017
Bank note payable	10,650,000
Total noncurrent liabilities	11,154,017
Total liabilities	19,419,000
NET POSITION	
Unrestricted (deficit)	(6,424,194)
Total net position	$ (6,424,194)

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
Nine Months ended March 31, 2022

OPERATING REVENUES	
Electricity sales, net	$ 43,291,485
Miscellaneous income	10,706
Total operating revenues	43,302,191
OPERATING EXPENSES	
Cost of electricity	45,095,629
Contract services	1,613,748
General and administration	107,675
Total operating expenses	46,817,052
Operating income (loss)	(3,514,861)
NONOPERATING REVENUES (EXPENSES)	
Interest income	14,898
Interest expense	(216,817)
Nonoperating revenues (expenses), net	(201,919)
CHANGE IN NET POSITION	(3,716,780)
Net position at beginning of period	(2,707,414)
Net position at end of period	$ (6,424,194)

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 February 24, 2022, board meeting, the CEA Board amended the Fiscal Year (FY) 2021/22 budget approving $61,055,025 in total operating expenses and uses of funds. For the year-to-date through March 31, 2022, $47,033,869 has been expended, leaving $14,021,156.

At its January 27, 2022, board meeting, the CEA Board approved a Credit Agreement Amendment with JPMorgan increasing the available line of credit to $15MM. Drawdowns through March 31, 2022, total $10,500,000, leaving $4,500,000 available.

The Budget to Actuals Comparison Schedules as of March 31, 2022, is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGET TO ACTUALS COMPARISON SCHEDULE
Nine Months ended March 31, 2022

	ANNUAL AMENDED BUDGET	ACTUAL YEAR-TO-DATE	BUDGET VARIANCE
Operating Revenues			
Energy Sales	$ 57,282,755	$ 43,291,485	$ 13,991,270
Total Operating Revenue	**57,282,755**	**43,291,485**	**13,991,270**
Operating Expenses			
Power Supply	58,222,525	45,095,629	13,126,896
Data Manager	840,000	630,734	209,266
Staffing/Consultants	235,700	130,523	105,177
Legal Services	375,000	228,885	146,115
Professional Services	883,600	568,621	314,979
Audit Services	41,000	8,240	32,760
Software & Licenses	9,100	7,479	1,621
Membership Dues	121,000	90,453	30,547
Print/Mail Services	48,100	46,748	1,352
Advertising	15,000	-	15,000
Insurance	32,000	5,619	26,381
Bank Fees	2,000	1,434	566
Telephone	5,000	2,687	2,313
Total Operating Expenses	**60,830,025**	**46,817,052**	**14,327,952**
Operating Income (Loss)	**(3,547,270)**	**(3,525,567)**	**(336,682)**
Non-Operating Expenses			
Miscellaneous Income	-	10,706	(10,706)
Interest Income	-	14,898	(14,898)
Interest Expense	**(225,000)**	(216,817)	**(8,183)**
Total Non-Operating Expenses	**(225,000)**	**(191,213)**	**(33,787)**
Other Sources and Uses			
Sources			
JPMorgan Credit Agreement	6,000,000	5,650,000	350,000
Total Uses	-		
Total Sources	**6,000,000**	**5,650,000**	**350,000**
Net Increase (Decrease) in Available Fund Balance	**$ 2,227,730**	**$ 1,933,220**	**$ (20,469)**

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
BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Nine Months ended March 31, 2022

Net Increase (Decrease) in Available Fund Balance per Budgetary Comparison Schedule	$	1,933,220
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		(5,650,000)
Change in Net Position	$	(3,716,780)

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 February 2022. All payments were within approved budget.

PAYMENTS ISSUED DURING FEBRUARY 2022

Date	Num	Vendor	Description	Amount
02/25/2022	ACH	Richards, Watson & Gershon	Nov 2021 General Counsel Svcs	7,184.75
02/07/2022	Wire	THE ENERGY AUTHORITY	01/13/22-01/20/22	210,179.56
02/14/2022	Wire	THE ENERGY AUTHORITY	01/21/22-01/27/22	212,202.72
02/25/2022	ACH	Equus Energy Group, LLC	RA Avangrid broker fee	451.72
02/25/2022	ACH	Calpine Energy Solutions	Jan 2022 Services	69,994.00
02/25/2022	ACH	Hall Energy Law PC	Jan 2022 Energy Procurement Counsel Svcs	762.00
02/25/2022	ACH	Keyes & Fox LLP	Jan 2022 ERRA Forecast Counsel Services	670.00
02/25/2022	Wire	THE ENERGY AUTHORITY	Jan 2022 Scheduling Coordinator & CRR	11,700.00
02/25/2022	ACH	Neyenesch Printers	340 CEA New Move Letter Mailing	612.02
02/25/2022	ACH	Bayshore Consulting Group, Inc	Jan 2022 CEO Services	15,723.65
02/25/2022	ACH	Richards, Watson & Gershon	Dec 2021 General Counsel Svcs	37,226.27
02/25/2022	ACH	Hall Energy Law PC	Dec 2021 Energy Procurement Counsel Svcs	1,397.00
02/25/2022	ACH	Pacific Energy Advisors, Inc	Jan 2022 Technical Consulting Svcs	28,488.75
02/25/2022	ACH	OneStream Networks, LLC	Jan 2022 Telephone	695.92
02/07/2022	Wire	JPMorgan	February 2022 - Interest Payments	52,490.31
02/03/2022	ACH	USPS	February 2022 - Postage Payment	125.35
02/22/2022	Wire	Powerex	March 2022 - Energy Prepayment	144,479.17
02/22/2022	Wire	Direct Energy	January 2022 - Capacity Purchas	177,500.00
02/22/2022	Wire	THE ENERGY AUTHORITY	February 2022 - CAISO Weekly Statement	261,324.32
02/22/2022	Wire	SEMPRA	January 2022 - Capacity Purchase	274,400.00
02/25/2022	Wire	Tosdal APC	January 2022 - Regulatory Services	9,701.00
02/23/2022	ACH	USPS	February 2022 - Postage Payment	174.92
02/28/2022	Wire	THE ENERGY AUTHORITY	February 2022 - CAISO Weekly Statement	160,012.42
02/22/2022	Wire	EDF TRADING NORTH AMERICA	January 2022 - Capacity Purchase	208,500.00
02/23/2022	Wire	Exelon Generation Company,LLC	December 2021 - Power Purchase	1,437,543.91
02/22/2022	Wire	SDG&E	January 2022 - RA Purchases	76,012.00
			Total for Cash Operating Account	**$ 3,399,551.76**
02/23/2022	Wire	Shell Energy North America	December 2021 - Energy purchase	1,152,705.00
02/23/2022	Wire	Morgan Stanley Capital Group, Inc.	November - December 2021 Energy	1,851,156.02
02/23/2022	Wire	Morgan Stanley Capital Group, Inc.	Renewable Energy Certificate purchase	725,623.50
			Total for Cash Lockbox Account	**$ 3,729,484.52**

LIST OF PAYMENTS ISSUED

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

Date	Num	Vendor	Description	Amount
03/01/2022	Wire	JPMorgan	Interest Payments	1,399.22
03/01/2022	Wire	THE ENERGY AUTHORITY	Apr 2022 Capacity Purchases	69,000.00
03/02/2022	Wire	POWEREX	March 2022 - PCC1	144,479.17
03/07/2022	Wire	JPMorgan	Interest Payments	17,236.25
03/07/2022	Wire	THE ENERGY AUTHORITY	March 2022 - CAISO Weekly Statement	170,344.68
03/08/2022	Wire	USPS	March 2022 - Postage Payment	81.11
03/09/2022	Wire	SDG&E	December 2021 - SDG&E Services fees	14,522.56
03/09/2022	Wire	USPS	March 2022 - Postage Payment	104.76
03/14/2022	Wire	THE ENERGY AUTHORITY	March 2022 - CAISO Weekly Statement	74,910.48
03/21/2022	Wire	JPMorgan	JP Morgan - Interest Payments	7,733.33
03/21/2022	Wire	THE ENERGY AUTHORITY	March 2022 - CAISO Weekly Statement	96,397.30
03/21/2022	Wire	Direct Energy	February 2022 - Capacity SWAP	165,500.00
03/21/2022	Wire	EDF TRADING NORTH AMERICA	February 2022 - Capacity Purchase	208,500.00
03/21/2022	Wire	SEMPRA	February 2022 - Capacity Purchase	274,400.00
03/21/2022	Wire	Powerex	April 2022 - PCC1	144,479.17
03/21/2022	Wire	SDG&E	February 2022 - RA Purchases	75,992.00
03/28/2022	Check	NEM Payouts	NEM Payouts	2,333.32
03/28/2022	Wire	THE ENERGY AUTHORITY	March 2022 - CAISO Weekly Statement	142,486.38
03/29/2022	Wire	USPS	March 2022 - Postage Payment	185.87
03/29/2022	ACH	Braun Blaising Smith Wynne	January & February 2022 - Professional Services	3,376.93
03/29/2022	ACH	Neyenesch Printers	Mar 2022 - New Move Letter and Notice #4	1,935.67
03/29/2022	ACH	Tripepi, Smith & Associates, Inc.	February & March 2022 - Marketing	16,064.84
03/29/2022	ACH	Bayshore Consulting Group, Inc	Feb 2022 - CEO and Clerk Services	10,755.00
03/29/2022	ACH	Calpine Energy Solutions	February 2022 Services	70,039.00
03/29/2022	ACH	Granicus, LLC	Mar 2022 - 2023 - DisclosureDocs Subscription	426.94
03/29/2022	ACH	Hall Energy Law PC	February 2022 - Energy Procurement Counsel	2,286.00
03/29/2022	ACH	Keyes & Fox LLP	Feb 2022 - Professional Services	2,879.75
03/29/2022	ACH	THE ENERGY AUTHORITY	February 2022 - Scheduling Fees	11,700.00
03/29/2022	ACH	Tosdal APC	February 2022 - Regulatory Services	10,394.00
03/29/2022	ACH	Pacific Energy Advisors, Inc	Feb 2022 - Technical Consulting and Expansion	30,465.00
03/30/2022	Check	SDG&E	January & February 2022 - SDG&E Services	29,302.54
			Total for Operating Account	**$ 1,799,711.27**
03/23/2022	Wire	Exelon Generation Company,LLC	January 2022 - Power Purchase	1,639,590.49
03/23/2022	Wire	Morgan Stanley Capital Group, Inc.	February 2022 - Energy purchase	1,210,429.99
03/23/2022	Wire	Shell Energy North America	January 2022 - Energy purchase	499,943.60
			Total forLockbox Account	**$ 3,349,964.08**

FISCAL IMPACT

There is no fiscal impact associated with these items.

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 3: Consider Resolution No. 2022-002 Setting Time and Place for Clean Energy Alliance Board Meetings July 2022 – June 2023

RECOMMENDATION

Adopt Resolution No. 2022-002 setting the time and place for Clean Energy Alliance Board Meetings for July 2022 - June 2023.

BACKGROUND AND DISCUSSION

Pursuant to Section 4.8 of the Clean Energy Alliance (CEA) Joint Powers Agreement, the CEA Board shall establish the date, hour, and place of each regular meeting annually by resolution.

The proposed schedule sets meetings on the last Thursday of the month at 2 p.m. with the location at City of San Marcos City Council Chambers.

Staff recommends the following exception to the meeting date:

November Meeting – Schedule November 17, 2022 (3rd Thursday) or Adjourn Meeting
December Meeting – Schedule December 22, 2022 (2nd Thursday)

The CEA Board may consider meeting virtually in the event the Board has reconsidered the circumstances of the state of emergency created by the COVID-19 pandemic and the state of emergency continues to directly impact the ability of the members to meet safely in person.

Adopting the Board meeting calendar by resolution meets the Brown Act requirements (Government Code §54954) and provides the CEA Board the opportunity to notify the public of its scheduled regular meetings. Special meetings may be called as needed by providing 24-hour notice before the time of the special meeting. The meeting schedule will be posted to the CEA website.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

Resolution No. 2022-002 Setting the Time and Place for Clean Energy Alliance Board Meetings July 2022 - June 2023

CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2022-002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE SETTING TIME AND PLACE FOR CLEAN ENERGY ALLIANCE BOARD MEETINGS JULY 2022 – JUNE 2023

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019, whose members include the cities of Carlsbad, Del Mar, Escondido, San Marcos, and Solana Beach; and

WHEREAS, the CEA Board of Directors has determined it will establish its regular meetings annually by resolution; and

WHEREAS, the Ralph M. Brown Act (Government Code §54954) provides for the establishment of an annual regular meeting calendar procedure; and

WHEREAS, special meetings of the Board of Directors will be called as necessary and following the requirements of the Brown Act (Government Code §54954).

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of the Clean Energy Alliance hereby establishes the following dates, times, and location, for regular Board meetings during fiscal year 2021/22:

Location: City of San Marcos, City Council Chambers
1 Civic Center Dr
San Marcos, CA 92069

July 28, 2022	2 p.m.
August 25, 2022	2 p.m.
September 29, 2022	2 p.m.
October 27, 2022	2 p.m.
November 17, 2022	2 p.m.
December 22, 2022	2 p.m.
January 26, 2023	2 p.m.
February 23, 2023	2 p.m.
March 30, 2023	2 p.m.
April 27, 2023	2 p.m.
May 25, 2023	2 p.m.
June 29, 2023	2 p.m.

Section 2. That the fiscal year 2022-23 meeting calendar will be posted to the Clean Energy Alliance website.

The foregoing Resolution was passed and adopted this 26th day of May 2022, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

____
Kristi Becker, Chair

ATTEST:

____
Sheila Cobian, Board Secretary

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Marie Berkuti, Interim Treasurer

ITEM 4: Approve Extension through June 30, 2023, of Bayshore Consulting Group, Inc. Agreement for Chief Executive Officer and Interim Board Clerk Services

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RECOMMENDATION

Approve extension of Bayshore Consulting Group, Inc. agreement through June 30, 2023, for Chief Executive Officer and Interim Board Clerk services, for an amount not to exceed $215,280 plus a one-time bonus of $10,000; authorize the Board Chair to execute the documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION

At its special meeting January 27, 2022, the Clean Energy Alliance (CEA) Board held a special meeting for the purpose of performance evaluation of the Chief Executive Officer (CEO). Subsequent to the special meeting, the Board appointed a subcommittee consisting of the CEA Board Chair and Vice Chair to review the agreement with Bayshore Consulting Group and recommend possible amendments to the agreement for CEO services.

At its March 31, 2022, regular meeting, the Subcommittee recommended that the agreement for CEO services be amended to reflect payments terms of a flat monthly fee based on the current not to exceed amount of $150,000, a one-time bonus of $10,000 to be provided and for the agreement to be extended through June 30, 2023.

In addition to CEO services, the agreement with Bayshore also provides for the Interim Board Clerk.

The FY 2022/23 Agreement is proposed as follows:

Service	Hours per month	Rate	Total
Chief Executive Officer	N/A		$150,000
Interim Board Clerk	80	$68	$65,280
TOTAL FY 22/23			**$215,280**

Based on recent activity and service needs, the Interim Board Clerk hours are proposed to increase from 65 hours per month to 80 per hours with a 4% increase in the hourly rate from $65 to $68.

FISCAL IMPACT

Funds for the fiscal year 22/23 agreement have been assumed in the CEA financial pro forma and are included in the proposed FY 22/23 budget.

ATTACHMENTS

None

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 5: Approve Extensions of Professional Services Agreements through for Fiscal Year 2022/23

RECOMMENDATION

Approve extension of professional services agreements for Fiscal Year 2022/23 and authorize the Chief Executive Officer to execute the agreements, subject to General Counsel approval, for the following not to exceed amounts and terms:

Scope of Work	Consultant	Not to Exceed	Term
Special Counsel – Regulatory	Tosdal APC	$120,000	6/30/2023
Special Counsel – Energy Transactions	Hall Energy Law	$50,000	6/30/2023
Special Counsel – CPUC Proceedings	Keyes & Fox	$50,000	6/30/2023
Interim Treasurer/CFO	Marie Marron Berkuti	$10,000	8/31/2022
Communications & Marketing Svcs	Tripepi Smith	$150,000	6/30/23

Authorize the Interim Chief Executive Officer to execute the contract amendments, subject to General Counsel approval.

BACKGROUND AND DISCUSSION

At its regular meeting March 31, 2022, the Board directed existing consulting agreements to be extended through fiscal year 22/23. These contracts include:

Scope of Work	Consultant	Not to Exceed	Term
Special Counsel – Regulatory	Tosdal APC	$120,000	6/30/2023
Special Counsel – Energy Transactions	Hall Energy Law	$50,000	6/30/2023
Special Counsel – CPUC Proceedings	Keyes & Fox	$50,000	6/30/2023
Interim Treasurer/CFO	Marie Marron Berkuti	$10,000	8/31/2022
Communications & Marketing Svcs	Tripepi Smith	$150,000	6/30/23

The agreements have been reviewed related to the scope of services needed for FY 2022/23 to meet CEA's goals and priorities and adjusted as appropriate. Specifically, the not to exceed amounts are proposed as follows:

Consultant	FY 21/22 Amount	FY 22/23 Proposed Amount	Reason for Change
Tosdal APC	$100,000	$120,000	Increase related to support of SDG&E General Rate Case and Implementation of CEA Programs
Keyes & Fox	$120,000	$50,000	Decrease to reflect FY 22/23 Scope of Services
Hall Energy Law	$120,000	$50,000	Decrease to reflect projected transactions activity for FY 22/23
Marie Marron Berkuti	$50,000	$10,000	Decrease to reflect transition to permanent CFO
Tripepi Smith	$95,000	$150,000	Increase to reflect support of CEA operations and 2023 expansions

FISCAL IMPACT

Funds for the agreement extensions are within the assumed costs in the CEA pro forma that was used to set rates and included in the proposed FY 2022/23 budget.

ATTACHMENTS

None

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 6: Consider Approval of Letter Regarding AB 2838 Taking Position of Oppose Unless Amended Related to Program Closure Costs of San Diego Gas & Electric's Green Tariff Shared Renewables (TSR) Known as EcoChoice

---

RECOMMENDATION

Approve Letter Regarding AB 2838 taking position of oppose unless amended related to program closure costs of San Diego Gas & Electric Green Tariff Shared Renewables (GTSR) program, known as EcoChoice.

BACKGROUND AND DISCUSSION

At its meeting April 21, 2022, the Clean Energy Alliance (CEA) Board heard a report from Special Counsel Tosdal regarding Assembly Bill 2838, which would allow San Diego Gas & Electric (SDG&E) to unfairly charge CEA customers for costs related to SDG&E shutting down their 100% renewable program, EcoChoice. The Board directed staff to prepare an oppose unless amended position letter to be distributed to the three assembly members that represent CEA's member cities.

FISCAL IMPACT

There is no fiscal impact related to this action.

ATTACHMENTS

Letter Regarding AB 2838 Taking Position of Oppose

CLEAN ENERGY ALLIANCE

Marie Waldron
Assemblymember, District 75

Tasha Boerner Horvath
Assemblymember, District 76

Christopher Ward
Assemblymember, District 78

Re: AB 2838 Tasha Boerner Horvath - OPPOSE

Dear Assemblymembers Waldron, Horvath & Ward:

Clean Energy Alliance opposes (CEA) Assembly Bill (AB) 2838 unless amended. The bill would permit Investor-Owned Utilities (IOUs) to charge non-participating ratepayers for program closure costs related to the Green Tariff Shared Renewables (GTSR) program.

Existing law authorized under AB 43 (Wolk) in 2013 requires investor-owned utilities to administer an optional GTSR program to enable ratepayers to participate directly in offsite electrical generation facilities that use eligible renewable energy resources. The law requires the CPUC to ensure that charges and credits ensure nonparticipant ratepayer indifference for the remaining bundled service, direct access, and community choice aggregation customers and ensures that no costs are shifted from participating customers to nonparticipating ratepayers.

AB 2838 would change the law and permit the California Public Utilities Commission (CPUC) to charge non-participating customers, including CEA customers, for the costs of the program, turning the ratepayer indifference principle on its head.

San Diego Gas & Electric (SDG&E) is running a $2 million deficit and is currently the only utility seeking to eliminate its GTSR program. If the law is changed and the CPUC permits SDG&E to wind down its program, San Diego ratepayers will pay the cost of participating customers even though they never benefited from the GTSR program.

Requiring non-participating ratepayers to pay the cost of SDG&E's GTSR program is unfair and inequitable to San Diego ratepayers. SDG&E's rates have increased 48% since 2013 and are among the highest in the country. The additional burden of GTSR costs should not be carried by non-participating ratepayers who did not choose to participate in the higher-cost program.

A more equitable approach that should be taken into consideration by the Legislature and the CPUC is to charge IOU shareholders for the cost of any failed GTSR program costs. Shareholders stand to benefit from the success of experimental programs like GTSR and should also absorb the risk when they fail. Shareholders are also more financially capable of shouldering excess costs associated with the GTSR program.

Furthermore, AB 2838 is unnecessary because the CPUC is already planning to address program closure in an upcoming proceeding. SDG&E submitted Advice Letter 3920-E on December 17, 2021, requesting permission from the CPUC to shut down its GTSR program, called EcoChoice. The CPUC denied the request in a letter dated April 19, 2022, explaining that SDG&E failed to submit a plan, timeline or any details related to the wind down and closure of EcoChoice. Instead, the CPUC directed SDG&E to submit a mitigation strategy and suspension plan in an upcoming application due June 1, 2022, where these issues will be taken up.

All three utilities have been ordered by the CPUC to submit applications for review of their GTSR programs on the same date. Issues related to GTSR program closures can be addressed in these applications under existing law. Passage of AB 2838 would only disrupt and interfere with the CPUC's process and resolution of these issues.

Sincerely,

Barbara Boswell
Chief Executive Officer

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 7: Consider Scheduling Special Meeting for June 23, 2022, for Purpose of Reconsideration 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

Schedule special meeting for June 23, 2022, for purpose of reconsideration 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).

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.

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.

There are more than 30 days between the May and June regular meetings, necessitating a special meeting to comply with AB361.

FISCAL IMPACT

There is no fiscal impact related to this action.

ATTACHMENTS

None

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 8: Clean Energy Alliance Operational, Administrative and Regulatory Affairs Update

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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

Expansion of Clean Energy Alliance

The assessment report in connection with CEA's evaluation of the cities of Oceanside, Vista, and San Clemente ("Cities") will be presented to the Board at today's meeting.

The anticipated timeline should the cities join CEA is as follows:

ACTIVITY	TIMING
Assessment Report Results to CEA Board and Oceanside, Vista, and San Clemente City Councils	May 26, 2022
Cities: Resolution to Join CEA and 1st Reading of Ordinance to Establish a CCA before the City Councils	June 2022
2nd Reading of Ordinance	June/July 2022
CEA: Resolution approving new cities joining CEA/Direct preparation of Implementation Plan Amendment	July 2022
CEA: Draft Implementation Plan Amendment to CEA Board	October 2022
CEA: File Implementation Plan Amendment	December 2022

Request for Qualifications – General Counsel

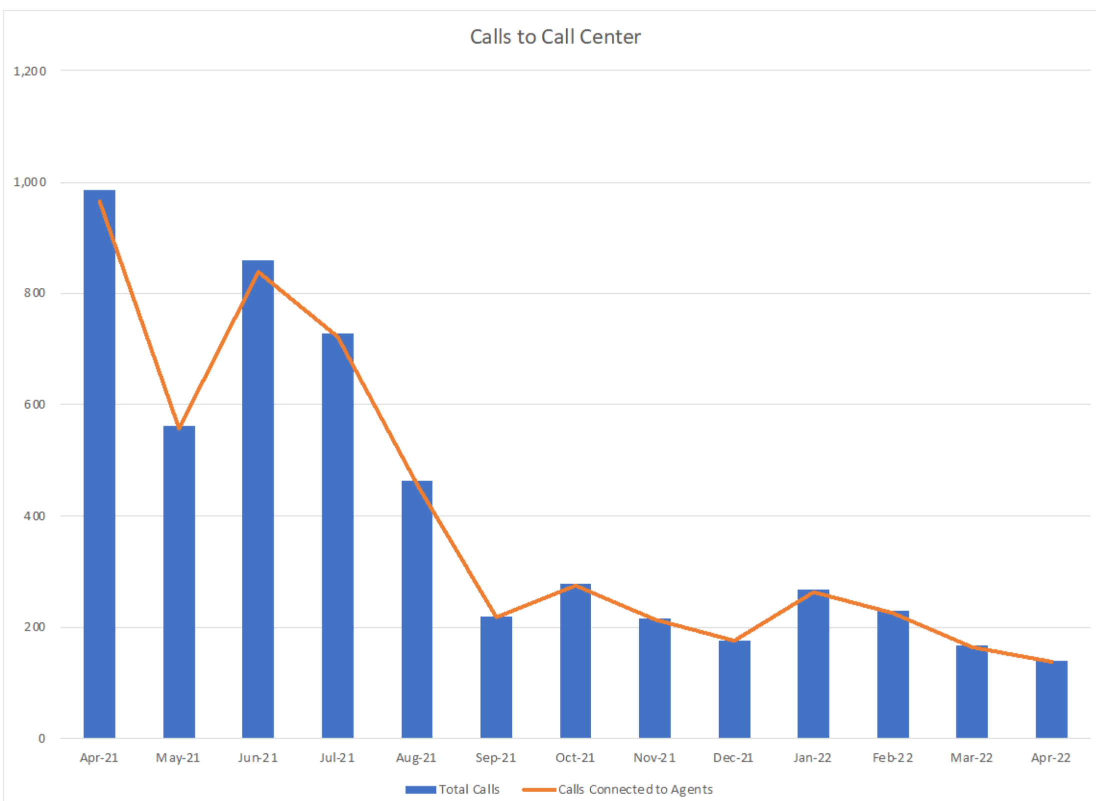
CEA issued a Request for Qualifications for General Counsel services on April 18, 2022, with responses due May 16, 2022. The Board appointed an Ad-Hoc Subcommittee of Vice Chair Druker and Board member Acosta to evaluate the responses, conduct interviews and make recommendation to the Board. Four (4) responses were received, and the Subcommittee is in the process of evaluating and scheduling interviews for the week of May 30. The Subcommittee plans to bring final recommendations to the Board at its June 30, 2022, regular meeting.

Return to In-Person CEA Board Meetings

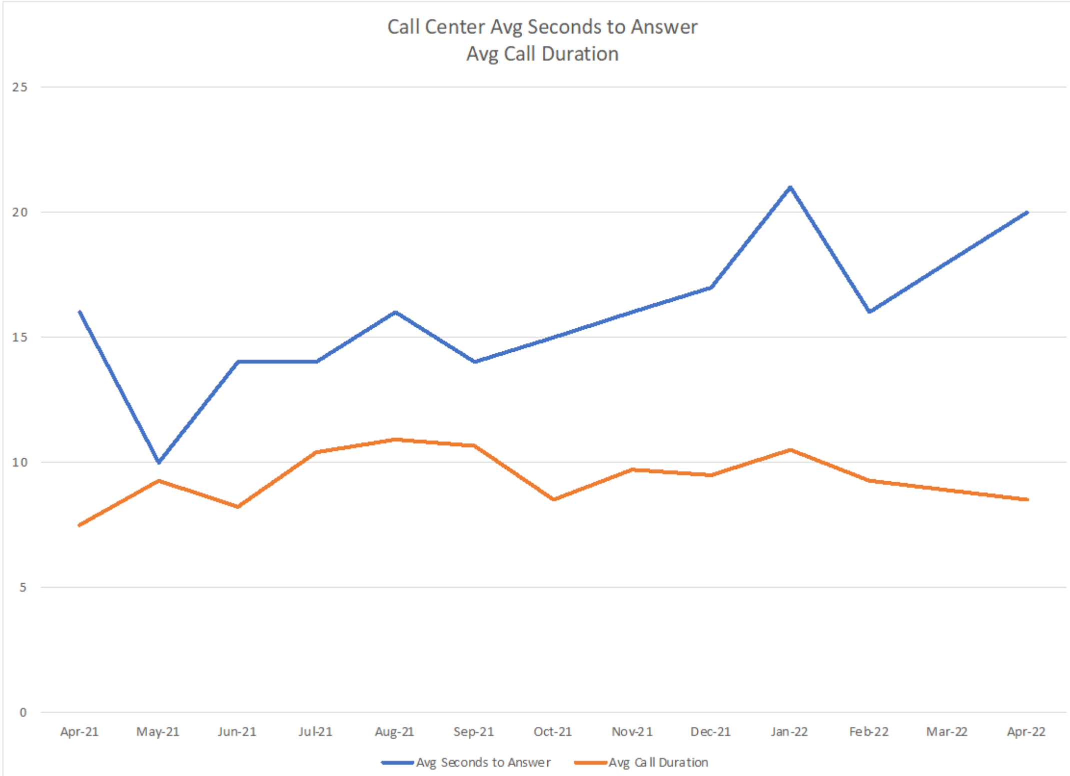
Staff has conducted an on-site run through of in-person CEA Board meetings at the San Marcos City Council Chambers and the test was a success. CEA is on track for in-person meetings once conditions are such that the Board determines to return to in-person.

Call Center Activity

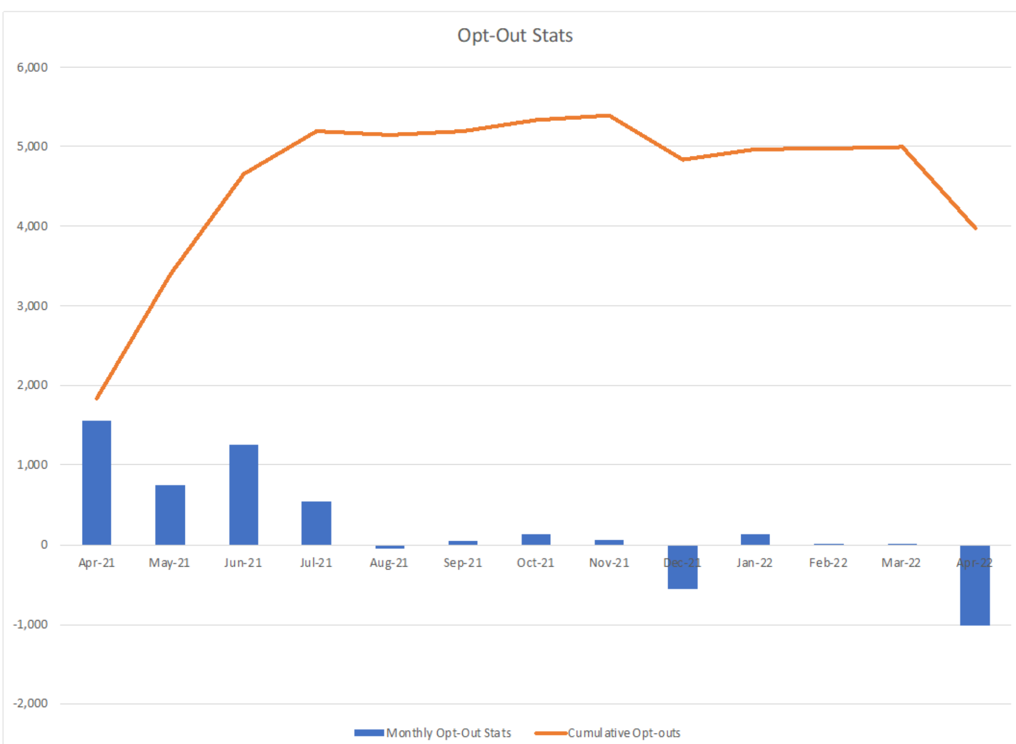
The chart below reflects call activity to CEA's call center through April 30, 2022:



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



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



CEA realized a net decrease in opt outs in March of service accounts with an overall participation rate of 94.02%.

Enrollments in CEA's power supply products are:

Clean Impact - 50% Renewable	132
Clean Impact Plus - 75% Carbon Free	60,520
Green Impact - 100% Renewable	395

Resource Adequacy Compliance

The Year-Ahead Resource Adequacy has begun for calendar year 2023, with the initial forecast due to be filed in April 2022. CEA is coordinating with San Diego Gas & Electric (SDG&E) for its 2023 forecast related to accounting for Escondido and San Marcos customers transferring from SDG&E to CEA in 2023.

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

CEA Regulatory Update

May 26, 2022

Tosdal APC

Overview

Net Energy Metering (R. 20-08-020)

Decision on Modified Cost Allocation Mechanism (R. 20-05-003)

Update: Assembly Bill 2838

Net Energy Metering

The CPUC has issued a new ruling in the NEM 3.0 proceeding seeking additional input on the Proposed Decision.

- Transitional rates or glide path to NEM 3.0
- Applicability of non-bypassable charges
- Adoption of a community solar tariff

Comments are due June 10, and reply comments are due June 24.

The ruling states that the proceeding will be resubmitted for decision following reply comments.

Net Energy Metering Contd.

The Proposed Decision was problematic for several reasons and was held by the CPUC.

- Grandfathering rules changed to substantially reduce legacy periods.
- Grid Participation Charge for residential customers set at $8/kW.

  Eg) A residential homeowner with a 6 KW system would be charged $48 per month.

- Market Transition Credit was adopted to ensure the growth of distributed resources and set at $0/kW for SDG&E customers. Compare $0/kW to $5.25/kW for SCE and PG&E customers.
- NEM customers must enroll in a single TOU rate schedule per utility.
- Solar parties argued for a community solar tariff but it was not adopted.

Net Energy Metering Contd.

The Ruling seeks input on Market Transition Credit (MTC).

- MTC is based on the Avoided Cost Calculator (ACC).
- The Ruling proposes an ACC Plus concept.
  - Adder to MTC at fixed cents/kWh
  - Step down over time to ACC value
- Detailed questions for parties are related to policy, methodology, impacts, application.

Net Energy Metering Contd.

The Ruling seeks input on non-bypassable charges.

- Current non-bypassable charges include the Power Charge Indifference Adjustment, Public Purpose Program Charge, Nuclear Decommissioning Charge, Competition Transition Charge, and Department of Water Resources bond charges.

- The Ruling proposes that non-bypassable charges be collected on gross consumption, ie, energy usage excluding generation credit.

- Detailed questions related to application to different customer groups, selection of non-bypassable charges, and process for changing rate structure in the future.

Net Energy Metering Contd.

The Ruling seeks input on community solar tariff.

- Community solar tariffs are opt-in subscription programs that permit customers to purchase the output of a solar generating facility or facilities.
- Solar parties advocated for a broader community solar tariff that improved on the existing Community Solar Green Tariff (CSGT) program restricted to customers in disadvantaged areas.
    - Assembly Bill 2316 would create a community solar program.
- Detailed questions for parties concern benefits for renters and low-income earners, whether a 20% bill discount should be applied similar to CSGT, implementation, enforcement, and examples in other states.

Decision on Modified Cost Allocation Mechanism

The CPUC has approved a decision ordering utilities to contract with new CCA programs, including CEA, for resource adequacy that was ordered shortly before the program launched.

- D. 19-11-016 ordered SDG&E to procure System RA according to load share, but made no provision for new CCA programs including CEA and SDCP.
- CEA and SDCP embarked on a campaign with other new CCA programs to advocate for a resolution.
- Proposed Decision orders utilities to contract with CCA programs for share of resources at the Market Price Benchmark.
- Above-market costs will be recovered through the Power Charge Indifference Adjustment ("PCIA").
- Outcome puts CEA in a stronger position to meet its compliance requirements.

Update: Assembly Bill 2838

Assembly Bill (AB) 2838 would permit SDG&E to obtain recovery of excess costs related to its EcoChoice program from non-participating ratepayers, including CCA customers.

- Cost recovery would need to be approved by the CPUC.
- Bill upends the ratepayer indifference principle.
- Bill passed the Assembly.
- Referred to Senate Energy, Utilities and Communications Committee.

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 9: Review Proposed Clean Energy Alliance Fiscal Year 22/23 Budget and Schedule Adoption for June 30, 2022

RECOMMENDATION

Review proposed Clean Energy Alliance Fiscal Year 22/23 Budget and Schedule Adoption for June 30, 2022.

BACKGROUND AND DISCUSSION

The proposed fiscal year 22/23 budget (detail below) reflects service expansion into the cities of Escondido and San Marcos, addition of new positions, projected power supply costs based on current forward price curves and existing contracts, on-going regulatory compliance requirements and professional and legal services required to support operations.

The following assumptions were used to develop the proposed budget:

- Revenue based on current adopted rates;
- Power supply costs based actual executed contracts and May forward price curves;
- Consulting services based on approved contracts.

Fiscal Year 21/22 Year End Estimates

As part of developing the FY 22/23 proposed budget, staff has evaluated the current FY 21/22 budget to determine the projected ending net results.

Revenues are expected to come in as projected while expenditures are expected to come in under budget as reflected in the chart below:

	Midyear Adjusted Budget	Year End Estimate	Variance
Projected Revenue	$63,282,755	$63,297,755	$15,000
Projected Expenditures	$61,055,025	$59,792,791	($1,262,234)
Net Results	**$2,227,730**	**$3,504,964**	**$1,277,234**

Expenditure savings are driven primarily by lower than projected power supply costs in the amount of $1,072,234, legal services savings of $88,500 and professional services savings of $91,200. The net savings results in changing ending fund balance from a projected negative $479,684 to positive $797,550.

Proposed Fiscal Year 22/23 Budget

The FY 22/23 proposed budget was based on the following priorities and goals:

- Financial Stability
- Meeting Regulatory Compliance
- Successful Expansion to Escondido and San Marcos

Based on current assumptions, including accounting for the additional customers being served in Escondido and San Marcos, sufficient revenues are projected to cover costs with net positive results of operations in the amount of $2,408,390, as summarized below and detail reflected in the attachment.

The chart below compares the FY 21/22 Year End Estimates to FY 22/23 Proposed Budget:

	FY 21/22 Year End Estimate	FY 22/23 Proposed Budget	Variance
Projected Revenue	$63,297,755	$80,791,405	$17,493,650
Projected Expenditures	$59,792,791	$78,383,015	$18,590,224
Net Results	**$3,504,964**	**$2,408,390**	**($1,096,574)**

The increase in revenues is based on anticipated new revenue generated by the April 2023 service expansion to the cities of Escondido and San Marcos. The increase in expenditures is due to the increase in energy purchases related to the service expansion ($16.9MM) and funding for positions ($750,000) proposed as part of the budget.

The following table provides the line item detail of FY 21/22 Year End Estimates and FY 22/23 Proposed Budget.

Clean Energy Alliance
FY 21/22 Year End Estimates and FY 22/23 Proposed Budget

	FY 21/22 Midyear Adjusted Budget	FY 21/22 Year End Estimate (5/2022 Pro Forma	FY 22/23 Proposed Budget - Summary
REVENUE			
Energy Sales Revenue	$ 57,282,755	$ 57,282,755	$ 80,786,405
Interest Income		$ 15,000	$ 5,000
Funds provided by Financing	$ 6,000,000	$ 6,000,000	
TOTAL REVENUE	**$ 63,282,755**	**$ 63,297,755**	**$ 80,791,405**
EXPENDITURES			
Power Supply	$ 58,222,525	$ 57,150,291	$ 74,134,855
Data Management/Call Center	$ 840,000	$ 840,000	$ 1,151,180
Staffing/Consultants	$ 235,700	$ 200,000	$ 985,280
Legal Services	$ 375,000	$ 286,500	$ 390,000
Professional Services	$ 888,600	$ 797,400	$ 963,600
Audit Services	$ 41,000	$ 26,000	$ 15,000
Software & Licenses	$ 9,100	$ 11,600	$ 15,100
Memberships & Dues	$ 121,000	$ 120,500	$ 121,000
Printing	$ 27,000	$ 25,000	$ 55,000
Postage	$ 21,100	$ 26,000	$ 50,000
Advertising	$ 15,000	$ 1,500	$ 15,000
Insurance	$ 32,000	$ 6,000	$ 35,000
Bank Fees	$ 2,000	$ 2,000	$ 2,000
Debt Service	$ 225,000	$ 300,000	$ 450,000
TOTAL PROJECTED BUDGET	**$ 61,055,025**	**$ 59,792,791**	**$ 78,383,015**
Net Results of Operations	$ 2,227,730	$ 3,504,964	$ 2,408,390
Beginning Fund Balance	(2,707,414)	(2,707,414)	797,550
Ending Fund Balance	$ (479,684)	$ 797,550	$ 3,205,940

The proposed budget increases reserves from projected $797,550 to $3,205,940 representing 4% of revenues.

The recommended positions include:

Positions recommended to transition from current interim appointee to permanent:

- Chief Financial Officer/Treasurer – transition from interim appointee
- Board Secretary – transition from interim appointee

New recommended positions:

- Account Services/Programs Manager
- Procurement Manager
- Regulatory Analyst

A further description of the proposed positions and responsibilities follows:

Chief Financial Officer/Treasurer

To date, the Chief Financial Officer/Treasurer responsibilities have been provided through an agreement with Marie Marron Berkuti. Ms. Berkuti has informed CEA that she will no longer be available after August 31, 2022. This Board is required to appoint a Chief Financial Officer/Treasurer pursuant to Section 5.4 of the Joint Powers Agreement (JPA).

Board Secretary

To date, the Board Secretary responsibilities have been provided by Sheila Cobian, through an agreement with the City of Carlsbad. Ms. Cobian has informed CEA that she is not able to continue providing these services. The Board is required to appoint a Secretary pursuant to Section 5.3 of the JPA. On an interim basis, the Interim Board Clerk is able and qualified to provide these services until a permanent Board Secretary is appointed.

Account Services/Program Manager

The Account Services/Program Manager position will be responsible for establishing and maintaining relationships with key accounts, managing the service expansion efforts, and coordinating marketing and outreach, researching, and pursuing funding opportunities and developing CEA programs.

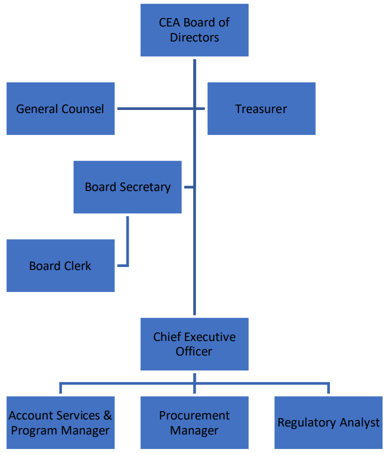
Procurement Manager

The Procurement Manager position will be responsible for energy and non-energy procurements, establishing and monitoring CEA's Supplier Diversity program to ensure compliance with requirements and contracts administration.

Regulatory Analyst

The Regulatory Analyst position will be responsible for legislative and regulatory advocacy, monitoring legislation and developing positions related to proposed legislation and intergovernmental relations.

The following reflects CEA's updated organization chart including the proposed positions.



The proposed budget will be brought back to the Board for formal adoption at its June 30, 2022, regular meeting.

FISCAL IMPACT

Revenue from energy sales to customers provides sufficient funds for the proposed expenditures with excess going into reserves.

ATTACHMENTS

None

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 10: Receive Update and Assessment Report Related to the cities of Oceanside, San Clemente, and Vista Joining Clean Energy Alliance

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RECOMMENDATION

Receive update and assessment report related to the cities of Oceanside, San Clemente and Vista joining Clean Energy Alliance.

BACKGROUND AND DISCUSSION

Clean Energy Alliance's New Member Addition Policy states the Board will consider adding new agencies under the following conditions:

1. The analysis of the proposed member usage data results in a positive feasibility study using CEA's financial pro forma model;
2. The addition of the new member does not create an undue risk or financial burden to CEA;
3. Does not create an undue risk to the achievement of the goals of CEA, including the achievement of the Climate Action Plan goals of the current Members.

In order to analyze the financial impact of Oceanside, San Clemente, and Vista (Cities) joining CEA for purposes of complying with condition 1 above, CEA received the 2021 usage data for the three cities. The electric usage was analyzed and input into CEA's current financial pro forma model, using current approved customer rates and updated energy costs, the results of which have been summarized in the attached Assessment Report.

Customer Information

The chart above provides information on the number of accounts and annual energy usage in 2021 for the Cities, CEA's current base (Carlsbad, Del Mar and Solana Beach) and the 2023 expansion into Escondido and San Marcos. Adding the Cities in 2024 more than doubles the number of accounts that CEA services and increases energy usage by 81% (not adjusted for any opt-out assumption).

City	Accounts	Annual Energy (MWh)	Average Customer Usage (kWh/Mo.)	Peak Demand (MW)
Oceanside	73,295	568,725	647	124
Vista	39,593	353,719	744	74
San Clemente	34,478	253,731	613	58
Total	**147,366**	**1,176,175**	**665**	**256**
CEA Base Forecast	*59,153*	*626,927*	*883*	*136*
2023 Expansion Forecast	*86,400*	*826,410*	*797*	*196*
Total Current Forecast	***145,553***	***1,453,337***	***832***	***332***
Total Combined	***292,919***	***2,629,512***	***898***	
% Increase	***101%***	***81%***		

Financial Assessment

The financial assessments used the following assumptions:

- Customers enrolled in April 2024
- 10% of eligible customers would opt-out
- Current CEA rates
- Current Forward Price Curve of Energy

a base assumption of enrolling customers in April 2024, which was determined to be the optimal enrollment date, and serving 90% of eligible customers, the assessment concluded that with the addition of Oceanside, CEA's net operating margin would increase by approximately 85% beginning in FYE 2025, which would be the first full fiscal year of service.

The projected incremental revenues, costs, and net operating margin are shown in Table 1 below:

Incremental Net Margins from Expansion (in $MM) City of Oceanside

	FYE 2024[1]	FYE 2025	FYE 2026
Revenue	$9.86	$53.55	$53.82
Power Supply Costs	-$8.88	-$50.54	-$49.50
Staffing	-$0.17	-$0.17	-$0.17
Billing and Other Costs	-$0.48	-$1.43	-$1.44
Net Operating Margin	**$0.35**	**$1.42**	**$2.72**
5% Reserve Contribution	**$0.49**	**$2.68**	**$2.69**
Reserve Shortfall/Excess	-$0.14	-$1.26	$0.03

Based on the assumptions listed above, sufficient revenue related to serving Oceanside would be generated to cover operating costs, however, for Fiscal Years ending 2024 and 2025, the net operating margin falls short of the 5% reserve contribution. Fiscal year 2026 projects sufficient revenue to cover all costs and the 5% operating reserve contribution.

Incremental Net Margins from Expansion (in $MM) City of San Clemente

	FYE 2024[21]	FYE 2025	FYE 2026
Revenue	$4.45	$23.83	$23.95
Power Supply Costs	-$3.99	-$22.40	-$21.94
Staffing	-$0.08	-$0.08	-$0.08
Billing and Other Costs	-$0.15	-$0.59	-$0.59
Net Operating Margin	**$0.24**	**$0.75**	**$1.34**
5% Reserve Contribution	$0.22	$1.19	$1.20
Reserve Shortfall/Excess	$0.02	-$0.44	$0.14

[1] Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.
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Based on the assumptions listed above, sufficient revenue related to serving San Clemente would be generated to cover operating costs, however, for Fiscal Year ending 2025, the net operating margin falls short of the 5% reserve contribution. Fiscal years 2024 and 2026 projects sufficient revenue to cover all costs and the 5% operating reserve contribution.

Incremental Net Margins from Expansion (in $MM) City of Vista

	FYE 2024[31]	FYE 2025	FYE 2026
Revenue	$6.19	$32.96	$33.12
Power Supply Costs	-$5.62	-$31.49	-$30.85
Staffing	-$0.11	-$0.11	-$0.11
Billing and Other Costs	-$0.21	-$0.74	-$0.74
Net Operating Margin	**$0.26**	**$0.62**	**$1.43**
5% Reserve Contribution	$0.31	$1.65	$1.66
Reserve Shortfall/Excess	-$0.05	-$1.02	-$0.23

Incremental Net Margins from Expansion (in $MM) Combined

	FYE 2024[41]	FYE 2025	FYE 2026
Revenue	$20.51	$110.34	$110.89
Power Supply Costs	-$18.48	-$104.43	-$102.29
Staffing	-$0.35	-$0.35	-$0.35
Billing and Other Costs	-$0.83	-$2.76	-$2.77
Net Operating Margin	**$0.85**	**$2.79**	**$5.48**
5% Reserve Contribution	$1.03	$5.52	$5.54
Reserve Shortfall/Excess	-$0.18	-$2.72	-$0.06

The combined financial assessment determines sufficient revenue is generated at current rates to cover operating costs but fall short of the 5% reserve contribution. The reserve contribution for FYE 2024 is projected to be 4%, 2025 2.5% and 2026 4.9%.

Resource Availability

The following is taken from the Assessment Report (attached) prepared by Pacific Energy Advisors:

Changes in market prices for electricity represent the single greatest uncertainty that could impact the projected benefits related to expansion. Electricity commodity, traded in a highly volatile market, and prices could materially change before CEA is ready to contract for the power supply needed to serve

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[41] Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.

anticipated Cities' loads. Commodity price risk is inherent in the electric utility industry and is not unique to expansion, but expansion imposes challenges with respect to the timing of electricity purchase as well as the timing associated with a final/definitive determination regarding the expansion itself. This is not unlike the challenges CEA (or any Community Choice Aggregator) faced during its initial startup period. CEA utilizes professional risk management approached and forward hedging contracts to mitigate commodity price risk for its existing customers; however, adverse price movements that may occur before CEA initiates power purchases for the Cities' load could drive up costs and result in negative margins.

In addition to the impact of the volatility of the energy market, CEA must take into consideration regulatory compliance procurement as it relates to the expansion. Under existing regulation, CEA must have a certain percentage of its renewable energy requirements in long-term contracts. This requirement must be met as of the end of 2024 for the expansion load. Realistically, CEA will only be able to meet this requirement through procurement of existing contracts from San Diego Gas & Electric (SDG&E). SDG&E would have entered into long-term renewable energy contracts on behalf of the Cities' load, which would be excess at the time the energy transfers to CEA. Through California Public Utilities Commission Decision 21-05-030, CEA has access to SDG&E excess long-term renewable energy through an allocation process. To the extent CEA can arrange such as allocation related to the expansion load, the incremental obligation related to the new load is diminished.

Resource adequacy (RA) is another power supply product that CEA will need to plan for in preparing for serving the expansion cities load. RA is a constrained product, and SDG&E will have been required to have 100% of the RA associated with the Cities' load in 2022. Due to constraints in RA availability, CEA will be required to work with SDG&E in procuring its excess RA capacity to meet the additional requirements.

The ability of work with SDG&E successfully will be key in CEA meeting its regulatory procurement compliance. CEA will need to take this into account in determining whether a 2024 enrollment is achievable or postponing to 2025 results in less risk.

Average Residential Bill Comparison

Using CEA's current adopted rates and SDG&E's current rates, the following reflects the average monthly bill comparison for a residential customer on rate Schedule DR for each of the three cities.

City of Oceanside **Residential: DR**	**SDG&E 31% Renewable**	**CEA 50% Renewable Clean Impact**	**CEA Clean Impact Plus 75% Carbon Free**	**CEA Green Impact 100% Renewable**
Generation	$ 49.86	$ 35.80	$ 35.80	$ 35.80
Clean Impact Plus/Green Impact Premium	$ -	$ -	$ 0.32	$ 2.43
SDG&E PCIA+FFS - 2022 Vintage	$ -	$ 9.73	$ 9.73	$ 9.73
Generation Related Costs	$ 49.86	$ 45.53	$ 45.85	$ 47.96
SDG&E Delivery	$ 73.08	$ 73.08	$ 73.08	$ 73.08
Total Average Monthly Bill	**$ 122.94**	**$ 118.61**	**$ 118.93**	**$ 121.04**
Average 324 kWh Usage				
$ Savings to SDG&E		$ (4.33)	$ (4.01)	$ (1.90)
% Savings to SDG&E		-3.52%	-3.26%	-1.55%

City of San Clemente **Residential: DR**	**SDG&E 31% Renewable**	**CEA 50% Renewable Clean Impact**	**CEA Clean Impact Plus 75% Carbon Free**	**CEA Green Impact 100% Renewable**
Generation	$ 60.94	$ 43.75	$ 43.75	$ 43.75
Clean Impact Plus/Green Impact Premium	$ -	$ -	$ 0.40	$ 2.97
SDG&E PCIA+FFS - 2022 Vintage	$ -	$ 11.90	$ 11.90	$ 11.90
Generation Related Costs	$ 60.94	$ 55.65	$ 56.05	$ 58.62
SDG&E Delivery	$ 89.32	$ 89.32	$ 89.32	$ 89.32
Total Average Monthly Bill	**$ 150.27**	**$ 144.97**	**$ 145.37**	**$ 147.94**
Average 396 kWh Usage				
$ Savings to SDG&E		$ (5.29)	$ (4.89)	$ (2.32)
% Savings to SDG&E		-3.52%	-3.26%	-1.55%

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City of Vista **Residential: DR**	**SDG&E 31% Renewable**	**CEA 50% Renewable Clean Impact**	**CEA Clean Impact Plus 75% Carbon Free**	**CEA Green Impact 100% Renewable**
Generation	$ 52.63	$ 37.79	$ 37.79	$ 37.79
Clean Impact Plus/Green Impact Premium	$ -	$ -	$ 0.34	$ 2.57
SDG&E PCIA+FFS - 2022 Vintage	$ -	$ 11.90	$ 11.90	$ 11.90
Generation Related Costs	$ 52.63	$ 49.69	$ 50.03	$ 52.25
SDG&E Delivery	$ 77.14	$ 77.14	$ 77.14	$ 77.14
Total Average Monthly Bill	**$ 129.77**	**$ 126.83**	**$ 127.17**	**$ 129.39**
Average 342 kWh Usage				
$ Savings to SDG&E		$ (2.95)	$ (2.60)	$ (0.38)
% Savings to SDG&E		-2.27%	-2.01%	-0.29%

For comparison, current CEA customers are realizing the following results compared to SDG&E:

2020 PCIA Vintage Carlsbad & Del Mar	50% Renewable Clean Impact	75% Carbon Free Clean Impact Plus	100% Renewable Green Impact
$ (Savings)/Premium to SDG&E – Total Bill	($1.42)	($.97)	$1.64
% (Savings)/Premium to SDG&E – Total Bill	(0.9%)	(0.6%)	1.0%

2017 PCIA Vintage Solana Beach	50% Renewable Clean Impact	75% Carbon Free Clean Impact Plus	100% Renewable Green Impact
$ (Savings)/Premium to SDG&E – Total Bill	($5.57)	($5.17)	($2.51)
% (Savings)/Premium to SDG&E – Total Bill	(3.64%)	(3.38%)	(1.64%)

Staff will continue to monitor the energy market, and its impact on the financial assessment of the service expansion and provide an update to the CEA Board in July 2022 when the next action is needed by the CEA Board related to the additions.

Next Steps

ACTIVITY	TIMING
Assessment Report Results to CEA Board	May 26, 2022
Cities - Resolution to Join CEA and 1st Reading of Ordinance to Establish a CCA	June 2022
Cities - 2nd Reading of Ordinance	June/July 2022
CEA - Resolution approving Cities joining CEA/Direct preparation of Implementation Plan Amendment	July 2022
Draft Implementation Plan Amendment to CEA Board	October 2022
File Implementation Plan Amendment with CPUC	December 2022

FISCAL IMPACT

There is no fiscal impact related to this report.

ATTACHMENTS

Pacific Energy Advisors Assessment Report – Oceanside, San Clemente, Vista Expansion

Clean Energy Alliance New Membership Assessment

Cities of Oceanside, San Clemente, and Vista

May 2022

SUMMARY

The cities of Oceanside, San Clemente, and Vista ("Cities") have engaged with the Clean Energy Alliance ("CEA") to explore the possibility of joining CEA. On behalf of CEA, Pacific Energy Advisors, Inc. ("PEA") conducted assessments of the financial and resource planning implications associated with extending CEA service to electric customers within the Cities (which are currently receiving bundled electric service from the incumbent utility, San Diego Gas & Electric, or "SDG&E"). The assessments involved studies to understand the potential increase in electric load and the additional energy resources that would be needed to serve the Cities. The studies also estimated the incremental revenues that would be derived from electricity sales to the Cities' customers, as well as the incremental costs associated with energy resource procurement and other items/services that would be necessary to support CCA service expansion to the Cities' customers. These factors were jointly evaluated to determine whether any operating surpluses could be generated, on a projected basis, for the benefit of CEA and its customers.

In consideration of the prospective timing associated with amended implementation plan submittal and in accordance with existing regulatory rules, the earliest possible enrollment date for Cities customers would be January 1, 2024.[1] For this assessment, PEA modeled various enrollment start times in 2024 and found that April 2024 would be optimal from a financial perspective. Thus, enrollment would be expected to occur toward the end of CEA's fiscal year ending 2024; the first full year reflecting Cities load would be CEA's fiscal year ending 2025.

Under current base case assumptions, the analysis indicates that expansion would yield positive operating margins (revenue net of incremental cost) and reserve additions, but not at a level sufficient to meet CEA's targeted 5% reserve contribution. The projected incremental revenues, costs, operating margin, and net deficit (i.e., shortfall in reserve contribution) is shown in Table 1.

Table 1: Incremental Net Margins from Expansion (in $MM)

	FYE 2024[2]	FYE 2025	FYE 2026
Revenue	$20.51	$110.34	$110.89
Power Costs	-$18.48	$104.43	-$102.29
Staffing	-$0.35	-$0.35	-$0.35
Other Costs	-$0.83	-$2.76	-$2.77
Subtotal: **Operating Margin**	$0.85	$2.79	$5.48
Reserves (targeted)	-$1.03	-$5.52	-$5.54
Net Deficit	**-$0.18**	**-$2.72**	**-$0.06**

[1] Achieving the prospective early enrollment date for Cities customers would require submittal of an amended CCA implementation plan no later than December 31, 2022.
[2] Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.

Electric resource requirements associated with the expansion would be significant, and close coordination between CEA and SDG&E would be important to achieve an appropriate allocation of resources needed to serve the transferred load. Such coordination and cooperation would be especially important for resource adequacy and long-term renewable energy supply. Without cooperation from SDG&E to sell excess resources, or alternatively, a regulatory mechanism to ensure transfer of resources as load shifts from SDG&E to CEA, it may not be possible for CEA to obtain the necessary resources in the near term to meet its resource adequacy and long-term Renewable Portfolio Standards ("RPS") obligations.

ANALYSIS

PEA conducted three individual analyses of the Cities' prospective electric accounts, as well as an aggregate outlook, to estimate the revenues and costs associated with extending CEA service to the Cities. The analyses incorporated historical monthly electric usage data provided by SDG&E for all current electric accounts located within the Cities. PEA reviewed load data from 2019 and 2021 to formulate its load projections.[3]

Table 2 summarizes the account and electric usage data for the major customer classifications represented within the Cities. Available data indicate the potential to serve 147,366 new CEA customer accounts, which are expected to use approximately 1,176,175 MWh of electric energy per year. This would be an approximate 81% increase in size for CEA, relative to the anticipated retail sales volume associated with CEA's current membership. The aggregate peak demand of these prospective accounts is estimated at 256 MW.[4]

Table 2: 2021 Cities' Electric Data

Classification	**Accounts**	**Annual Energy (MWh)**	**Monthly Per Account (kWh)**
Residential	132,398	549,373	346
Commercial/Industrial	14,333	610,171	3,548
Agricultural	115	7,937	5,751
Street Lighting	520	8,695	1,393
Total	147,366	1,176,175	665
***Peak Demand (MW)**			256

*Estimate based on CEA customer hourly usage profiles.

As compared to the current CEA customer base, summarized in Table 3 below, the Cities have a slightly larger residential sector and a smaller commercial sector. The Cities' residential customers tend to be

[3] 2020 data were excluded due to customer usage anomalies introduced by the Covid-19 pandemic.

[4] These figures reflect bundled electric customers of SDG&E and exclude customers taking service from non-utility energy providers (namely, direct access service providers) as well as certain accounts on generation service contracts that are not expected to transition to CEA service. These figures are unadjusted for expected customer attrition (customer elections to "opt-out").

lesser users of energy than those in CEA's current service area, with 13% lower average monthly consumption, whereas the commercial customers are similar in total average consumption.

Table 3: Projected Annual CEA Electricity Data – Current Membership

Classification	Accounts	Annual Energy (MWh)	Monthly Per Account (kWh)
Residential	125,372	597,177	397
Commercial/Industrial	19,382	827,998	3,560
Agricultural	280	18,147	5,401
Street Lighting	519	10,015	1,608
Total	145,553	1,453,337	832
Peak Demand (MW)			332

As illustrated in Figures 1 and 2 below, electricity usage within the Cities shows slightly less seasonality relative to the current CEA customer base, with a flatter shape of overall consumption across the year. These usage characteristics are likely due to cooling loads driven by climate differences between the two geographic areas.

Figure 1: 12-Month Hourly Load Profile (kW) for the Cities

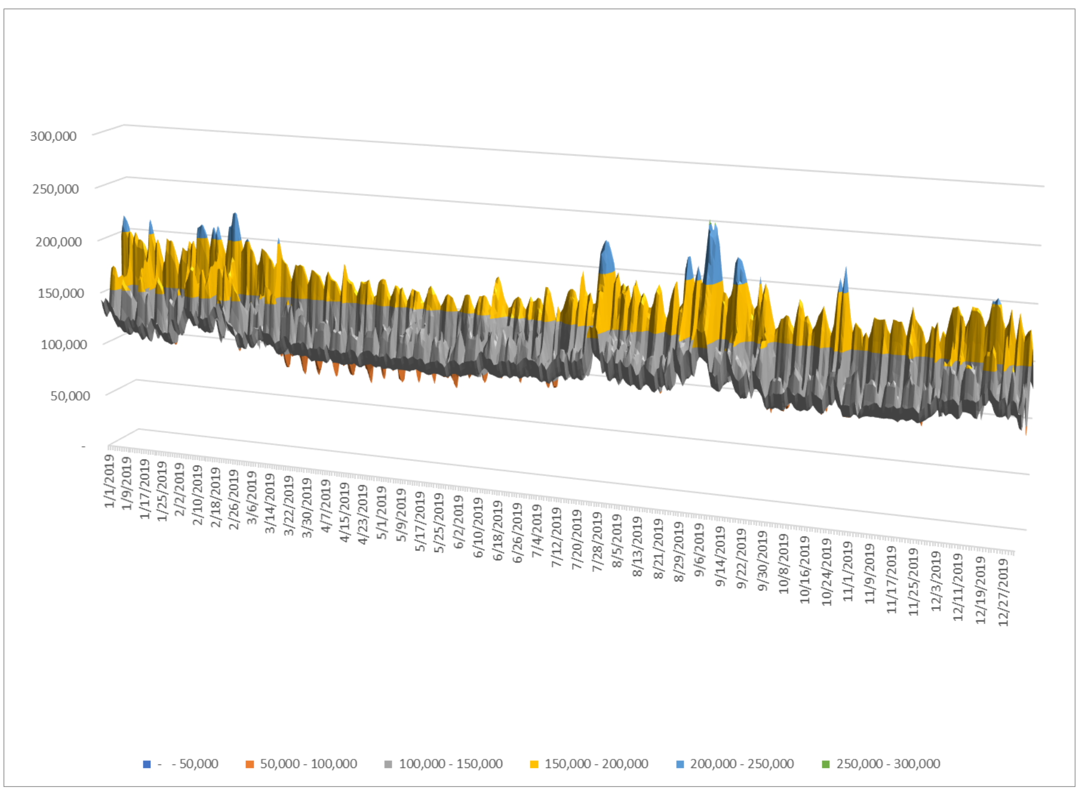
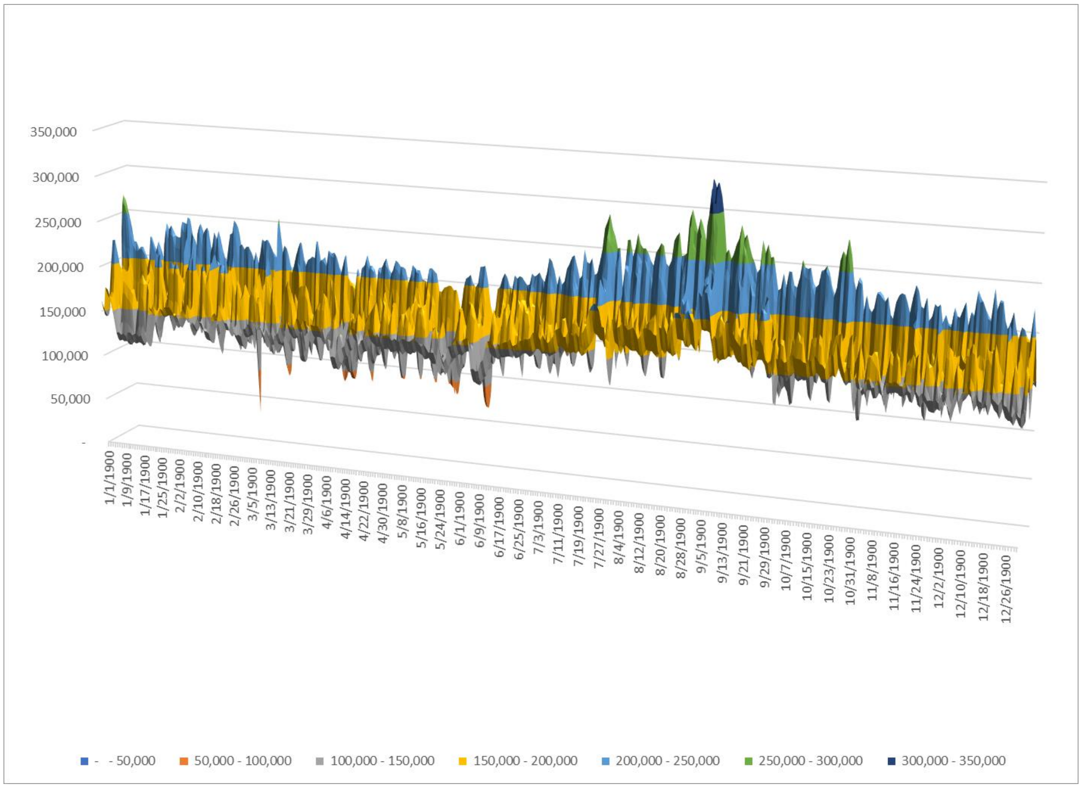


Figure 2: 12-Month Hourly Load Profile (kW) of CEA's Current Customer Base



FISCAL IMPACTS

For purposes of the fiscal impact analysis, it was assumed that service would be initiated to the Cities in April 2024 and that 90% of eligible accounts would choose to participate (with the remaining 10% electing to opt-out, continuing to receive bundled electric service from the incumbent utility). The exception to this opt-out assumption is reflected in the Street Lighting class, which is assumed at a 100% enrollment rate. This would equate to an increase in annual CEA electricity sales of 1,070 GWh, or approximately 74% relative to pre-2024 expansion sales. In order to quantify anticipated financial impacts to CEA, the incremental revenues and costs associated with the prospective service expansion were examined. More specifically, the year of enrollment and the next two fiscal years following expanded service, i.e., the period beginning April 1, 2024, through June 30, 2026, were analyzed to determine likely fiscal impacts over a multi-year planning period.

The incremental revenue surplus - based on the difference between projected revenues and costs directly related to the addition of the Cities' accounts - represents the expected fiscal benefit related to expansion. Incremental revenues were projected based on forecasted electricity sales and current CEA rates. The incremental cost analysis accounts for requisite power supplies that would be required to serve accounts within the Cities, increased customer billing charges, customer service support (call center), additional CEA staffing, SDG&E service fees, and required customer notices associated with serving additional customers.

Table 4 reflects the estimated incremental fiscal impact during each of the first three fiscal years commencing with (and immediately following) enrollment of the Cities' accounts.

Table 4: Incremental Fiscal Impact Related to Prospective Expansion

	FYE 2024[5]	FYE 2025	FYE 2026
Revenue ($MM)	$20.51	$110.34	$110.89
Power Costs ($MM)	-$18.48	-$104.43	-$102.29
Staffing ($MM)	-$0.35	-$0.35	-$0.35
Other Costs ($MM)	-$0.83	-$2.76	-$2.77
Subtotal: Operating Margin	**$0.85**	**$2.79**	**$5.48**
Reserves (targeted)	-$1.03	-$5.52	-$5.54
Net Deficit ($MM)	**-$0.18**	**-$2.72**	**-$0.06**
Incremental Sales Volume (MWh)	204,081	1,072,587	1,077,950

In consideration of current market conditions and assuming continuation of current CEA rates, adding the Cities accounts to CEA's current customer base is projected to generate a revenue surplus when compared to anticipated operating expenses; however, the operating margin would not be at a level that meets CEA's current 5% reserve contribution targets. It is estimated that expanding CEA service to the Cities would increase reserves by $9.12 million across the first three fiscal years impacted by the expansion, equivalent to a 3.8% reserve contribution. It is worth noting that power supply costs and CEA rates may change over time, and to the extent such changes occur, actual net revenues could materially differ from the net revenue projections reflected in Table 4 (above).

WHOLESALE POWER PRICE SENSITIVITY

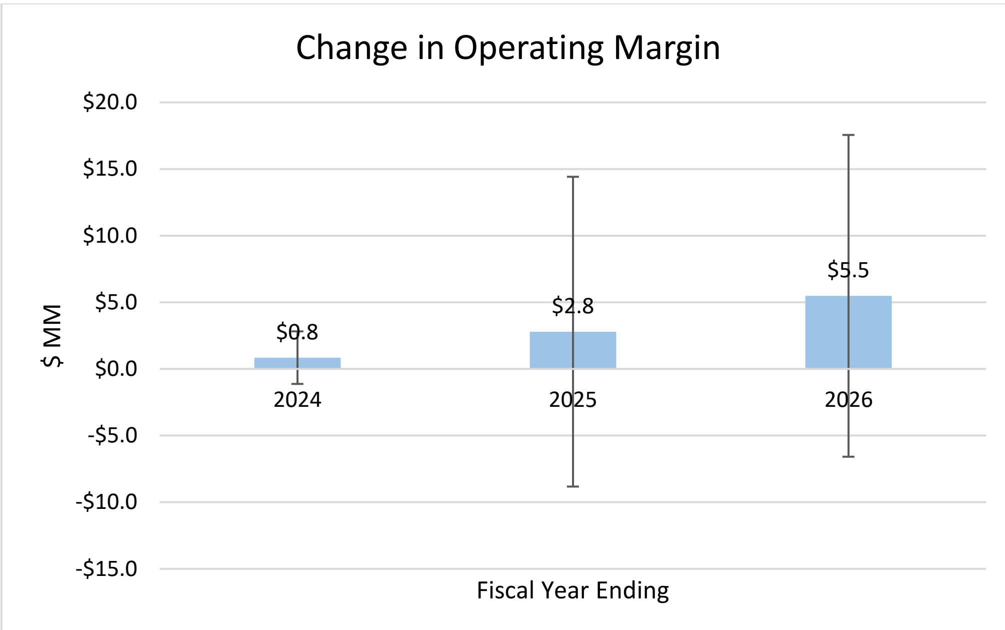
Changes in market prices for electricity represent the single greatest uncertainty that could impact the projected benefits related to expansion. Electricity is a commodity, traded in a highly volatile market, and prices could materially change before CEA is ready to contract for the power supply needed to serve anticipated Cities' electric loads. Commodity price risk is inherent in the electric utility industry and is not unique to expansion, but expansion imposes challenges with respect to the timing of electricity purchases as well as the timing associated with a final/definitive determination regarding the expansion itself. This is not unlike the challenges CEA (or any Community Choice Aggregator) faced during its initial startup period. CEA utilizes professional risk management approaches and forward hedging contracts to mitigate commodity price risk for its existing customers; however, adverse price movements that may occur before CEA initiates power purchases for the Cities' load, could drive up costs and result in negative margins.

Utilizing historical volatility in wholesale power market prices, a likely range of potential power supply costs and resulting net margins can be calculated. Figure 3 shows the base case operating margins and error bars representing one standard deviation in power supply costs, assuming CEA does not initiate procurement until March 2023, the month during which the CPUC would be expected to certify CEA's Implementation Plan amendment addressing expansion to the Cities. Over this eleven-month period

[5] Reflects partial year of service for fiscal year ending June 20, 2024, with enrollments assumed to commence on April 1, 2024.

(between the date of this Expansion Assessment and March 2023), the estimated change in market prices at one standard deviation of variation is approximately 10% relative to base case assumptions. As reflected in Figure 3 (below), the likely range of operating margin outcomes is wide, ranging from negative $9 million to positive $17 million.

Figure 3: Net Surplus Sensitivity to Changes is Power Prices



RESOURCE IMPACTS

Similar to the procurement approach used to support CEA's current customers, CEA would need to acquire various energy products to serve the Cities – it is assumed that the proportionate acquisition of such resources would occur over time through the application of a laddered hedging strategy, as followed under CEA's risk management program. These energy products include Renewable Energy, Other Carbon Free Energy (e.g., large hydro-electric), System Energy, and Resource Adequacy capacity. The quantities will vary over time and are summarized in Table 5 below for a representative year.

Table 5: Summary of Resources Needed to Serve the Cities

Product	Quantity	Units	Notes
Renewable Energy	630 GWh	GWh Per Year	Approx. half must be from long-term commitments (>= 10 years) per RPS rules
Other Carbon Free	110 to 200 GWh	GWh Per Year	Higher end of range would be needed to offset emissions attributed to PCC2 renewable energy products; lower use of PCC2 products will reduce need for Other Carbon Free volumes
Resource Adequacy, System	195 MW	MW per Month, September Peak	
Resource Adequacy, Local	160 MW	MW Per Month	

Under California's RPS rules, a significant portion of renewable energy purchases must be secured through contractual commitments of at least ten years in duration. Compliance with the RPS program is measured over multi-year compliance periods, and the earliest the expansion could occur would be during Compliance Period 4 (2021-2024). As shown below, RPS compliance would require an increase in renewable energy purchases during Compliance Period 4 of 337 GWh, of which 219 GWh would have to be associated with long-term commitments. Note that CEA has voluntarily adopted higher renewable energy targets than required by the RPS program, so the total renewable energy needed to meet CEA policy is greater than the figures shown below.

Current CEA Membership					
Compliance Period 4	**2021**	**2022**	**2023**	**2024**	**Total**
Retail Sales (GWh)	399	662	1,267	1,489	3,816
Gross RPS %	35.8%	38.5%	41.3%	44.0%	*41.3%*
Required RPS (GWh)	143	255	523	655	1,576
Gross RPS LT %	65.0%	65.0%	65.0%	65.0%	65.0%
Gross LT RPS	***93***	***166***	***340***	***426***	***1,024***

Current CEA Membership Plus the Cities					
Compliance Period 4	**2021**	**2022**	**2023**	**2024**	**Total**
Retail Sales (GWh)	399	662	1,267	2,255	3,816
Gross RPS %	35.8%	38.5%	41.3%	44.0%	*41.7%*
Required RPS (GWh)	143	255	523	992	1,913
Gross RPS LT %	65.0%	65.0%	65.0%	65.0%	65.0%
Gross LT RPS	***93***	***166***	***340***	***645***	***1,243***

RESOURCE AVAILABILITY

Accommodating the Cities' expansion will require careful consideration of resource availability, particularly for resource adequacy and long-term renewable energy products. An important element of resource procurement will be the ability to access resources currently held by SDG&E for the benefit of the Cities' customers. When Cities customers transition to CEA service, SDG&E should have surplus resource adequacy and long-term renewable energy supply, so CEA will need to arrange for the acquisition of such supply to facilitate applicable compliance mandates. If no transfer of resources occurs, either by sale or some form of allocation, CEA would risk being unable to meet its regulatory obligations associated with the increased load associated with Cities' expansion.

Under existing regulation, SDG&E is required to have 100% of the local resource adequacy capacity associated with its current customer base two years forward and 50% in the third year. With the well-known shortages of local resource adequacy capacity in the San Diego/Imperial Valley area, this virtually assures that accessing local RA resources held by SDG&E will be required if CEA is to meet its increased local RA obligations associated with the Cities' load.

With respect to renewable energy availability, the resource constraint would primarily relate to the long-term renewable energy requirement for Compliance Period 4. PEA understands that CEA will soon have an opportunity to pursue an allocation of SDG&E's existing RPS portfolio, as described in Commission Decision 21-05-030, which was adopted on May 20, 2021. Participation in this allocation process is voluntary and certain volumes would be eligible to satisfy long-term renewable energy procurement mandates pertaining to CEA. Additional details related to this process are forthcoming with initial allocations expected to occur during the 2023 calendar year. To the extent that CEA can arrange such an allocation to address the increased renewable energy requirements relating to the Cities' expansion, incremental procurement obligations would be somewhat diminished. If CEA chooses to forgo the aforementioned allocation opportunity, CEA would need to enter into long-term contracts for renewable energy starting in 2024, coincident with (or shortly after) the enrollment of Cities customers. Development timelines for new renewable generating projects, however, would likely extend a minimum of 24 to 36 months following the administration of a related solicitation for such supply. Depending on how early CEA begins its procurement efforts, this could mean that new-build renewable projects may not commence operation until the 2025 or 2026 calendar years (if CEA waited until it received the CPUC's implementation plan certification before pursuing long-term renewable energy solicitation efforts related to Cities expansion). If the earliest delivery for new long-term contracts occurs after 2024, associated renewable energy deliveries could not be used in Compliance Period 4. The RPS program makes no accommodations for significant load increases, and there are severe penalties for not meeting the long-term contracting obligation.

In light of the resource availability issues described above, it would be advisable to engage with SDG&E early in the process to ensure that appropriate resource transfers and/or the previously described renewable energy allocation process can be timely accommodated. Postponing mass enrollment of the Cities customers into the early timeframe of Compliance Period 5 (2025-2027) would be advised if it is deemed that sufficient resources would not be available for CEA to achieve its Compliance Period 4 requirements.

CAPITAL AND LIQUIDITY IMPACTS

Although relatively minimal, additional costs related to the prospective expansion would be incurred during the fiscal year preceding enrollment of the Cities' accounts. These costs would relate to marketing and outreach activities, customer noticing, regulatory and legal representation, internal operations, resource planning and electric procurement activities that would be necessary to successfully integrate the Cities and their customers in CEA's organization. There would also be increased working capital requirements to address changes in cash flow. It is currently projected that CEA will not have sufficient cash liquidity to internally fund pertinent activities related to the prospective expansion; the current analysis projects a minimum of $7.6 million in additional funding would be needed.

CONCLUSIONS

This assessment concludes that under current base case assumptions the expansion would yield positive operating margins and reserve contributions, but at a level below CEA's 5% reserve contribution target. Due to wholesale market volatility, the likely range of outcomes is wide under scenarios reflecting typical power price variability. Extending service to the Cities could increase CEA's sales volume by over 80% and would require a meaningful increase in CEA resource acquisition. Advance coordination with SDG&E for resource adequacy and long-term renewable energy resource transfers would be strongly advised to ensure CEA has the resources necessary to meet its regulatory obligations associated with an increase in load. Among other resource implications, the expansion would increase CEA's long-term RPS compliance obligations, and meeting these heightened obligations during Compliance Period 4, which spans 2021-2024, would be of immediate importance. Postponing mass enrollment of the Cities customers into the early timeframe of Compliance Period 5 (2025-2027) should be considered to reduce the risk that sufficient resources might not be available for CEA to achieve its Compliance Period 4 requirements. It is highly likely that local resource adequacy and long-term renewable energy would need to be obtained from SDG&E to facilitate the transfer of customers to CEA.

CLEAN ENERGY ALLIANCE

Staff Report

DATE: May 26, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 11: Consider Authorizing the Board Chair and Chief Executive Officer to Execute Agreement with Pattern SC Holding for Resource Adequacy, for a Fifteen (15) Year Term Beginning June 2023 for an amount not to exceed $6.5MM in Compliance with California Public Utilities Commission Mid-Term Reliability Mandate

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RECOMMENDATION

Authorize the Board Chair and Chief Executive Officer to Execute Agreement with Pattern SC Holding for Resource Adequacy, for a Fifteen (15) Year Term Beginning June 2023 for an amount not to exceed $6.5MM in Compliance with California Public Utilities Commission Mid-Term Reliability Mandate, subject to Special Transactions Attorney approval.

BACKGROUND AND DISCUSSION

California Public Utilities Commission (CPUC) Decision 21-06-035 required all load serving entities, including community choice aggregators, to procure addition resources for replacement of, among other requirements, replacement of Diablo Canyon. The CPUC Decision requires:

- Project online by 8/1/2023, 6/1/2024 or 6/1/2025, with a preference for an earlier COD;
- Available for a term of at least 10 years;
- Must be non-fossil fueled.

Pursuant to the Decision, Clean Energy Alliance joined with Desert Community Energy and California Choice Energy Authority and issued a joint solicitation in December 2021. The solicitation garnered responses representing over 80 projects. The responses were further refined based on price, location, and eligibility (short-list). Due to the competition that was created by the requirement of all LSEs, many of the short-listed projects either withdrew from the procurement process or changed the terms of their proposal.

One of the short-listed projects is a wind project proposed by Pattern SC Holding. In order to secure the project, the agreement needs to be executed by June 1, 2022. While the final agreement is still being finalized, the term and price are known, 15-years at a not to exceed amount $6.5MM.

In order to meet the timeline, staff recommends the Board authorize the Board Chair and Chief Executive Officer to execute the final agreement, subject to the Special Transactions Attorney approval.

FISCAL IMPACT

The costs related to the procurement have been factored into the financial pro-forma.

ATTACHMENTS

None