

Board of Directors Regular Meeting Agenda

July 28, 2022, 2:00 p.m.

City of San Marcos | 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/UCGXJILzITUJOCZwVGpYoC8Q>

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

San Diego Gas & Electric Update on Summer Preparedness – Sara Nordin, Customer Choice Strategy & Policy Manager, and Shaun Gahagan, Wildfire Mitigation Program Manager

PUBLIC COMMENT

APPROVAL OF MINUTES

June 23, 2022, Special Meeting – Closed Session

June 23, 2022, Special Meeting

June 30, 2022, Regular 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

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 May 2022 activity.



New Business

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

RECOMMENDATION

Receive and file Community Choice Aggregation Update Report from Chief Executive Officer and Regulatory Affairs Report from Special Counsel Tosdal APC.

Item 4: Consider Resolution Authorizing the Cities of Oceanside and Vista to Become Parties to the Clean Energy Alliance Joint Powers Agreement and Members of the Clean Energy Alliance and Related Actions

RECOMMENDATION

- 1) Approve Resolution 2022-004 authorizing the Cities of Oceanside and Vista to become parties to the Joint Powers Agreement and members of Clean Energy Alliance;
- 2) Schedule approval of the Amendment of the Joint Powers Agreement for August 25, 2022;
- 3) Direct staff to prepare an Implementation Plan Amendment, reflecting the expansion into Oceanside and Vista, and return to the October 27, 2022, Board meeting for approval.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting August 25, 2022, 2pm, City of San Marcos, Virtual

**Clean Energy Alliance - Board of Directors
Special Meeting Minutes
June 23, 2022, 1:00 p.m.
Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)**

CALL TO ORDER - Chair Becker called to order the special meeting of the Clean Energy Alliance at 1:03 p.m.

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

BOARD COMMENTS & ANNOUNCEMENTS PRESENTATIONS: None

PUBLIC COMMENT: None

GENERAL COUNSEL ANNOUNCEMENT: General Counsel Thorson announced that closed session is being held to pursuant to Government Code Section 54957, Public Employee Appointment: General Counsel Candidate Interviews.

Chair Becker recessed to closed session at 1:04 p.m.

Chair Becker reconvened to open session at 1:57 p.m.

General Counsel Thorsen announced that no action was taken in closed session that was required to be reported.

ADJOURN: Chair Becker adjourned meeting at 1:58 p.m.

Susan Caputo, MMC
Interim Board Clerk

**Clean Energy Alliance - Board of Directors
Special Meeting Minutes
June 23, 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 special meeting of the Clean Energy Alliance at 2:00 p.m.

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

BOARD COMMENTS & ANNOUNCEMENTS PRESENTATIONS: Vice Chair Druker commented that he contacted Deanna Spehn, Policy Director for Senator Toni Atkins, and forwarded the CEA letter of opposition regarding AB 2838.

PUBLIC COMMENT: None

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 Board Member Inscoe, second by Board Member Acosta, to approve the consent calendar. Motion carried unanimously, 5/0.

ADJOURN: Chair Becker adjourned the meeting at 2:03 pm.

Susan Caputo, MMC
Interim Board Clerk

**Clean Energy Alliance - Board of Directors
Regular Meeting Minutes
June 30, 2022, 2:00 p.m.
City of Solana Beach | 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 COMMUNITY ADVISORY COMMITTEE CHAIR REGARDING JUNE 2, 2022, MEETING: CAC Committee Chair Dwight Worden reported that new members were welcomed; a comprehensive Brown Act review was presented by General Counsel Thorson; committee discussion ensued regarding potential newsletter but decided that social media is best way to conduct outreach at this time; and the formation of Local Programs, Outreach to Underserved Communities, and Electric Vehicles subcommittees.

GENERAL COUNSEL – ITEM 6 - CEO Boswell noted that General Counsel Thorson was not in attendance and attempted to reach her, unsuccessfully. Johanna Canlas, Counsel at Burke, Williams, & Sorenson, made recommendations on how to proceed and stated she is happy to support the Board for the meeting.

Motion by Chair Becker, second by Vice Chair Druker, to consider ITEM 6 as the first order of business. Motion carried unanimously, 5/0.

Item 6: Consider Approval of Agreement with Burke, Williams, & Sorensen, LLP to Provide General Counsel Services

RECOMMENDATION

Approve Agreement with Burke, Williams, & Sorensen, LLP to provide General Counsel services for an annual amount not to exceed \$120,000, beginning July 1, 2022, and authorize the Chief Executive Officer to execute all documents subject to General Counsel approval.

Motion by Vice Chair Druker, second by Board Member Acosta, to approve the modified recommended action adjusting the agreement dates to June 30, 2022, through June 30, 2023. Motion carried unanimously, 5/0.

PRESENTATIONS: None

PUBLIC COMMENT: None

APPROVAL OF MINUTES

May 19, 2022, Special Meeting Minutes

May 26, 2022, Regular Meeting Minutes

Motion by Member Musgrove, second by Member Inscoe, to approve the minutes of the special meeting held May 19, 2022, and the regular meeting held May 26, 2022.

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)

RECOMMENDATION

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 April 2022 activity.

Item 3: Approve Amendment of Bayshore Consulting Group, Inc. Agreement Revising Interim Board Clerk to Interim Secretary through June 30, 2023

RECOMMENDATION

Approve amendment of Bayshore Consulting Group, Inc. Agreement revising Interim Board Clerk to Interim Board Secretary and increase in not to exceed amount from \$215,280 to \$219,360 through June 30, 2023.

Item 4: Consider Approval of Clean Energy Alliance Policy Regarding the Distribution of Complimentary Tickets or Passes Pursuant to FPPC Regulation 18944.1

RECOMMENDATION

Approve Clean Energy Alliance Policy Regarding the Distribution of Complimentary Tickets or Passes Pursuant to FPPC Regulation 18944.1

Item 5: Declare Community Advisory Committee Vacancies for City of Solana Beach and City of Del Mar

RECOMMENDATION

Declare Community Advisory Committee Vacancies for City of Solana Beach for term through 2023 and City of Del Mar for term through 2022 and direct application period to be open through August 1, 2022.

Motion by Chair Becker, second by Vice Chair Druker, to approve the consent calendar.

Motion carried unanimously, 5/0.

New Business

Item 6: Consider Approval of Agreement with Burke, Williams, & Sorensen, LLP to Provide General Counsel Services

RECOMMENDATION

Approve Agreement with Burke, Williams, & Sorensen, LLP to provide General Counsel services for an annual amount not to exceed \$120,000, beginning July 1, 2022, and authorize the Chief Executive Officer to execute all documents subject to General Counsel approval.

This item was considered as the first order of business and approved unanimously, 5/0 with date modification as stated above, prior to Consent Calendar.

Item 7: Clean Energy Alliance Chief Executive Officer Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

Receive and file Community Choice Aggregation Update Report from Chief Executive Officer and Regulatory Affairs Report from Special Counsel Tosdal APC.

CEO Barbara Boswell updated the Board focusing on CEA expansion, presenting an overview for the Escondido and San Marcos April 2023 launch noting that the CPUC has certified the Implementation Plan Amendment; the first procurement related action pertaining to Resource Adequacy (RA) was filed; and energy hedge procurement commenced. Next an overview of the CEA expansion into Oceanside, Vista, and San Clemente with a 2024 service launch plan was presented noting that Oceanside has adopted a resolution to join CEA and an ordinance establishing a CCA as did Vista City Council in June 2022. San Clemente is scheduled to consider the same at the July 19, 2022, City Council meeting.

Regulatory Counsel Ty Tosdal updated the Board on the following items: SDG&E General Rate Case commenting that this rate case deals primarily with transmission and distribution, equipment and systems, and public programming. SDG&E is seeking \$286 million, or 6.7 increase in its annual revenue requirement for electric beginning January 1, 2024, with 2024 being the Test Year and the post-test years being the three subsequent years. Typical residential customers using 400kWH/month would see a monthly increase of \$9.00 per month. In addition, SDG&E proposed revenue hikes to increase the revenue requirement for combined electric and gas by an additional 30.2% cumulatively from 2025-2027, beyond the 6.7% increase proposed for the 2024 Test Year which would affect both

CEA and SDG&E customers. CEA and San Diego Community Power filed a protest to the application and will report back to the Board as the proceedings progress regarding the Resource Adequacy Proposed Decision the California Public Utilities Commission (CPUC) adopted SCE's 24-hour proposal requiring energy providers to have capacity to satisfy gross load profile in all 24 hours of the single day in the month that contains the hour with the highest coincident peak load forecast, full implementation schedule is two years.

Vice Chair Druker inquired if the RA changes would have come happened without CCAs and Mr. Tosdal responded that the CPUC RA regime had issues prior to CCAs and the rise of CCA programs has exposed existing issues that the positions each party took in the proceeding reflected the strength of their portfolios and the utility proposals benefit the utilities. CEO Boswell commented that having CCAs operating in this space does not increase the risk of unreliability or brown outs to customers and that while RA is a challenge that the state is working toward it is not a challenge that was created by nor made worse by the creation of CCAs.

Mr. Tosdal updated the Board on AB 2838 commenting that this bill would have clarified the CPUC's right to terminate Green Tariff Shared Renewables (GTSR) programs and permitted the CPUC to charge non-participant ratepayers for costs associated with the program. Both CEA and SDCP opposed the bill unless amended to remove the cost recovery language. Lobby effort focused on costs and violation of the ratepayer indifference principle, SDG&E agreed to drop the cost recovery language and the bill moves forward with termination language; regarding SDG&E Application to Terminate GTSR and Disadvantaged Community Greet Tariff (DAC-GT), SDG&E is seeking CPUC authorization to terminate its allocated megawatts (MW) portion of Community Solar Green Tariff (CSGT) and DAC-G programs and seeking to recover uncollected GTSR costs. CCAs will push back on recovery cost and will support the termination of the programs. CEO Boswell commented that anyone enrolled in SDG&E's EcoChoice 100% renewable will no longer have that power supply product and that CEA does offer a 100% renewable energy power supply choice that is Green Impact at a low premium and that although CEA does not currently have any territory designated as disadvantaged as CEA grows it will seek approval of DAC-GT programs when warranted; and regarding Clean Energy Financing proposals under consideration for clean energy devices and equipment – proposals are diverse and target different customer segments and include on bill financing (OBF), rebates, energy efficiency funding, and utility rates. Updates will be forthcoming.

Chair commented that CEA may want to place a website link to any of the equipment financing proposals such as the electric water heating that might be of interest to customers.

CEA Board received and filed report.

Item 8: Consider Resolution 2022- 003 Approving Clean Energy Alliance Proposed Fiscal Year 2022/23 Budget and Related Actions

RECOMMENDATION

Adopt Resolution 2022-003 Approving Clean Energy Alliance Proposed Fiscal Year 2022/23 Budget.

CEO Boswell presented the item giving an overview of the proposed budget and revisions based on Board direction indicating that a 5% reserve contribution is met.

**Motion by Vice Chair Druker, second by Board Member Acosta, to approve the recommended action.
Motion carried unanimously, 5/0.**

Item 9: Consider Authorization of Execution of Agreement with Resi Station, LLC for Resource Adequacy

RECOMMENDATION

Authorize Board Chair and Chief Executive Officer to Execute Agreement with Resi Station, LLC for Resource Adequacy, for a Ten (10) Year Term with Deliveries Beginning January 2023 for an amount not to exceed \$2.0MM in compliance with California Public Utilities Commission Mid-Term Reliability Procurement Mandate.

CEO Boswell presented the item commenting that the CPUC Decision 21-06-035 requires procurement of additional resources for replacement of energy provided by Diablo Canyon as well as other requirements. New projects are required to be online by August 1, 2023, June 1, 2024, or June 1, 2025; must be available for a minimum of ten years and be non-fossil fueled.

Resi Station meets procurement requirements established by CPUC and was selected from a joint solicitation that rendered responses representing 80 projects.

**Motion by Vice Chair Druker, second by Board Member Inscoe, to approve the recommended action.
Motion carried unanimously, 5/0.**

Item 10: Consider Authorization of Execution of Agreement with San Diego Gas & Electric for Renewable Energy through the Voluntary Allocation Market Offer Process

RECOMMENDATION

Authorize Board Chair and Chief Executive Officer to Execute Agreement with San Diego Gas & Electric to Execute Agreement with San Diego Gas & Electric for Renewable Energy through the Voluntary Allocation Market Offer Process and Direct Staff to Return to Board for Ratification of the Final Agreement.

CEO Boswell presented the item commenting that CPUC Decision 21-05-030 requires SDG&E to offer voluntary allocations of its renewable energy portfolio to CCAs with deliveries of contracts to begin in January 2023. Allocations are for projects currently online and generating power and will assist CEA to meet renewable energy requirements in the short term. In addition, the allocations come from resources included in Power Charge Indifference Adjustment (PCIA) portfolio and should decrease the exit fees customers are currently paying SDG&E. Due to condensed timeline pursuant to CPUC decision the deadline for CEA to execute and return the agreement is July 29, 2022.

Board Member Musgrove inquired regarding the cost benefit to CEA and CEO Boswell responded that the cost is based on current market value.

**Motion by Board Member Musgrove, second by Vice Chair Druker, to approve the recommended action.
Motion carried unanimously, 5/0.**

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None

PUBLIC COMMENT: Addressing the Board was Sonja Robinson expressing excitement and gratitude for the clean energy provided to the north county and to the new city jurisdictions that have joined CEA.

ADJOURN: Chair Becker adjourned the meeting at 3:09 p.m.

Susan Caputo, MMC
Interim Board Clerk



Staff Report

DATE: July 28, 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

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.



Staff Report

DATE: July 28, 2022
TO: Clean Energy Alliance Board of Directors
FROM: Marie Marron Berkuti, Interim Treasurer
ITEM 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for May 2022.

BACKGROUND AND DISCUSSION

This report provides the Board with the following financial information through May 31, 2022:

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

As of May 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 May 31, 2022

ASSETS

Current assets		
Cash and cash equivalents	\$	1,251,107
Accounts receivable, net		7,833,823
Accrued revenue		2,403,404
Other receivables		156,600
Prepaid expenses		211,561
Deposits		<u>500,000</u>
Total current assets		12,356,495
Noncurrent assets		
Restricted cash		227,000
Deposits		<u>877,000</u>
Total noncurrent assets		<u>1,104,000</u>
Total assets		<u>13,460,495</u>

LIABILITIES

Current liabilities		
Accrued cost of energy		6,853,334
Accounts payable		174,381
Deferred revenue		373,400
Other accrued liabilities		78,467
Interest payable		<u>10,427</u>
Total current liabilities		<u>7,490,009</u>
Noncurrent liabilities		
Due to member agencies		504,017
Bank note payable		<u>12,920,000</u>
Total noncurrent liabilities		<u>13,424,017</u>
Total liabilities		<u>20,914,026</u>

NET POSITION

Unrestricted (deficit)		<u>(7,453,531)</u>
Total net position	\$	<u>(7,453,531)</u>

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
Eleven Months ended May 31, 2022

OPERATING REVENUES

Electricity sales, net	\$ 54,535,358
Miscellaneous income	10,706
Total operating revenues	<u>54,546,064</u>

OPERATING EXPENSES

Cost of electricity	56,858,726
Contract services	2,010,007
General and administration	128,847
Total operating expenses	<u>58,997,580</u>
Operating income (loss)	<u>(4,451,516)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	15,007
Interest expense	<u>(309,608)</u>
Nonoperating revenues (expenses), net	<u>(294,601)</u>

CHANGE IN NET POSITION

	(4,746,117)
Net position at beginning of period	<u>(2,707,414)</u>
Net position at end of period	<u>\$ (7,453,531)</u>

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 May 31, 2022, \$59,307,188 has been expended, leaving \$1,747,837.

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 May 31, 2022, total \$12,920,000, leaving \$2,080,000 available.

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

CLEAN ENERGY ALLIANCE
BUDGET TO ACTUALS COMPARISON SCHEDULE
Eleven Months ended May 31, 2022

	ANNUAL AMENDED BUDGET	ACTUAL YEAR- TO-DATE	BUDGET VARIANCE
Operating Revenues			
Energy Sales	\$ 57,282,755	\$ 54,535,358	\$ 2,747,397
Total Operating Revenue	57,282,755	54,535,358	2,747,397
Operating Expenses			
Power Supply	58,222,525	56,858,726	1,363,799
Data Manager	840,000	771,854	68,146
Staffing/Consultants	235,700	180,716	54,984
Legal Services	375,000	289,196	85,804
Professional Services	883,600	692,123	191,477
Audit Services	41,000	24,740	16,260
Software & Licenses	9,100	8,076	1,024
Membership Dues	121,000	110,821	10,179
Print/Mail Services	48,100	49,677	(1,577)
Advertising	15,000	1,703	13,297
Insurance	32,000	5,619	26,381
Bank Fees	2,000	1,434	566
Telephone	5,000	2,895	2,105
Total Operating Expenses	60,830,025	58,997,580	1,832,445
Operating Income (Loss)	(3,547,270)	(4,462,222)	914,952
Non-Operating Revenues (Expenses)			
Miscellaneous Income	-	10,706	(10,706)
Interest Income	-	15,007	(15,007)
Interest Expense	(225,000)	(309,608)	84,608
Total Non-Operating Expenses	(225,000)	(283,895)	58,895
Other Sources and Uses			
Sources			
JPMorgan Credit Agreement	6,000,000	7,920,000	(1,920,000)
Total Other Sources and uses	6,000,000	7,920,000	(1,920,000)
Net Increase (Decrease) in Available Fund Balance	\$ 2,227,730	\$ 3,173,883	\$ (946,153)

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 Eleven Months ended May 31, 2022

Net Increase (Decrease) in Available Fund Balance per Budgetary Comparison Schedule	\$ 3,173,883
Adjustments needed to reconcile to the change in Net Position in the Statement of Revenues, Expenses, and Changes in Net Position	
Subtract Advances-JPMorgan Revolving Credit Agreement	(7,920,000)
Change in Net Position	<u><u>\$ (4,746,117)</u></u>

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 May 2022.
All payments were within approved budget.

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
5/2/22	Wire	THE ENERGY AUTHORITY	July 2022 - Capacity SWAP	9,000.00
5/2/22	Wire	THE ENERGY AUTHORITY	April 2022 - CAISO Weekly Statement of Activity	48,540.93
5/3/22	Wire	JPMorgan	Interest Payments	502.85
5/3/22	ACH	Neyenesch Printers	April 2022-CEA New Move Letter and Postcard Mailing	562.98
5/3/22	Wire	THE ENERGY AUTHORITY	March 2022 - Scheduling Fees	11,700.00
5/4/22	Wire	Calpine Energy Solutions	March 2022 Services	70,108.99
5/4/22	ACH	Richards, Watson & Gershon	February 2022 - General Counsel Svcs	1,407.00
5/4/22	ACH	Tripepi, Smith & Associates	April 2022 - Communications and Marketing Services	7,891.58
5/5/22	Check	NEM payments	2022 - Net Electric Metering Cash out	453.77
5/9/22	Wire	JPMorgan	Interest Payments	1,151.64
5/12/22	ACH	USPS	May 2022 - Postage Payment - Mailer's Mailing Date	60.94
5/12/22	ACH	USPS	May 2022 - Postage Payment - Mailer's Mailing Date	87.42
5/20/22	Wire	Direct Energy	April 2022 - Capacity SWAP	171,500.00
5/20/22	Wire	EDF TRADING NORTH	April 2022 - Capacity Purchase	208,500.00
5/20/22	Wire	SDG&E (Procurement)	April 2022 - RA Purchases	75,990.00
5/20/22	Wire	SEMPRA	April 2022 - Capacity Purchase	274,400.00
5/23/22	Wire	Direct Energy	January 2022 - Renewable Energy Certificates	142,500.00
5/23/22	Wire	Direct Energy	February 2022 - Renewable Energy Certificates	142,500.00
5/24/22	ACH	Neyenesch Printers	May 2022 - CEA New Move Letter and Postcard Mailing	551.17
5/24/22	ACH	USPS	May 2022 - Postage Payment - Mailer's Mailing	76.77
5/24/22	ACH	USPS	May 2022 - Postage Payment - Mailer's Mailing	110.84
5/25/22	Wire	Powerex	June 2022 - Energy Prepayment	144,479.17
5/27/22	ACH	CalCCA	Q4 FY 21-22 - Operational Member Dues	30,246.00
5/27/22	ACH	Carlsbad COC	May/June 2022-Carlsbad Business Journal Advertisement	795.00
5/27/22	ACH	Equus Energy Group, LLC	July 2022 - RA Valley Electric Association	213.75
5/27/22	ACH	Hall Energy Law PC	April 2022 - Energy Procurement Counsel Svcs	3,746.50
5/27/22	ACH	Keyes & Fox LLP	March 2022 - Professional Services	1,511.25
5/27/22	ACH	Keyes & Fox LLP	April 2022 - Professional Services	1,766.25
5/27/22	ACH	Maher Accountancy	March 2022 - Professional Services	7,500.00
5/27/22	ACH	Maher Accountancy	April 2022 - Professional Services	7,500.00
5/27/22	ACH	Maher Accountancy	May 2022 - Professional Services	7,500.00
5/27/22	ACH	Pacific Energy Advisors	April 2022-Technical Consulting and Expansion Analysis	26,275.00
5/27/22	Wire	SDG&E(Service Fees)	March 2022 - SDG&E Services fees	14,847.83
5/27/22	Wire	SDG&E(Service Fees)	April 2022 - SDG&E Services fees	14,985.50
5/27/22	ACH	Bayshore Consulting Group	April 2022 - CEO and Clerk Services	14,610.85
5/27/22	ACH	Tosdal APC	April 2022 - Regulatory Services	8,440.50
5/27/22	ACH	WREGIS	Retired Certificates & Annual Fee	265.00
5/31/22	Wire	Calpine Energy Solutions	April 2022 Services	70,419.00
5/31/22	Wire	JPMorgan	Interest Payments	49,121.05
5/31/22	ACH	Richards, Watson & Gershon	March 2022 - General Counsel Svcs	1,440.50
5/31/22	Wire	THE ENERGY AUTHORITY	May 2022 - CAISO Weekly Statement of Activity	75,654.43
5/31/22	Wire	THE ENERGY AUTHORITY	April 2022 - Scheduling Fees	11,700.00
5/31/22	ACH	Tripepi, Smith & Associates	May 2022 - Communications and Marketing Services	8,224.31
Total for Operating Account				1,668,838.77

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
5/23/22	Wire	Shell Oil North America	March 2022 - Energy Purchase	400,478.65
5/23/22	Wire	Exelon	March 2022 - Power Purchase	1,167,736.98
5/23/22	Wire	Morgan Stanley Capital	April 2022 - Energy Purchase	1,150,179.03
			Total for Lockbox Account	2,718,394.66

FISCAL IMPACT

There is no fiscal impact associated with these items.



Staff Report

DATE: July 28, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 3: Clean Energy Alliance Operational, Administrative and Regulatory Affairs Update

RECOMMENDATION

- 1) Receive and File Operational and Administrative Update Report from 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

San Diego Gas & Electric Rate Decrease Effective June 1, 2022

On June 1, 2022, San Diego Gas & Electric (SDG&E) implemented a rate change that resulted in a lowering of its generation rates by approximately 4%. At the time that SDG&E filed its Advice Letter with the California Public Utilities Commission (CPUC), CEA (along with SDCP) filed a protest due to the rates being based on outdated forecast assumptions. These outdated assumptions result in rates that do not reflect current market conditions and the potential for an undercollection in revenues. On May 31, SDG&E filed its annual rate application that sets rates for 2023. This application forecasts higher generation rates and decreased Power Charge Indifference Adjustment (PCIA or Exit Fees) that SDG&E charges CEA customers, a further indication that the June 1 rate decrease is not reflective of the market.

CEA set its rates in January 2022 that achieved a 2% savings on generation costs. As demonstrated in the updated bill comparisons below, customers in the 2017 PCIA Vintage (Solana Beach) average monthly bills are lower with CEA (\$5.42 for default Clean Impact Plus), however, customers in the 2020 PCIA Vintage (Carlsbad & Del Mar) average monthly bills are paying slightly higher than SDG&E (\$1.44 for default Clean Impact Plus).

PCIA Vintage 2017 City of Solana Beach	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: TOU-DR1				
Generation	\$ 60.07	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2017 Vintage	\$ -	\$ 10.11	\$ 10.11	\$ 10.11
Generation Related Costs	\$ 60.07	\$ 54.24	\$ 54.65	\$ 57.34
SDG&E Delivery	\$ 95.37	\$ 95.37	\$ 95.37	\$ 95.37
Total Average Monthly Bill	\$ 155.44	\$ 149.61	\$ 150.02	\$ 152.71
Average 413 kWh Usage				

\$ Savings to SDG&E - Total Bill	\$ (5.83)	\$ (5.42)	\$ (2.73)
% Savings to SDG&E - Generation Costs	-9.71%	-9.99%	-5.00%
% Savings to SDG&E - Total Bill	-3.75%	-3.49%	-1.76%

PCIA Vintage 2020 Carlsbad & Del Mar	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: TOU-DR1				
Generation	\$ 60.07	\$ 44.13	\$ 44.13	\$ 44.13
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.41	\$ 3.10
SDG&E PCIA+FFS - 2020 Vintage	\$ -	\$ 16.97	\$ 16.97	\$ 16.97
Generation Related Costs	\$ 60.07	\$ 61.10	\$ 61.51	\$ 64.20
SDG&E Delivery	\$ 95.37	\$ 95.37	\$ 95.37	\$ 95.37
Total Average Monthly Bill	\$ 155.44	\$ 156.47	\$ 156.88	\$ 159.57
Average 413 kWh Usage				

\$ Premium to SDG&E - Total Bill	\$ 1.03	\$ 1.44	\$ 4.13
% Premium to SDG&E - Generation Costs	1.71%	2.36%	6.71%
% Premium to SDG&E - Total Bill	0.66%	0.93%	2.65%

CEA continues to meet its primary goal of reducing greenhouse gas emissions and achieving Climate Action Plan goals of its member cities. CEA's default power supply for all three cities is from 75% carbon free sources, compared to SDG&E's 31% renewable. CEA forecasts that the 2% savings goal for customers will again be achieved when rates are updated in January 2023.

Expansion of Clean Energy Alliance

City of Oceanside

The City of Oceanside adopted a resolution to join Clean Energy Alliance and conducted the first reading of an ordinance to establish a Community Choice Aggregation at its June 8 City Council meeting. The second reading and adoption of the ordinance took place at the June 22, 2022, City Council meeting, becoming effective on July 22, 2022. The Oceanside City Council appointed Deputy Mayor Ryan Keim as the primary CEA Board Member and City Council Member Kori Jensen as the alternate.

City of Vista

The City of Vista adopted a resolution to join CEA and adopted an ordinance establishing a Community Choice Aggregation at its City Council meeting June 28, 2022, with the ordinance becoming effective July 28, 2022. The Vista Mayor will appoint the primary and alternate Board Members at a meeting in August 2022.

City of San Clemente

The City of San Clemente held a community workshop on July 12, 2022, with good attendance from interested residents. The City Council considered a resolution to join CEA and conducted the first reading of an ordinance establishing a Community Choice Aggregation at its July 19, 2022, regular City Council meeting. The City Council voted to table consideration of joining Clean Energy Alliance.

The current timeline related to the expansion is as follows:

ACTIVITY	TIMING	STATUS
Assessment Report Results to CEA Board and Oceanside, Vista, and San Clemente City Councils	May 26, 2022	Complete
Oceanside: Resolution to Join CEA and Adoption of Ordinance to Establish a CCA	June 8 & 22, 2022	Complete Adopted
San Clemente: Resolution to Join CEA and Adoption of Ordinance to Establish a CCA	Community Workshop July 12, 2022 Council Consideration July 19, 2022	Complete Not Adopted
Vista: Resolution to Join CEA and Adoption of Ordinance to Establish a CCA	Council Consideration June 28, 2022	Complete Adopted
CEA: Resolution approving new cities joining CEA/Direct preparation of Implementation Plan Amendment	July 28, 2022	
CEA: Draft Implementation Plan Amendment to CEA Board	October 27, 2022	

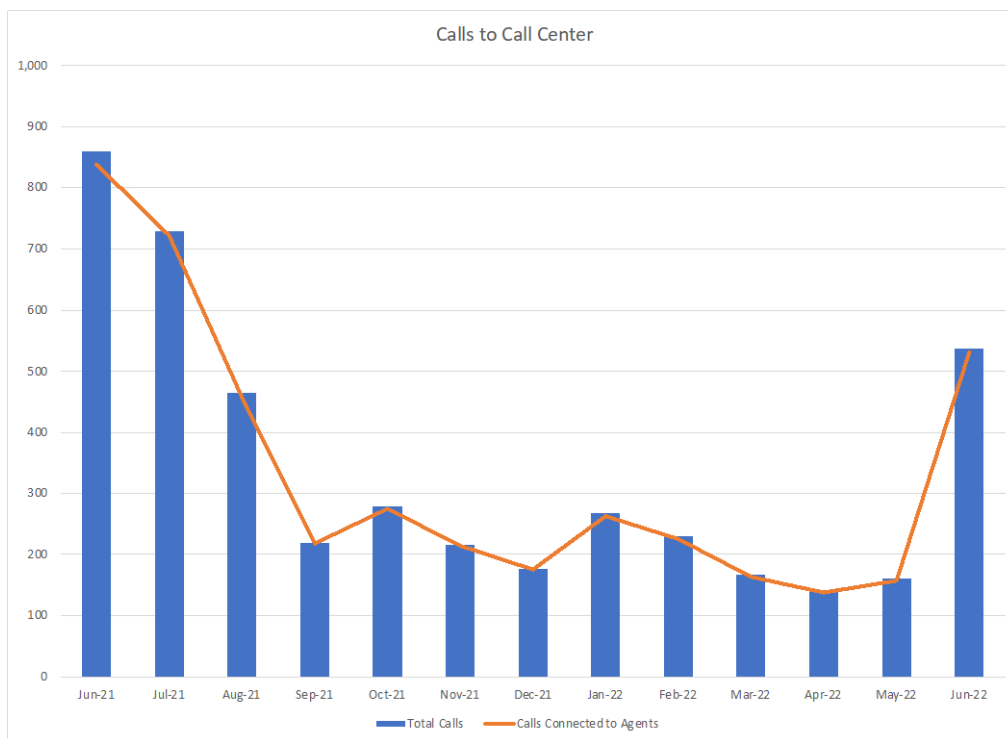
CEA: File Implementation Plan Amendment	By December 31, 2022	
---	----------------------	--

Risk Oversight Committee

The next meeting of the Risk Oversight Committee is scheduled for September 1, 2022.

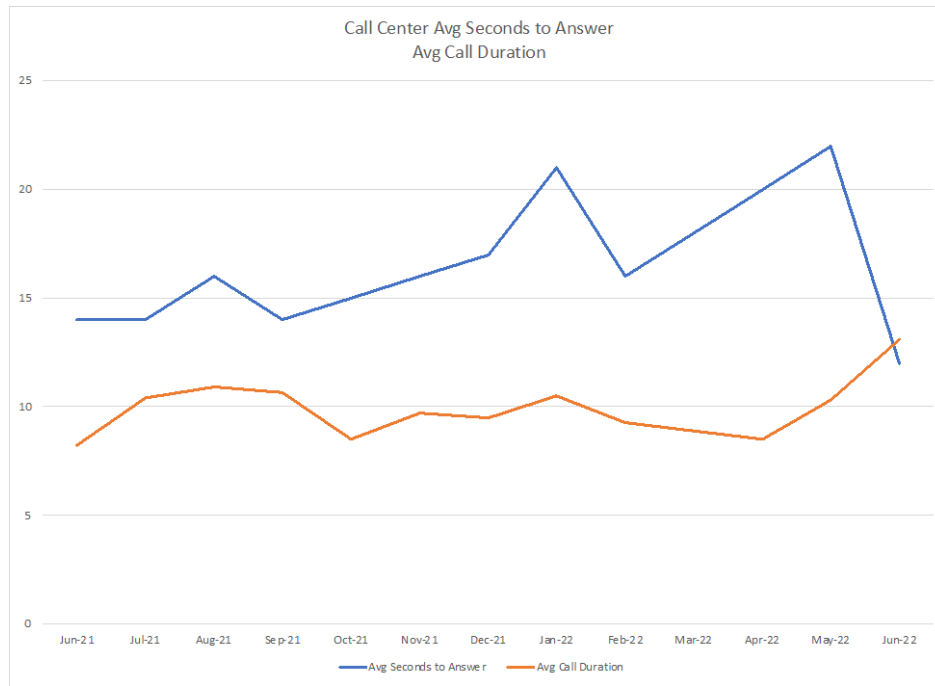
Call Center Activity

The charts below reflect customer activity through June 30, 2022:

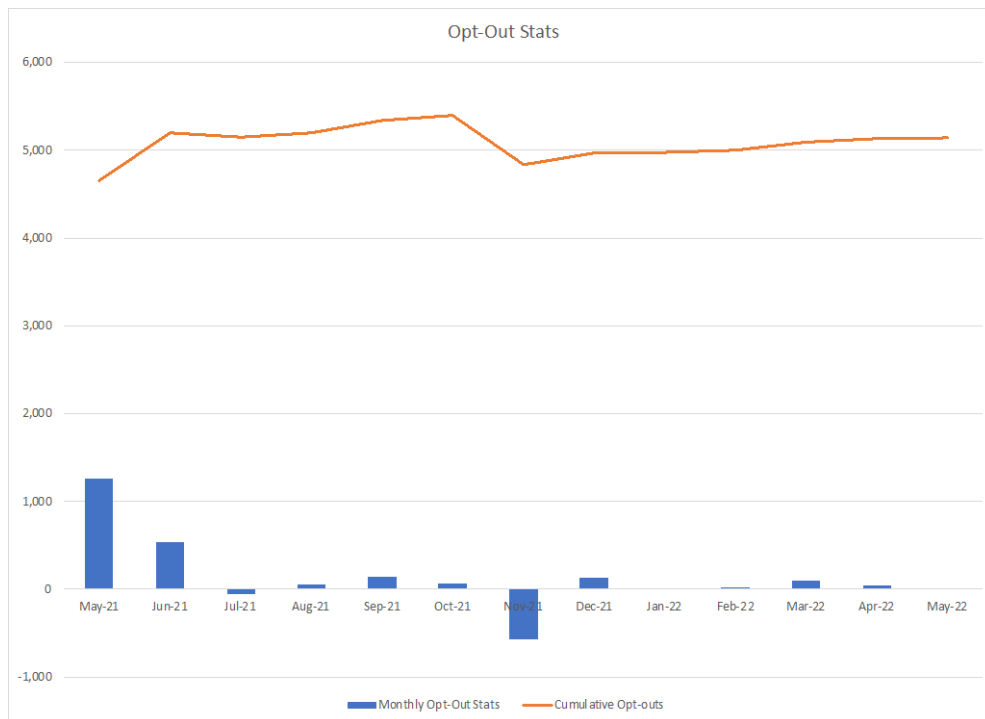


There was an increase in calls primarily due to the annual Net Energy Metering true-up that was presented on bills during May and June.

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 increase in opt outs in June of nine service accounts with an overall participation rate of 92.31%.

Enrollments in CEA’s power supply products are:

POWER SUPPLY PRODUCT	MAY 2022	MAY 2022	Net Change
Clean Impact – 50% Renewable	136	146	+ 10
Clean Impact Plus - 75% Carbon Free	59,378	59,373	- 5
Green Impact – 100% Renewable	398	401	+ 3

Resource Adequacy Compliance

The Year-Ahead Resource Adequacy (RA) has begun for calendar year 2023, with the initial forecast 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. CEA received its final RA obligation in July 2022 and is evaluating current RA positions against the procurement obligations.

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

July 28, 2022

Tosdal APC

Overview

SDG&E Rate Decrease (Advice Letter 4004-E)

SDG&E ERRRA Forecast (A. 22-05-025)

Legislative Audit: SDG&E Rates

Assembly Bill 205

SDG&E Rate Decrease

SDG&E Advice Letter 4004-E was filed on May 16, 2022.

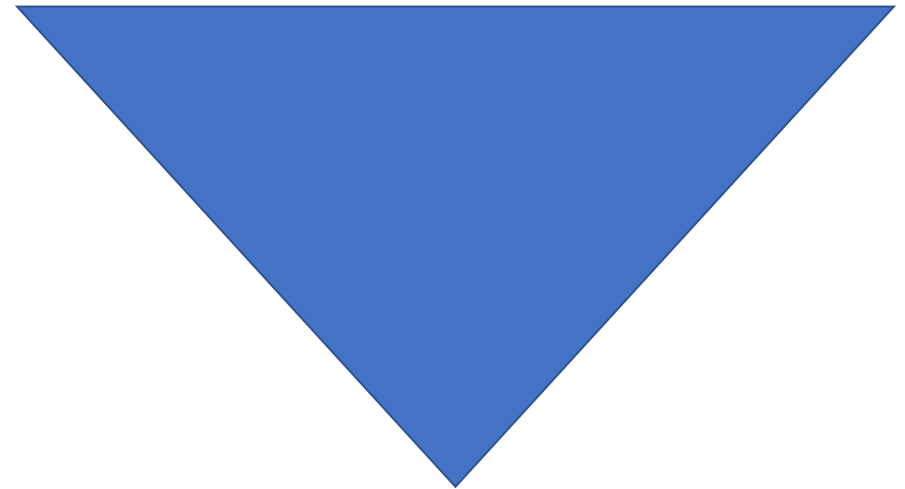
- **Consolidated advice letter implementing multiple decisions:**

- D. 21-05-003 (modifications to revenue requirements)
- D. 17-08-030 (updates to Critical Peak Pricing)
- D. 21-12-001 (refund excess DRW Bond charges)
- D. 22-03-003 (implementing revised sales forecast)

- **Filed as a Tier 1 advice letter:**

Effective pending disposition by Industry Division

Appropriate for “ministerial” and specified actions.



SDG&E Rate Decrease Contd.

SDCP and CEA filed a protest to SDG&E AL 4004-E on May 28, 2022.

- Sales forecast number for revenue requirement is old and should be updated.
- Advice letter should not be designated Tier 1, but rather Tier 2.
- Adoption of advice letter will lead to SDG&E undercollection.
- SDCP and CEA engaged in additional advocacy with the Energy Division after the protest was filed.
- Perception is that SDG&E does not appear to have violated any Commission decision.
- SDG&E rates went into effect June 1, 2022.
- Note that SDG&E recently issued an ERRRA Trigger notice, indicating that it is *undercollected*.

SDG&E ERRA Forecast

SDG&E filed its Energy Resource and Recovery Account (ERRA) application on May 31, 2022. The application proposes generation rates and PCIA rates for next year.

- SDG&E requests approval of a total 2023 forecasted revenue requirement of \$537.131 million, a decrease of \$325.054 million as compared to the amounts currently effective in rates.
- SDG&E estimates that a typical non-California Alternative Rates for Energy (CARE) residential customer using 400 kWh could see a monthly bill increase of 3.22%, or \$4.82 (from \$149.72 to \$154.54).
- A typical CARE residential customer using 400 kWh could see a monthly bill increase of 3.65%, or \$3.42 (from \$93.69 to \$97.11).
- Current proposed PCIA rates do not reflect the Market Price Benchmark and will be updated in October.
- Increases do not reflect separate increases that are being proposed in SDG&E's General Rate Case.

Legislative Audit: SDG&E Rates

The Legislature has directed the California State Auditor to conduct an audit of SDG&E rate increases that were previously approved by the California Public Utilities Commission.

- Joint Legislative Audit Committee made the request on June 27, 2022.
- Request made by San Diego Assembly members Tasha Boerner Horvath and Brian Maienschein.
- Legislators make several observations:
 - San Diego residents and businesses pay the highest energy prices in the United States at 36.5 cents/kwh on average.
 - SDG&E currently has over 365,000 customers behind on their bills.
 - Meanwhile, Sempra recorded over \$1.25 billion in profits.
- Audit estimated to take approximately 7 months of staff time.

Assembly Bill 205

The Legislature passed Assembly Bill 205 last month, and it was approved by the Governor on June 30, 2022.

- Diverse energy legislation addresses reliability and a number of other areas.
- Creates reliability programs and a strategic reliability reserve fund that will be supported by the state, not rates —
 1. Distributed Electricity Backup Program will provide incentives for cleaner distributed energy assets to serve as on-call emergency supply or load reduction for the grid during extreme events.
 2. Demand Side Grid Support Program will provide incentives for dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the grid during extreme events.
- Authorizes the Electricity Supply Strategic Reserve Program, permitting the Department of Water Resources (“DWR”) to implement projects, purchases, and contracts to carry out the purposes of the Strategic Reliability Reserve including both of the above programs.
- Extends the California Arrearage Payment Program to 2022.
- Eliminates the default two-tier rate structure.
- Prohibits double counting of CARE discount.

QA



Staff Report

DATE: July 28, 2022

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 4: Consider Resolution 2022-004 Authorizing the Cities of Oceanside and Vista to Become Parties to the Joint Powers Agreement and Members of the Clean Energy Alliance and Related Actions

RECOMMENDATION

- 1) Adopt Resolution No. 2022-004 authorizing the Cities of Oceanside and Vista to become parties to the Joint Powers Agreement and Members of the Clean Energy Alliance;
- 2) Schedule approval of the amendment of the Joint Powers Agreement for August 25, 2022;
- 3) Direct staff prepare an Implementation Plan Amendment, reflecting the expansion into Oceanside and Vista, and return to the October 27, 2022, Board meeting for approval.

BACKGROUND AND DISCUSSION

Section 2.4 of the Joint Powers Agreement (Agreement) establishes the conditions that must be met to add new members, which include:

1. Adoption of a resolution by a two-thirds vote of the entire Board authorizing membership. A public agency may be denied membership if the Board determines within 60 days after the submittal of the Community Choice Energy (CCE) Feasibility Study that the addition of the public agency would create an undue risk or financial burden to CEA or to the achievement of the Climate Action Plan (CAP) goals of the parties;
2. Adoption by the proposed member of a CCA ordinance as required by Public Utilities Code Section 366.2(c)(12);
3. Approval and execution of the JPA Agreement and other necessary program agreements by the proposed member;
4. Payment of a membership fee, if any, as may be required by the Board to cover CEA costs incurred in connection with adding the new party; and
5. Satisfaction of any other conditions established by the Board.

The cities of Oceanside and Vista have been evaluating options related to bringing community choice energy to residents and businesses within their communities and the results of those efforts identified joining Clean Energy Alliance (CEA) as the best option.

In compliance with Section 2.4 of the JPA, the following actions were taken by Oceanside and Vista:

At its June 8, 2022 meeting, the Oceanside City Council adopted Resolution No. 22-R-0372-1 authorizing the execution of the Joint Powers Agreement to Join CEA and introduced Ordinance No. 22-OR0396-1 to establish a community choice aggregation program. The second reading and adoption of the ordinance occurred at the June 22, 2022, Oceanside City Council meeting, with the ordinance effective 30-days after adoption.

At its June 28, 2022, meeting, the Vista City Council adopted Resolution No. 2022-113 authorizing the execution of the Joint Powers Agreement to Join CEA and introduced and passed to second reading Ordinance No. 2022-9 to establish a community choice aggregation program.

As part of CEA’s evaluation of Oceanside and Vista joining, CEA received historical electric usage data from San Diego Gas & Electric (SDG&E) for the cities. CEA’s technical team at Pacific Energy Advisors analyzed the usage, prepared financial pro formas utilizing CEA’s revenue and expense assumptions, and assessment reports (Attachment B). The assessment reports concluded that CEA expansion into Oceanside and Vista would have a positive financial impact on CEA.

Financial Assessment

The financial assessments for Oceanside and Vista were prepared using a base assumption of enrolling customers in April 2024, which was determined to be the optimal enrollment date, and serving 90% of eligible customers. Using today’s CEA rates, the assessment concluded that sufficient revenue was generated to cover operating costs but fell short of funding the minimum 5% operating reserve, as reflected in the tables that follow.

Table 1: Incremental Net Margins from Expansion (in \$MM) City of Oceanside – Current Rates

	FYE 2024 ¹	FYE 2025	FYE 2026
Revenue	\$9.86	\$53.55	\$53.82
Power Costs	-\$8.88	-\$50.54	-\$49.50
Other Costs	-\$0.65	-\$1.60	-\$1.61
Net Operating Margin	\$.33	\$1.41	\$2.71
5% Operating Reserve	-\$0.49	-\$2.68	-\$2.69
Surplus/(Deficit)	(\$0.16)	(\$1.27)	\$0.02

Rates would need to increase by 2.5% in order to generate sufficient revenue for operating costs as well as the 5% operating reserve. The financial assessment using the updated rates is shown below in Table 2:

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

Table 2: Incremental Net Margins from Expansion (in \$MM) City of Oceanside – 2.5% Rate Increase

	FYE 2024 ²	FYE 2025	FYE 2026
Revenue	\$10.11	\$54.89	\$55.17
Power Costs	-\$8.88	-\$50.54	-\$49.50
Other Costs	-\$0.65	-\$1.60	-\$1.61
Net Operating Margin	\$.58	\$2.75	\$4.06
5% Operating Reserve	-\$0.51	-\$2.74	-\$2.76
Surplus/(Deficit)	\$0.07	\$0.01	\$1.30

CEA then evaluated the impact to Oceanside customers of enrollment with CEA, and assuming CEA’s rates increase 2.5%. The following bill comparison uses the assumed higher rate, uses the 2022 Power Charge Indifference Adjustment vintage as a proxy, and SDG&E’s February 2022 rates. The results indicate that savings can be achieved, as demonstrated below:

City of Oceanside	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: DR				
Generation	\$ 49.86	\$ 36.70	\$ 36.70	\$ 36.70
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	\$ 46.43	\$ 46.75	\$ 48.86
SDG&E Delivery	\$ 73.08	\$ 73.08	\$ 73.08	\$ 73.08
Total Average Monthly Bill	\$ 122.94	\$ 119.51	\$ 119.83	\$ 121.94
Average 324 kWh Usage				

\$ Savings to SDG&E	\$ (3.44)	\$ (3.11)	\$ (1.00)
% Savings to SDG&E	-2.79%	-2.53%	-0.81%

While the current bill comparison results in a savings, the comparison can, and will change. Savings on generation related costs are a goal of CEA in its rate setting process but is not guaranteed and should not be considered a guarantee.

² Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.

Table 3: Incremental Net Margins from Expansion (in \$MM) City of Vista – Current Rates

	FYE 2024 ³	FYE 2025	FYE 2026
Revenue	\$6.19	\$32.96	\$33.12
Power Costs	-\$5.62	-\$31.49	-\$30.85
Other Costs	-\$0.32	-\$0.85	-\$0.85
Net Operating Margin	\$.25	\$0.62	\$1.42
5% Operating Reserve	-\$0.31	-\$1.65	-\$1.66
Surplus/(Deficit)	(\$0.06)	(\$1.03)	(\$0.24)

Table 4 below reflects a 2.5% increase in rates, resulting in sufficient revenue, over the 3-year analysis period, to cover costs.

Table 4: Incremental Net Margins from Expansion (in \$MM) City of Vista – 2.5% Rate Increase

	FYE 2024 ⁴	FYE 2025	FYE 2026
Revenue	\$6.34	\$33.78	\$33.95
Power Costs	-\$5.62	-\$31.49	-\$30.85
Other Costs	-\$0.32	-\$0.85	-\$0.85
Net Operating Margin	\$.40	\$1.44	\$2.25
5% Operating Reserve	-\$0.32	-\$1.69	-\$1.70
Surplus/(Deficit)	\$0.08	\$0.25	\$0.55

The resulting bill comparison with SDG&E, assuming CEA’s rates increase 2.5%, is shown below. Similar to the Oceanside bill comparison, 2022 Power Charge Indifference Adjustment vintage is used as a proxy and SDG&E’s February 2022 rates. The results indicate that savings can be achieved, as demonstrated in the table below:

³ Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.

⁴ Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments assumed to commence on April 1, 2024.

City of Vista	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: DR				
Generation	\$ 52.63	\$ 38.73	\$ 38.73	\$ 38.73
Clean Impact Plus/Green Impact Premium	\$ -	\$ -	\$ 0.34	\$ 2.57
SDG&E PCIA+FFS - 2022 Vintage	\$ -	\$ 10.26	\$ 10.26	\$ 10.26
Generation Related Costs	\$ 52.63	\$ 48.99	\$ 49.34	\$ 51.56
SDG&E Delivery	\$ 77.14	\$ 77.14	\$ 77.14	\$ 77.14
Total Average Monthly Bill	\$ 129.77	\$ 126.13	\$ 126.48	\$ 128.70
Average 342 kWh Usage				

\$ Savings to SDG&E	\$ (3.64)	\$ (3.29)	\$ (1.07)
% Savings to SDG&E	-2.80%	-2.54%	-0.83%

While CEA strives to achieve a 2% savings on generation related costs when setting rates, savings are not guaranteed. The comparison can, and will, change as rates change.

Accommodating the expansion will require careful consideration of resource availability, particularly for resource adequacy and long-term renewable energy products. Achieving long-term renewable energy compliance for compliance period 4 (2021-2024) will require careful and early procurement attention and may result in a phased approach for the Oceanside and Vista enrollments.

Based on the results of the assessments, staff recommends CEA Board approve the addition of Oceanside and Vista as new members of CEA and will return to the CEA Board regular meeting October 27, 2022, with an Implementation Plan Amendment reflecting the service expansion.

FISCAL IMPACT

Pursuant to CEA's policy, the cost of preparation of the Implementation Plan Amendment, up to a not to exceed amount of \$50,000, is to be split between cities of Oceanside and Vista. Oceanside and Vista will be eligible for reimbursement of the cost within three years of CCA service commencement.

ATTACHMENTS

Attachment A - Resolution 2022-0004 authorizing the Cities of Oceanside and Vista to become parties to the Joint Powers Agreement and Members of the Clean Energy Alliance

Attachment B - Clean Energy Alliance Summary of New Membership Assessment, City of Oceanside

Attachment C – Clean Energy Alliance Summary of New Membership Assessment, City of Vista

RESOLUTION NO. 2022-004**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CLEAN ENERGY ALLIANCE AUTHORIZING THE CITIES OF OCEANSIDE AND VISTA TO
BECOME PARTIES TO THE JOINT POWERS AGREEMENT AND A MEMBERS OF THE CLEAN
ENERGY ALLIANCE**

THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

WHEREAS, on September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the “Act”), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (“CCA”); and

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency; and on November 4, 2019, the Clean Energy Alliance (“CEA” or “the Agency”) was formed under the Joint Exercise of Power Act, California Government Code section 6500 *et seq.*, among the Cities of Carlsbad, Solana Beach and Del Mar to work cooperatively to create economies of scale and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources in the region for the benefit of all the parties and their constituents, including, but not limited to, establishing and operating a CCA program; and

WHEREAS, on March 16, 2020, the California Public Utilities Commission (“CPUC”) certified the “Implementation Plan” of CEA, confirming CEA’s compliance with the requirements of the Act; and

WHEREAS, on November 18, 2021, the CEA Board of Directors adopted Resolution 2021-014, authorizing the City of Escondido to become a Party to the Joint Powers Agreement and a Member of Clean Energy Alliance; and

WHEREAS, on December 17, 2021, the CEA Board of Directors adopted Resolution 2021-015, authorizing the City of San Marcos to become a Party to the Joint Powers Agreement and a member of Clean Energy Alliance; and

WHEREAS, Section 2.4 of the CEA Joint Powers Agreement (“Agreement”) sets forth the procedures for the addition of new member jurisdictions; and

WHEREAS, including new member jurisdictions within CEA’s Joint Powers Authority can benefit CEA communities, customers, and the general public by 1) expanding access to competitively-priced renewable and carbon-free energy; 2) achieving greater economies of

scale while accelerating the reduction of greenhouse gas emissions; 3) enhancing CEA's financial strength through increased revenues and reserves; 4) expanding the opportunities for local renewable energy and decarbonization projects and programs and the creation of local jobs; and 5) empowering local stakeholders with more direct representation before State-level regulators and elected officials; and

WHEREAS, on June 8, 2022, through a unanimous vote of its City Council, the City of Oceanside adopted Resolution No. 22-R0372-1 authorizing the execution of the Joint Exercise of Powers Agreement of the Clean Energy Alliance and authorizing staff to take other actions necessary for the City of Oceanside to join CEA, and introduced Ordinance No. 22-OR0396-1 ordaining the City Council's decision, pursuant to Public Utilities Code Section 366.2 to implement a CCA program within the jurisdiction of the City of Escondido by participating in CEA, under the terms and conditions of its Joint Powers Agreement; and

WHEREAS, on June 22, 2022, the City of Oceanside conducted a second reading and adopted Ordinance No. 22-OR0396-1 ordaining the City Council's decision, pursuant to Public Utilities Code Section 366.2 to implement a CCA program within the jurisdiction of the City of Oceanside by participating in CEA, under the terms and conditions of its Joint Powers Agreement; and

WHEREAS, on June 28, 2022, through a unanimous vote of its City Council, the City of Vista adopted Resolution No. 22-113 authorizing the execution of the Joint Exercise of Powers Agreement of the Clean Energy Alliance and authorizing staff to take other actions necessary for the City of Vista to join CEA, and introduced and adopted Ordinance No. 2022-9 ordaining the City Council's decision, pursuant to Public Utilities Code Section 366.2 to implement a CCA program within the jurisdiction of the City of Vista by participating in CEA, under the terms and conditions of its Joint Powers Agreement; and

WHEREAS, Pacific Energy Advisors on behalf of CEA conducted an assessment of the financial and resource planning impacts of adding Oceanside and Vista as members of CEA and concluded that there would be an overall positive financial effect; and

WHEREAS, per CPUC rules, prospective member jurisdictions must join CEA before the end of calendar year 2022 in order to begin customer enrollments in CEA's service options by 2024; and

WHEREAS, Section 2.4 of the Agreement requires the Board of Directors to adopt a resolution by a two-thirds vote of the entire Board authorizing the membership of additional member jurisdictions, and specifying the conditions for membership, if any.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Cities of Oceanside and Vista are hereby authorized to become a parties to the Agreement and members of CEA, subject to the following conditions:

(a) The execution of the Agreement by the duly authorized officials of the Cities of Oceanside and Vista.

(c) Reimbursement to CEA by Cities of Oceanside and Vista of CEA costs incurred in connection with adding the new agencies, including, but not limited to, the cost of analysis of historical usage data using CEA's financial pro forma model to determine impact to CEA of the proposed members; and preparation of an Amended Implementation Plan and related activities of the expansion.

PASSED AND ADOPTED by the Board of Directors of the Clean Energy Alliance this 28th day of July 2022, by the following vote:

AYES:

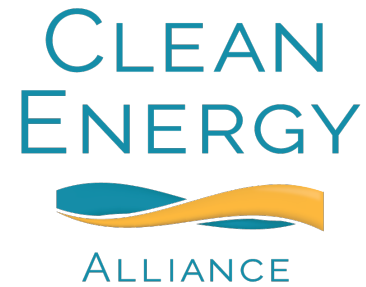
NOES:

ABSENT:

Kristi Becker, Chair

ATTEST:

Susan Caputo, Board Secretary



City of Oceanside Assessment Summary

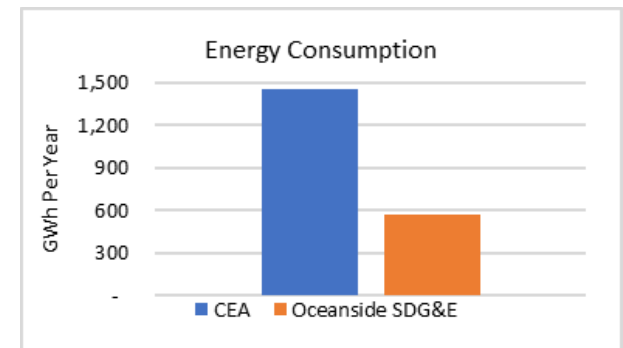
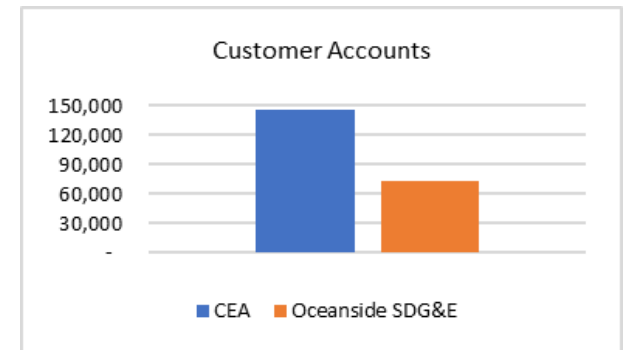
Updated May 22, 2022

Oceanside Customer Information

Classification	Accounts	Annual Energy (MWh)	Average Customer Usage (kWh/Mo.)
Residential	66,880	260,350	324
Com/Ind	6,169	298,633	4,034
Ag/Pumping	73	5,899	6,734
Street Lighting	173	3,843	1,851
Total	73,295	568,725	647
Peak Demand (MW)	124		

Expansion to Oceanside customers in total would represent an approximate 39% increase to CEA retail sales.

Data above are unadjusted for opt-out assumptions.



Key Assumptions – Financial Impact

- Start Date: April 24' is the fiscally-optimal month for enrollment under current assumptions and is reflected in current analysis; earliest possible enrollment date is January 2024 per CPUC rules
- Customers and Sales: forecast based on historical SDG&E data, and assumes 90% customer participation for all customer classes other than Street Lighting
- Revenues: assumes current CEA rate levels maintained through analysis
- Incremental Costs: include power supply (per CEA portfolio specifications), customer billing, customer noticing, and SDG&E service fees

Fiscal Impact Summary for Service to Oceanside (\$MM) – Current Rates

	FYE 2024*	FYE 2025	FYE 2026
Revenue	\$9.86	\$53.55	\$53.82
Power Supply Costs	\$8.88	\$50.54	\$49.50
Billing and Other Costs	\$0.65	\$1.60	\$1.61
Net Operating Margin	\$0.33	\$1.41	\$2.71
5% Reserve contribution	\$0.49	\$2.68	\$2.69
Net Surplus	(\$0.16)	(\$1.27)	\$0.02
Electric Sales (MWh)	97,637	518,596	521,189

* Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments commencing in April 2024.

Other implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, regulatory and legal representation, internal operations, resource planning and electric procurement.



Fiscal Impact Summary for Service to Oceanside (\$MM) – 2.5% Rate Increase

	FYE 2024*	FYE 2025	FYE 2026
Revenue	\$10.11	\$54.89	\$55.17
Power Supply Costs	\$8.88	\$50.54	\$49.50
Billing and Other Costs	\$0.65	\$1.60	\$1.61
Net Operating Margin	\$0.58	\$2.75	\$4.06
5% Reserve contribution	\$0.51	\$2.74	\$2.76
Net Surplus	\$0.07	\$0.01	\$1.30
Electric Sales (MWh)	97,637	518,596	521,189

* Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments commencing in April 2024.

Other implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, regulatory and legal representation, internal operations, resource planning and electric procurement.



Average Monthly Bill Comparison – Assumes 2.5% Rate Increase

City of Oceanside	SDG&E 31% Renewable	CEA 50% Renewable Clean Impact	CEA Clean Impact Plus 75% Carbon Free	CEA Green Impact 100% Renewable
Residential: DR				
Generation	\$ 49.86	\$ 36.70	\$ 36.70	\$ 36.70
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	\$ 46.43	\$ 46.75	\$ 48.86
SDG&E Delivery	\$ 73.08	\$ 73.08	\$ 73.08	\$ 73.08
Total Average Monthly Bill	\$ 122.94	\$ 119.51	\$ 119.83	\$ 121.94
Average 324 kWh Usage				

\$ Savings to SDG&E	\$ (3.44)	\$ (3.11)	\$ (1.00)
% Savings to SDG&E	-2.79%	-2.53%	-0.81%

Conclusions

- Overall positive fiscal impact under base case assumptions
- Due to wholesale power market volatility, actual outcomes may vary from projections
- Expansion would require a meaningful increase in CEA resource acquisition
- Advance coordination with SDG&E for RA and RPS resource transfers would be strongly advised
- Achieving long-term RPS compliance in Compliance Period 4 (2021-2024) will require early procurement attention
- A phased approach to enrollment may be considered



City of Vista Assessment Summary

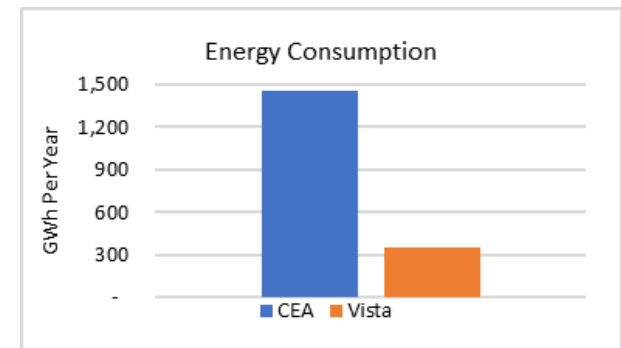
Updated May 22, 2022

Vista Customer Information

Classification	Accounts	Annual Energy (MWh)	Average Customer Usage (kWh/Mo.)
Residential	34,520	141,779	342
Com/Ind	4,899	209,349	3,561
Ag/Pumping	28	831	2,472
Street Lighting	146	1,761	1,005
Total	39,593	353,719	744
Peak Demand (MW)	74		

Expansion to Vista customers in total would represent an approximate 27% increase to CEA retail sales.

Data above are unadjusted for opt-out assumptions.



Key Assumptions – Financial Impact

- Start Date: April 24' is the fiscally-optimal month for enrollment under current assumptions and is reflected in current analysis; earliest possible enrollment date is January 2024 per CPUC rules
- Customers and Sales: forecast based on historical SDG&E data, and assumes 90% customer participation for all customer classes other than Street Lighting
- Revenues: assumes current CEA rate levels maintained through analysis
- Incremental Costs: include power supply (per CEA portfolio specifications), customer billing, customer noticing, and SDG&E service fees

Fiscal Impact Summary for Service to Vista (\$MM) – Current Rates

	FYE 2024*	FYE 2025	FYE 2026
Revenue	\$6.19	\$32.96	\$33.12
Power Supply Costs	\$5.62	\$31.49	\$30.85
Billing and Other Costs	\$0.32	\$0.85	\$0.85
Net Operating Margin	\$0.25	\$0.62	\$1.42
5% Reserve contribution	\$0.31	\$1.65	\$1.66
Net Surplus/(Deficit)	(\$0.06)	(\$1.03)	(\$0.24)
Electric Sales (MWh)	61,790	322,478	324,090

* Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments commencing in April 2024.

Other implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, regulatory and legal representation, internal operations, resource planning and electric procurement.



Fiscal Impact Summary for Service to Vista (\$MM) – 2.5% Rate Increase

	FYE 2024*	FYE 2025	FYE 2026
Revenue	\$6.34	\$33.78	\$33.95
Power Supply Costs	\$5.62	\$31.49	\$30.85
Billing and Other Costs	\$0.32	\$0.85	\$0.85
Net Operating Margin	\$0.40	\$1.44	\$2.25
5% Reserve contribution	\$0.32	\$1.69	\$1.70
Net Surplus/(Deficit)	\$0.08	(\$0.25)	\$0.55
Electric Sales (MWh)	61,790	322,478	324,090

* Reflects partial year of service for fiscal year ending June 30, 2024, with enrollments commencing in April 2024.

Other implementation costs would be incurred leading up to expansion. Such costs include staff and other costs related to marketing and outreach, regulatory and legal representation, internal operations, resource planning and electric procurement.



Conclusions

- Overall positive fiscal impact under base case assumptions
- Due to wholesale power market volatility, actual outcomes may vary from projections
- Expansion would require a meaningful increase in CEA resource acquisition
- Advance coordination with SDG&E for RA and RPS resource transfers would be strongly advised
- Achieving long-term RPS compliance in Compliance Period 4 (2021-2024) will require early procurement attention
- A phased approach to enrollments may be considered