

**Board of Directors Regular Meeting Agenda
June 29, 2023, 2:00 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054**

Members of the public can observe the livestream of 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 in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: Secretary@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments by 12:00pm prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

To make oral comments please fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS



PRESENTATIONS

San Diego Gas & Electric Presentation on Proposed Flat Rate Delivery Charges
Community Advisory Committee June 1, 2023 Regular Meeting Report from Chair Worden

PUBLIC COMMENT

Members of the public can address the Board on items that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment. If you desire to speak during Public Comment, fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

APPROVAL OF MINUTES

March 30, 2023 – Regular Meeting

Consent Calendar

Item 1: Clean Energy Alliance Treasurer’s Report for April 2023

RECOMMENDATION

Receive and file Clean Energy Alliance Treasurer’s Report for April 2023.

Item 2: Consider Approval of Bayshore Consulting Group, Inc. Agreement for Chief Executive Officer, CCA Operations Consultant and Board Secretary for an amount not to exceed \$300,000 effective July 1, 2023 to June 30, 2024

RECOMMENDATION

Approve Bayshore Consulting Group, Inc. agreement for Chief Executive Officer, CCA Operations Consultant and Board Secretary for an amount not to exceed \$300,000, effective July 1, 2023 to June 30, 2024 and authorize the Board Chair to execute all documents, subject to General Counsel approval.

Item 3: Consider Amendment of Energy Risk Management Policy Updating Delegation of Authority

RECOMMENDATION

Approve amendment of Energy Risk Management Policy updating delegation of authority.

Item 4: Declare Community Advisory Committee Vacancy for the City of Solana Beach for Term Ending December 31, 2024



RECOMMENDATION

Declare Community Advisory Committee Vacancy for the City of Solana Beach, one appointee for term through December 2024, and direct application period to be open July 1 – July 31, 2023, and return with recommendation for appointment August 31, 2023.

- Item 5: Consider Approval of Execution of Memorandum of Understanding with the Center for Community Energy for Submitting an Application to the California Energy Commission’s Grant GFO 22-614 Reliable, Equitable and Accessible Charging for Multi-family Housing 2.0 (REACH 2.0)**

RECOMMENDATION

Approve execution of Memorandum of Understanding with the Center for Community Energy for submitting an application to the California Energy Commission’s grant GFO 22-614 Reliable, Equitable and Accessible Charging for Multi-family Housing 2.0 (REACH 2.0) and authorize the Chief Executive Officer to execute all documents, subject to General Counsel approval.

- Item 6: Consider Approval of Agreement with Keyes and Fox for Regulatory Attorney Services Effective July 1, 2023 through June 30, 2027 for an annual amount not to exceed \$400,000 annually in the first year.**

RECOMMENDATION

Approve agreement with Keyes and Fox for Regulatory Attorney Services effective July 1, 2023 through June 30, 2027 for an annual amount not to exceed \$400,000 for the first year, and authorize Chief Executive Officer to execute all documents, subject to General Counsel approval.

New Business

- Item 7: Receive Clean Energy Alliance Chief Executive Officer Operational Report and Special Counsel Regulatory Report**

RECOMMENDATION

Receive Clean Energy Alliance Chief Executive Officer Operational Report and Special Counsel Regulatory Report.

- Item 8: Consider Adoption of Resolution No. 2023 - 005 Establishing Fiscal Year 2023/24 Budget**

RECOMMENDATION

Adopt Resolution No. 2023-005 Establishing Fiscal Year 2023/24 Budget.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS



NEXT MEETING: Regular Board Meeting July 27, 2023, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

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.

**Clean Energy Alliance - Board of Directors
Regular Meeting Minutes
March 30, 2023, 2:00 p.m.
City of Oceanside, Council Chamber
300 North Coast Hwy, Oceanside CA 92054**

CALL TO ORDER: Chair Druker called to order the regular meeting of the Clean Energy Alliance at 2:03 p.m.

ROLL CALL: Board Members: Bhat-Patel, C. Garcia, Joyce, Zito, Vice Chair Musgrove, Chair Druker
Board Member Melendez arrived at 2:05 p.m.

FLAG SALUTE: Board Member Joyce led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: Board Member Joyce welcomed all to the City of Oceanside.

PRESENTATIONS: None

PUBLIC COMMENT: Rob Howard addressed the Board with a welcome to Oceanside.

APPROVAL OF MINUTES

January 26, 2023
February 23, 2023

Motion by Vice Chair Musgrove, second by Member Bhat-Patel, to approve the minutes of the January 26, 2023, and February 23, 2023, regular meetings.

Motion carried unanimously, 5/0 with Members C. Garcia and Joyce abstaining.

Consent Calendar

Item 1: Clean Energy Alliance Treasurer's Report for January 2023

RECOMMENDATION

Receive and file Clean Energy Alliance Treasurer's Report for January 2023.

Item 2: Declare Clean Energy Alliance Community Advisory Committee Vacancy for the City of Escondido for Term Ending December 2025

RECOMMENDATION

Declare Community Advisory Committee vacancy for the City of Escondido for term ending December 2025 and direct application period to be open March 31 – April 30, 2023, and return with recommendation for appointment May 25, 2023.

Item 3: Consider approval of Professional Services Agreements with Tripepi Smith for Communications and Marketing Services through June 30, 2025, and Keyes and Fox Legal Services through June 30, 2024

RECOMMENDATION

- 1.) Approve Professional Services Agreements with Tripepi Smith for Communications and Marketing Services, for a not to exceed amount of \$180,000 for each fiscal year, 2023/24 and FY 2024/25 and authorize the Chief Executive Officer to execute all documents, subject to General Counsel approval.
- 2.) Approve Legal Services Agreement with Keyes and Fox for a not to exceed amount of \$112,500 for FY 2022/23 and \$100,000 for FY 2023/24 and authorize the Chief Executive Officer to execute all documents, subject to General Counsel approval.

Item 4: Consider Approval of Revision of Clean Energy Alliance Policy No. CEA-020 Establishing Terms for Community Advisory Committee Chair and Vice Chair

RECOMMENDATION

Approve revision to Clean Energy Alliance Policy No. CEA-020, Establishing Terms for Community Advisory Committee Chair and Vice Chair

Item 5: Consider Canceling Regular Clean Energy Alliance Regular Board Meeting April 27, 2023

RECOMMENDATION

Cancel the regular Clean Energy Alliance Board meeting April 27, 2023.

**Motion by Member Melendez, second by Vice Chair Musgrove, to approve the Consent Calendar.
Motion carried unanimously, 7/0.**

Public Hearing

Item 6: Consider amending Clean Energy Alliance's Rate Schedule to add rate EV-HP Effective April 1, 2023

RECOMMENDATION

1. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, close the Public Hearing.
2. Approve amendment to Clean Energy Alliance's Rate Schedule to add EV-HP effective April 1, 2023.

Chair Druker opened the public hearing and Interim Board Secretary Caputo reported on the notices. CEO Boswell presented the item noting that CEA does not currently offer the rate EV-high power (EV-HP). With the expansion into Escondido and San Marcos, there are customers being served on this rate and adding the rate will allow CEA to serve customers on this same rate.

Board comments and questions included confirmation of automatic enrollment unless an affirmative action not to join CEA is taken; confirmation of a slight positive measurable financial impact and confirmation that all customers have the same opportunity to opt up or down.

Chair Druker closed the public hearing.

Motion by Vice Chair Musgrove, second by Board Member Bhat-Patel, to conduct the Public Hearing and approve amendment to Clean Energy Alliance's Rate Schedule to add EV-HP effective April 1, 2023.

Motion carried unanimously, 7/0

Item 7: Consider Approval of Resolution No. 2023-003 Approving Credit Agreement Amendment and Fee Agreement with JP Morgan Increasing Line of Credit from \$15M to \$25M

RECOMMENDATION

- 1.) Adopt Resolution No. 2023-003 approving credit agreement amendment with JPMorgan, in a form substantially as attached, increasing line of credit from \$15M to \$25M and authorize the Chief Executive Officer to execute all documents, subject to Special Counsel and General Counsel approval; and
- 2.) Approve related Fee Agreement with JPMorgan and authorize Chief Executive Officer to execute all documents, subject so Special Counsel and General Counsel approval.

CEO Boswell presented the item noting that near-term temporary cash flow needs, and procurement collateral requirements related to expansion to Oceanside and Vista require an increase to the JPMorgan Credit and Fee Agreements.

Chair Druker commented that he previously recused himself from items related to JPMorgan due to a potential conflict of interest regarding JPMorgan and his employment and that any potential conflict of interest no longer exists.

Member Joyce inquired about a reduction in credit line following the expansion.

CEO Boswell commented that the funds would be used for near-term cash flow and procurement needs, noting that as a new business without a lot of credit history the requirement for upfront cash deposit or a letter of credit is common with suppliers. Public Finance Attorney Rudy Salo commented that should the need to reduce the line of credit arise provisions exist in the credit agreement to provide that.

Alan Soto addressed the Board regarding interest rates on the credit line.

Motion by Member Zito, second by Vice Chair Musgrove, to approve Resolution No. 2023-003 approving the Credit Agreement Amendment and Fee Agreement with JP Morgan increasing Line of Credit from \$15M to \$25M.

Motion carried unanimously, 7/0

Item 8: Provide Input into Priorities to be Considered in Developing the Draft Fiscal Year 2023/24 Budget to be Presented to the Clean Energy Alliance Board at the Public Hearing May 25, 2023, and Consider Appointment of Board Subcommittee for Chief Executive Officer Recruitment

RECOMMENDATION

- 1) Provide input into priorities to be considered in developing the draft Fiscal Year 2023/24 budget to be presented to the Clean Energy Alliance Board at the Public Hearing May 25, 2023.
- 2) Appoint Board Subcommittee for Chief Executive Officer Recruitment.

CEO Barbara Boswell gave an overview of the item noting identified budget priorities including ensuring financial stability; meeting regulatory compliance; successful expansion to Escondido and San Marcos; recruitment of locally based CEO; and subcommittee appointment for CEO recruitment.

Addressing the Board was Rob Howard.

Board comments and questions included the importance of consistency and leadership; commending CEO Boswell for all her hard work and effort reaching out to the communities; and including community in recruitment process of the next CEO; and CEO Subcommittee appointments.

Motion by Vice Chair Musgrove, second by Member Bhat-Patel, to approve the recommended action and the appointment of Members Kristie Becker, Katie Melendez, and Chair Druker to the Board Subcommittee for Chief Executive Officer Recruitment.

Motion carried unanimously, 7/0

Item 9: Clean Energy Alliance Chief Executive Officer Operational, Administrative, General Counsel Brown Act Update and Regulatory Affairs Update

RECOMMENDATION

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

CEO Boswell provided an update including the myriad of presentations given regarding CEA; and opt-out stats. General Counsel Johanna Canlas provided a Brown Act update.

Regulatory Counsel Tosdal provided an update on items including Resource Adequacy proceedings; the past winter's spike in natural gas prices; Diablo Canyon; and Provider of Last Resort (POLR) proceedings.

Board received and filed report.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

ADJOURN: Chair Druker adjourned the meeting at 4:10 p.m.

Susan Caputo, MMC
Interim Board Secretary



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 2: Clean Energy Alliance Treasurer's Report

RECOMMENDATION

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for April 2023.

BACKGROUND AND DISCUSSION

This report provides the Board with the following financial information through April 30, 2023:

- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of April 30, 2023.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended April 30, 2023.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of April 30, 2023.
- List of Payments Issued – Reports payments issued for April 2023.

As of April 30, 2023, 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 April 30, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 3,503,873
Accounts receivable, net of allowance	6,170,242
Accrued revenue	4,734,322
Other receivables	365,476
Prepaid expenses	4,154,649
Deposits	<u>54,000</u>
Total current assets	18,982,562

Noncurrent assets

Restricted cash	207,000
Deposits	<u>1,115,000</u>
Total noncurrent assets	<u>1,322,000</u>
Total assets	<u>20,304,562</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	9,186,613
Accounts payable	277,441
Other accrued liabilities	611,270
Interest payable	129,036
Bank note payable	<u>5,000,000</u>
Total current liabilities	<u>15,204,360</u>

Noncurrent liabilities

Due to member agencies	504,017
Bank note payable	<u>15,450,000</u>
Total noncurrent liabilities	<u>15,954,017</u>
Total liabilities	<u>31,158,377</u>

NET POSITION

Unrestricted (deficit)	<u>(10,853,815)</u>
Total net position	<u>\$ (10,853,815)</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
Ten Months ended April 30, 2023

OPERATING REVENUES

Electricity sales, net \$ 59,781,815

OPERATING EXPENSES

Cost of electricity 63,996,055

Contract services 2,169,471

Other operating expenses 128,296

Total operating expenses 66,293,822

Operating income (loss) (6,512,007)

NONOPERATING REVENUES (EXPENSES)

Grant income - CAPP 279,489

Interest income 39,637

Interest expense (886,939)

Nonoperating revenues (expenses), net (567,813)

CHANGE IN NET POSITION (7,079,820)

Net position at beginning of period (3,773,995)

Net position at end of period \$ (10,853,815)

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 June 30, 2022, Board meeting, the CEA Board approved the Fiscal Year (FY) 2022/23 budget approving \$76,745,240 in total operating and nonoperating expenses. In February 2023, the CEA Board approved a budget amendment that increased overall expenditures by \$14,165,749. For the year-to-date, \$67,181,000 has been expended. Revenues for the year-to-date reached \$59,782,000. The overall change in net position (ignoring loan proceeds) for the year-to-date was a decrease of \$7,080,000.

The Budget to Actuals Comparison Schedules as of April 30, 2023, is shown on the next page.

CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Ten Months ended April 30, 2023

	AMENDED ANNUAL BUDGET	YEAR-TO- DATE ACTUAL	AMENDED BUDGET REMAINING
Operating Revenues			
Energy Sales	\$ 96,825,523	59,781,815	\$ 37,043,708
Total Operating Revenue	96,825,523	59,781,815	37,043,708
Operating Expenses			
Power Supply	86,635,982	63,996,055	22,639,927
Data Manager / Call Center	1,151,180	764,545	386,635
Staffing/Consultants	382,900	243,865	139,035
Legal Services	335,000	248,653	86,347
Professional Services	1,002,100	757,634	244,466
Audit Services	10,000	8,900	1,100
Software & Licenses	18,800	10,837	7,963
Membership Dues	121,000	99,284	21,716
Printing	55,000	59,846	(4,846)
Postage	80,000	73,023	6,977
Advertising	15,000	13,007	1,993
Travel Expenses	3,500	4,857	(1,357)
Office Rent	1,080	1,332	(252)
Insurance	30,000	9,764	20,236
Bank Fees	4,000	2,220	1,780
Total Operating Expenses	89,845,542	66,293,822	23,551,720
Operating Income (Loss)	6,979,981	(6,512,007)	13,491,988
Non-Operating Revenues (Expenses)			
Grant Income - CAPP	-	279,489	(279,489)
Interest Income	50,000	39,637	10,363
Interest Expense	(1,065,447)	(886,939)	(178,508)
Total Non-Operating Revenues (Expenses)	(1,015,447)	(567,813)	(447,634)
Net Increase (Decrease) in Available Fund Balance	\$ 5,964,534	\$ (7,079,820)	\$ 13,044,354

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 April 2023. All payments were within approved budget.

**Clean Energy Alliance
PAYMENTS ISSUED DURING APRIL 2023**

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
04/12/2023	ACH/CK	Braun Blaising Smith Wynne	February 2023 - Professional Services - General Matters and Joint	2,439.79
04/03/2023	ACH/CK	Burke, Williams & Sorensen, LLP	FEEES FOR PROFESSIONAL SERVICES RENDERED THROUGH February	2,925.00
04/27/2023	ACH/CK	CalCCA	Operational Member Dues - Q4 FY 22-23 - April through June 2023	29,784.75
04/28/2023	ACH/CK	California Dept Tax & Fee Admin	2023-Q1 Electric Energy Surcharge	48,976.00
04/06/2023	ACH/CK	Calpine Energy Solutions	February 2023 Service	71,332.00
04/27/2023	ACH/CK	Calpine Energy Solutions	March 2023 Service	71,064.61
04/13/2023	ACH/CK	Carder & Associates, LLC	Clean Energy Alliance logo to be imprinted via PhotoSplash - 2	1,711.97
04/14/2023	ACH/CK	Chapman and Cutler, LLP	Professional Services - Clean Energy Alliance - Revolving Line of	10,000.00
04/10/2023	Wire	DYNEGY	Capacity Purchases - June 2023	220,000.00
04/03/2023	ACH/CK	Escondido Chamber of Commerce	Magazine: Ad - 1/2 Page Ad Escondido Magazine	725.00
04/18/2023	ACH/CK	Hall Energy Law PC	February 2023 - Energy Procurement Counsel Services - Transaction	1,143.00
04/03/2023	Wire	JPMorgan	Loan - Interest	2,467.30
04/03/2023	Wire	JPMorgan	Loan - Interest	104,072.51
04/10/2023	Wire	JPMorgan	Loan - Interest	3,371.63
04/04/2023	ACH/CK	Keyes & Fox LLP	February 2023 - Professional Services	6,262.00
04/03/2023	ACH/CK	Maher Accountancy	February 2023 - Professional Services	7,500.00
04/06/2023	ACH/CK	Neyenesch Printers	CEA Explained Flyer/Move Notice Mailing 3/15/CEA Courtesy Letters	1,677.20
04/07/2023	ACH/CK	Neyenesch Printers	CEA EN#4 Postcards. English and Span	5,696.75
04/10/2023	ACH/CK	Neyenesch Printers	Phase 3.3 EN#1 mailing + Phase 3.2 EN#2 mailing	824.32
04/19/2023	ACH/CK	Neyenesch Printers	Phase 3.1. En#3 Mailing 4-10-2023	1,388.81
04/20/2023	ACH/CK	Neyenesch Printers	EN#3 Letter Inserting	1,374.75
04/27/2023	ACH/CK	Neyenesch Printers	Phase 3.1 En#3 Mailing 4/17/23	1,099.80
04/27/2023	ACH/CK	Neyenesch Printers	Move Notice Mailing 4/12	295.04
04/27/2023	ACH/CK	Pacific Energy Advisors, Inc	March 2023 - Technical Consulting Advisors	23,600.00
04/24/2023	Wire	Pacific Gas & Electric	Renewable Energy Certificates Sale 11/17/2022 - 11/30/2022	360,000.00
04/25/2023	Wire	Powerex	Transactions for the Period of April 2023	143,541.67
04/25/2023	Wire	Resi Station LLC	Proxy Demand Response CEA Mar2023	1,680.00
04/03/2023	Wire	SAAVI ENERGY SOLUTIONS, LLC.	July 2023 - RA	105,000.00
04/03/2023	Wire	SAAVI ENERGY SOLUTIONS, LLC.	July 2023 - RA	618,750.00
04/25/2023	ACH/CK	San Eljijo Life	Banner Advertisement for a 12-month contract at \$100 per month.	100.00
04/20/2023	Wire	SDG&E (Procurement)	Mar-23 Resource Adequacy Sales	108,763.50
04/20/2023	Wire	SDG&E (Procurement)	Mar 2023 REC Sales	466,026.18
04/20/2023	Wire	SDG&E (Procurement)	Mar-23 Resource Adequacy Sales - MCAM	63,527.30
04/20/2023	Wire	SEMPRA	March 2023 - Capacity Purchases	517,400.00
04/03/2023	ACH/CK	STERN, ANDREW	CFO Services - January 22, 2023 - February 21, 2023	7,500.00
04/03/2023	ACH/CK	STERN, ANDREW	CFO Services - February 21, 2023- March 22, 2023	7,500.00
04/25/2023	ACH/CK	STERN, ANDREW	CFO Services - For the period from March 22, 2023 through April 21,	7,838.55
04/12/2023	ACH/CK	Team Promotions	Solar Powered Light & Whistle Key Chains x500	1,705.26
04/03/2023	ACH/CK	The Bayshore Consulting Group, Inc	February 2023 - CEO, Clerk Services & Reimbursable Expenses	18,510.71
04/10/2023	ACH/CK	The Bayshore Consulting Group, Inc	March 2023 - CEO, Clerk Services & Reimbursable Expenses	21,509.42
04/05/2023	ACH/CK	The Coast News Group	CNI AD	300.00
04/03/2023	Wire	THE ENERGY AUTHORITY (ENERGY	March 2023 - CAISO Weekly Settlement	582,941.47
04/10/2023	Wire	THE ENERGY AUTHORITY (ENERGY	March 2023 - CAISO Weekly Settlement	379,843.89
04/17/2023	Wire	THE ENERGY AUTHORITY (ENERGY	March 2023 - CAISO Weekly Settlement	65,132.45
04/24/2023	Wire	THE ENERGY AUTHORITY (ENERGY	April 2023 - CAISO Weekly Settlement	190,154.84
04/27/2023	ACH/CK	THE ENERGY AUTHORITY (SERVICES	March 2023 - Resource Management Monthly Fees	11,700.00
04/18/2023	ACH/CK	Tosdal APC	February 2023 - Regulatory Services	8,230.00
04/27/2023	ACH/CK	Tripepi, Smith & Associates, Inc.	March 2023 - Communications and Marketing Service	2,458.00
04/03/2023	ACH/CK	USPS	March 2023 - Postage Payment - Mailer's Mailing Date 04/03/2023	535.27
04/03/2023	ACH/CK	USPS	March 2023 - Postage Payment - Mailer's Mailing Date 04/05/2023	398.96
04/05/2023	ACH/CK	USPS	March 2023 - Postage Payment - Mailer's Mailing Date 04/05/2023	135.15
04/11/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date 04/17/2023	2,588.67
04/17/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date 04/03/2023	8,879.66
04/19/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date 04/24/2023	359.58
04/24/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date 04/25/2023	942.34

04/25/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date	04/27/2023	207.17
04/27/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date	04/27/2023	335.97
04/27/2023	ACH/CK	USPS	April 2023 - Postage Payment - Mailer's Mailing Date	04/17/2023	525.63
04/18/2023	ACH/CK	Z NEMS	NEMs Payouts		26,996.86
Total for Operating Account					4,351,750.73
04/24/2023	Lockbo	Exelon Generation Company,LLC	Power Purchase		930,787.08
04/24/2023	Lockbo	Morgan Stanley Capital Group, Inc.	Power Purchase		1,520,358.63
04/24/2023	Lockbo	Shell Oil North America	Power Purchase		893,133.64
Total for Lockbox Account					3,344,279.35

FISCAL IMPACT

There is no fiscal impact associated with this report.



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Dave Druker, Board Chair

ITEM 2: Consider Approval of Agreement with Bayshore Consulting Group, Inc. for Chief Executive Officer, CCA Operations Consultant and Board Secretary for an amount not to exceed \$300,000 effective July 1, 2023 through June 30, 2024.

RECOMMENDATION

Approve agreement with Bayshore Consulting Group, Inc. for Chief Executive Officer, CCA Operations Consultant and Board Secretary for an amount not to exceed \$300,000 effective July 1, 2023 through June 30, 2024, and authorize the Board Chair to sign all documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION

Barbara Boswell has been serving as Clean Energy Alliance (CEA) Chief Executive Officer (CEO) through an agreement with Bayshore Consulting Group, Inc. since January 1, 2020. The CEA Board recently initiated an executive recruitment process to hire a new CEO. It is anticipated the appointment of the new CEO will occur in September or October 2023. The agreement before the Board for consideration continues Barbara Boswell as CEO until a new CEO is appointed, then transitions her to CCA Operations Consultant to assist the new CEO.

In addition to CEO services, the agreement with Bayshore also provides for the Board Secretary, with Susan Caputo filling that position. The recruitment of a full-time Board Secretary/Administrative Assistant is set to begin in July. The final selection of the candidate will be made by the new CEO once they are on board. This agreement anticipates continuing those services and assisting with the transition to the new Board Secretary/Administrative Assistant.

FISCAL IMPACT

Funds for the fiscal year 23/24 agreement have been assumed in the CEA financial pro forma and are included in the proposed FY 23/24 budget. The CEO services are to be billed at a flat \$18,750 per month, an increase of \$6,250 to reflect the increase in average hours from 20 per week to 30 per week and will be billed at \$175 per hour when transitioned to CCA Operations Consultant. The Board Secretary is to be billed at \$71 per hour, a 4.4% increase from the current \$68 per hour.

ATTACHMENTS

Agreement Between Clean Energy Alliance and Bayshore Consulting Group, Inc. for Chief Executive Officer, CCA Operations Consultant and Board Secretary

**AGREEMENT BETWEEN THE CLEAN ENERGY ALLIANCE AND
BAYSHORE CONSULTING GROUP, INC FOR
CHIEF EXECUTIVE OFFICER, CCA OPERATIONS CONSULTANT AND BOARD
SECRETARY SERVICES**

THIS AGREEMENT, is entered into this 1st of July, 2023, by and between CLEAN ENERGY ALLIANCE, an independent joint powers authority ("Authority"), and Bayshore Consulting Group, Ince, a California Corporation ("Consultant") (collectively referred to as the "Parties" or individually as a "Party"), with respect to the following essential facts:

RECITALS:

A. Authority is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Sections 6500 *et seq.*) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein and is duly authorized and registered to do business in the State of California.

C. Authority and Consultant desire to enter into this Agreement for Chief Executive Officer, CCA Operations Consultant and Board Secretary services.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on July 1, 2023, and shall terminate on June 30, 2024, unless terminated earlier pursuant to Section 19 hereof or extended upon the written mutual agreement of the Parties.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" attached hereto and incorporated herein fully by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed \$300,000 dollars based on the rates and terms set forth in Exhibit "B," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with or exceeding the prevailing standards for a professional services consultant in California and agrees that all services shall be performed by qualified and experienced personnel in conformity with the applicable requirements of federal, state and local laws in effect at the time that the services are being performed.

6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant as an independent contractor and in pursuit of Consultant's independent calling, except to the extent that they are limited by statute, rule or regulation or the express terms of this Agreement. The Consultant has and shall retain the right to exercise full control and supervision of all persons assisting the Consultant in the performance of the services required by this Agreement, Authority only being concerned with the finished results of the work being performed. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, employer-paid payroll taxes, Social Security, retirement benefits, health benefits, unemployment insurance, workers' compensation plans, vacation and sick leave, nor any other benefits are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. It is the intent of the Parties that neither Consultant nor its officers, employees or agents are to be considered employees of Authority, whether "common law" or otherwise, and Consultant shall indemnify, defend and hold Authority harmless from any such obligations related to its officers, employees and agents.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY.**

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Sections 6500 *et seq.*) pursuant to a Joint Powers Agreement dated November 4, 2019, as amended from time to time, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

Consultant agrees that it shall not harass or discriminate against a job applicant, an Authority employee or contractor, or Consultant's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital or veteran status, medical condition, pregnancy, sex, age, sexual orientation, genetic information, gender expression, or any other protected class. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their sex, race, color, age, religion, ancestry, national origin, disability, military or veteran status, medical condition, genetic information, gender expression, marital status, or sexual orientation and shall

make reasonable accommodation to qualified individuals with disabilities or medical conditions. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Consultant agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. **General Indemnification.** Consultant shall, to the fullest extent allowed by law indemnify, defend, and hold harmless the Authority, its members, and their respective officers, officials, agents, employees and volunteers (collectively “Indemnitees”) from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, demands, damages, judgments, liens, levies, costs, expenses and losses whatsoever against any of them, including any injury to or death of any person or damage to property or other liability of any nature, whether physical, emotional, consequential or otherwise, arising out of or related to a breach of this Agreement or the negligence (whether active or passive) or willful misconduct of Consultant or Consultant’s employees, officers, officials, agents or independent contractors in the performance of or failure to perform this Agreement, except where caused by the sole or active negligence or willful misconduct of any of the Indemnitees. Such costs and expenses shall include reasonable attorneys’ fees of counsel of Authority’s choice, expert fees and all other costs and fees of litigation.

B. **Employee Benefits Eligibility Indemnification.** In the event that Consultant’s employee, subcontractor, independent contractor or other person providing services under this Agreement on Consultant’s behalf (collectively, “Consultant’s Personnel”) claims or is determined by a court of competent jurisdiction or administrative agency to be eligible for enrollment in or entitled to any benefits of the Authority or its constituent members, Consultant shall indemnify, defend, and hold harmless Authority or its constituent members for the payment of any employer and employee contributions for such benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions that would otherwise be the responsibility of the Authority or its constituent members. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant’s Personnel providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation and benefit including, but not limited to, eligibility to enroll in any benefit program as an employee of Authority or its constituent members and entitlement to any contributions to be paid by Authority or its constituent members for employer contributions and/or employee contributions for any employee benefits.

C. **Indemnification for Employee Payments.** Consultant agrees to defend and indemnify the Authority and its constituent members for any obligation, claim, suit or demand for tax, retirement contribution including any contribution to any retirement system, social security, salary or wages, overtime payment, or workers’ compensation payment which the Authority or its constituent members may be required to make for work done under this Agreement.

D. The acceptance of the services provided by this Agreement by Authority shall not operate as a waiver of the right of indemnification. The provisions of this Section 9 shall not be limited by any provision of insurance coverage that the Consultant may have in effect or be required to obtain and maintain during the term of this Agreement. The provisions of this Section 9 are continuing obligations and survive the completion of the services or termination of this Agreement.

10. **INSURANCE:**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: General Counsel. Ten (10) days advance written notice for cancellation due to non-payment of premium shall be provided by the insurer to the Authority in the same manner." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates. All endorsements shall be on forms approved by Authority. Consultant shall provide certified copies of required insurance policies, which shall include the declaration pages, a schedule of forms listing all policy endorsements, and all policy forms, upon Authority's request.

B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation that any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. **Primary and Non-contributory.** The commercial general liability, including any excess or umbrella policies being used to meet the required limits of insurance, and automobile liability policies shall contain, or be endorsed to contain, a provision that such policies are primary and non-contributory to any insurance that may be carried by the Authority or its members, as reflected in an endorsement at least as broad as CG 20 01 04 13, which shall be submitted to the Authority. Any insurance or self-insurance maintained by the Authority, its members or their respective officers, officials, employees, or representatives shall be in excess of the Consultant's insurance and shall not contribute with it.

D. **Failure to secure or maintain insurance.** If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

E. **Additional Insured.** Authority, its members, and their respective, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled

under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

F. Self-Insured Retentions. Any self-insured retentions are the responsibility of the Consultant and must be declared to and approved by Authority. At the option of Authority, either (1) the insurer shall reduce or eliminate such self-insured retentions as respects the Authority, its members and their respective officers, officials, employees and volunteers, or (2) the Consultant shall provide a financial guarantee satisfactory to Authority guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

G. Sufficiency of Insurance. The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

H. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

I. Special Risks or Circumstances. Authority reserves the right to modify these requirements, including limits, based on the nature of risk, prior experience, insurer, coverage, or other special circumstances.

11. CONFLICT OF INTEREST

Consultant represents and warrants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it will not employ any person having such an interest. Consultant agrees to advise Authority immediately if any conflict arises and understands that it will be required to fill out a conflict of interest form under Authority's Conflict of Interest Code.

12. PROHIBITION AGAINST TRANSFERS

Consultant shall not assign, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Authority by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or managing member or joint venturer or syndicate member or cotenant, if Consultant is a partnership or limited liability company or joint venture or syndicate or co-tenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation or partnership or limited liability company

or other entity.

13. **SUBCONTRACTOR APPROVAL**

A. Unless prior written consent from Authority is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

B. In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

C. If Consultant subcontracts for any of the work to be performed under this Agreement, Consultant shall be as fully responsible to the Authority for the acts and omissions of Consultant's subcontractors and for the persons either directly or indirectly employed by the subcontractors, as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in the Agreement shall create any contractual relationship between any subcontractors of Consultant and the Authority or its members. In any dispute between the Consultant and its subcontractor, neither the Authority nor any of its members shall be made a party to any judicial or administrative proceeding to resolve the dispute. The Consultant agrees to defend, hold harmless and indemnify the Indemnitees as described in Section 9 of this Agreement, should any of the Indemnitees be made a party to any judicial or administrative proceeding to resolve any such dispute.

D. Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority.

14. **REPORTS**

A. Each and every report, draft, work product, map, drawing, specification, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of Authority and is hereby assigned to the Authority. Consultant shall not copyright any Report prepared as part of the services required by this Agreement, except as may be requested on Authority's behalf. Consultant expressly waives and disclaims any copyright in, and the right to reproduce all Reports, except upon the Authority's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The Consultant shall, upon request of the Authority, execute any further document(s) necessary to further effectuate this waiver and disclaimer. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority.

Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

B. Consultant shall, at such time and in such form as Authority may require, furnish reports concerning the status of services required under this Agreement.

C. All Reports also shall be provided in electronic format.

D. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by Authority.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of Authority or its designees at all proper times and gives Authority the right to examine and audit same, and to make transcripts and copies therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this Agreement.

16. **SUPPLIER DIVERSITY**

General Order 156 (GO 156) is a California Public Utilities Commission ruling that requires utility entities to procure at least 21.5% of their contracts with majority women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises' ("WMDVLGBTBEs") in all categories. Qualified businesses become GO 156 certified through the CPUC and are then added to the GO 156 Clearinghouse database.

The CPUC Clearinghouse can be found here: www.thesupplierclearinghouse.com. While CEA is not legally required to comply with GO 156, CEA's policies and commitment to diversity are consistent with the principles of GO 156, and CEA has an Inclusive and Sustainable Workforce Policy, which can be found at <https://thecleanenergyalliance.org/key-documents>.

CEA will provide a link to a survey annually to each of its contract vendors, which may ask for disclosure of (a) their GO 156 certification status, (b) their efforts to work with diverse business enterprises, including those owned or operated by women ("WBE"), minorities ("MBE"), disabled veterans ("DVBE"), and lesbian, gay, bisexual, or transgender people ("LGBTBE"); and (c) other information regarding inclusivity in their workforce or related to CEA's goals as stated in CEA's Inclusive and Sustainable Workforce Policy. CEA will use the information obtained solely to help evaluate how well it is conforming to its own policies and goals. Pursuant to California Proposition 209, CEA does not discriminate against nor grant preferential treatment based on race, sex, color, ethnicity, or national origin.

17. **CONFIDENTIALITY AND SECURITY**

A. **Confidential Information.** Consultant shall maintain in confidence and not disclose to any third party nor use in any manner not required or authorized under this Agreement any and all proprietary or confidential information held by Authority or provided to Consultant by Authority, including confidential information regarding Authority's customers and employees,

except as may be required by law.

B. Security.

1. Implementation. Consultant shall implement commercially reasonable administrative, technical and physical safeguards designed to: (a) ensure the security and confidentiality of data and information provided by Authority or used in connection with providing services under this Agreement, including data or information about third parties (“Authority’s Data”); (b) protect against any anticipated threats or hazards to the security or integrity of Authority’s Data; and (c) protect against unauthorized access to or use of Authority’s Data. Consultant shall review and test such safeguards on no less than an annual basis.

2. Network. If Consultant makes Authority’s Data accessible through the Internet or other networked environment, Consultant shall be solely responsible for all aspects of Internet use, and shall maintain, in connection with the operation or use of Authority’s Data, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.

3. Personal Data. If Consultant processes or otherwise has access to any personal data or personal information on Authority’s behalf when performing Consultant’s services and obligations under this Agreement, then: (a) Authority shall be the data controller (where “data controller” means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be, processed) and Consultant shall be a data processor (where “data processor” means an entity which processes the data only on behalf of the data controller and not for any purposes of its own); (b) Authority shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to Consultant so that Consultant may lawfully use, process and transfer the personal data and personal information in accordance with this Agreement on Authority’s behalf in order for Consultant to provide the services and perform its other obligations under this Agreement; (c) Consultant shall process the personal data and personal information only in accordance with any lawful and reasonable instructions given by Authority from time to time and in accordance with the terms of this Agreement; and (d) each Party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the Parties will cooperate to document these measures taken.

4. Information Security. Consultant represents and warrants that its collection, access, use, storage, disposal and disclosure of Confidential Information accessed and/or collected from Authority does and will comply with all applicable federal and state privacy and data protection laws. In the event of any security breach, Consultant shall: (a) Provide Authority with the name and contact information for an employee who shall serve as Authority’s primary security contact and shall be available to assist Authority

twenty-four (24) hours per day, seven (7) days per week as a contact in resolving obligations associated with a security breach; and (b) Notify Authority of a security breach as soon as practicable, but no later than twenty-four (24) hours after Consultant becomes aware of it. Immediately following Consultant's notification to Authority of a security breach, the Parties shall coordinate with each other to investigate the security breach. Consultant agrees to fully cooperate with Authority in Authority's handling of the matter. Consultant shall use best efforts to immediately remedy any security breach and prevent any further security breach at Consultant's own expense in accordance with applicable privacy rights, laws, regulations and standards. Consultant agrees to provide, at its expense, up to one year of credit monitoring services to third parties impacted by any data breach involving the loss of personally identifiable information.

C. Notice and Remedy of Breaches. Each Party shall promptly give notice to the other of any actual or suspected breach by it of any of the provisions of Section 16 of this Agreement, whether or not intentional, and the breaching Party shall, at its expense, take all steps reasonably requested by the other Party to prevent or remedy the breach.

D. Enforcement. Each Party acknowledges that any breach of any of the provisions of Section 16 of this Agreement may result in irreparable injury to the other for which money damages would not adequately compensate. If there is a breach, then the injured Party shall be entitled, in addition to all other rights and remedies which it may have, to have a decree of specific performance or an injunction issued by any competent court, requiring the breach to be cured or enjoining all persons involved from continuing the breach.

18. NOTICES

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests, or approvals shall be addressed as follows:

TO AUTHORITY:

Clean Energy Alliance
Treasurer
5857 Owens Ave, 3rd Floor
Carlsbad, CA 92008

TO CONSULTANT:

Barbara Boswell
Bayshore Consulting Group
3111 N. Tustin St Suite 300
Orange, CA. 92865

19. TERMINATION

A. In the event Consultant fails or refuses to perform any of the provisions hereof at the time or in the manner required hereunder, Consultant shall be deemed in default in the

performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be not less than 10 days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, Authority may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. Authority also shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance and within five (5) working days: (1) assemble all documents owned by Authority and in Consultant's possession and deliver said documents to Authority; and (2) place all work in progress in a safe and protected condition.

B. This Agreement may be terminated by Authority, without cause, upon the giving of thirty (30) days' written notice to Consultant.

C. Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials are the property of Authority pursuant to Section 14 hereof.

20. **COMPLIANCE**

Consultant shall comply with all applicable local, state and federal laws, now existing or hereafter amended or enacted.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under and enforced by the laws of the State of California. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought related to this Agreement shall be filed with the Superior Court of the County of San Diego, State of California. Consultant hereby waives any and all objections to personal jurisdiction and venue in said forum.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise.

23. **WAIVER**

A waiver by Authority of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary

the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

25. DRAFTING AMBIGUITIES

The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

26. INSERTED PROVISIONS

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be incorporated herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

27. CAPTIONS AND TERMS

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. CONSEQUENTIAL DAMAGES

Neither Party shall be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent act or omission, or other wrongful act of either of them.

29. SEVERABILITY

In the event that any part of this Agreement is found to be illegal or unenforceable under the law as it is now or hereafter in effect, either Party will be excused from performance of such portion or portions of this Agreement that is found to be illegal or unenforceable without affecting the remaining provisions of this AGREEMENT.

30. COUNTERPARTS/ELECTRONIC SIGNATURES

This Agreement may be executed electronically and in any number of counterparts, which together shall constitute one and the same agreement. A true and correct electronic copy of this Agreement may be used for all purposes as an original.

29. SIGNATORY AUTHORITY

The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

**BAYSHORE CONSULTING GROUP,
INC.**, a California corporation

CLEAN ENERGY ALLIANCE,
A Joint Powers Authority

By: _____
Name: Barbara Boswell
Title: Partner

By: _____
Name: David Druker
Title: Board Chair

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Board Secretary

Exhibit A
Scope of Services

Consultant shall provide the following services to the Authority during the term of the Agreement:

CHIEF EXECUTIVE OFFICER: Consultant shall provide the services of the Chief Executive Officer for the Authority until the Authority's Board of Directors hires an in-house Chief Executive Officer (CEO). The Chief Executive Officer shall be responsible for the administration of the Authority in accordance with its Joint Powers Agreement and the policies, decisions and directions of the Board of Directors.

Specific services to be provided include the following:

- Oversee all functions of CEA's administration, including finance, marketing, public affairs, power planning and procurement, and regulatory and legislative affairs;
- Maintain positive relationships with the CEA Board, Community Advisory Committee (CAC), San Diego Gas and Electric, customers, the California Public Utilities Commission and other key stakeholders;
- Oversee and direct energy procurements per CEA's Energy Risk Management Policy;
- Make recommendations on, negotiate and administer contracts with outside consultants, contractors and energy providers;
- Prepare, revise and maintain CEA policies and procedures;
- Prepare Board agendas and staff reports for Board in coordination with Board Chair and Community Advisory Committee (CAC);
- Attend and manage Board and CAC meetings;
- Manage the service launch for the cities of Oceanside and Vista;
- Attend and present to community organizations as needed;
- In conjunction with Chief Financial Officer, prepare an annual budget for Board consideration in compliance with the Joint Powers Agreement;
- Recommend programs to the Board for consideration;
- Other priorities as directed by the Board of Directors.

CCA Operations Consultant: At the point in time when the CEA Board hires an in-house CEO, the Consultant will cease providing Chief Executive Officer services under this Agreement and will instead provide the services of a CCA Operations Consultant for the duration of the term of this Agreement. The specific scope of services to be provided by the CCA Operations Consultant includes the following:

- Continue to oversee the functions of CEA's administration, including finance, marketing, public affairs, power planning and procurement and regulatory and legislative affairs;
- Assist with the transition of duties to the in-house CEO to ensure CEA continues to meet its obligations to its customers, regulatory agencies and financial commitments; and
- Other priorities as directed by the in-house CEO and Board of Directors

BOARD SECRETARY: During the term of this Agreement, Consultant shall provide the services of a Board Secretary to the Authority. The Board Secretary scope of services will include:

- Preparation of Board and Community Advisory Committee meeting agendas, minutes, actions and ordinances;
- Attending Board and Community Advisory Committee (CAC) meetings to record the meeting proceedings and to supply the records and other information the Board and CAC may need;
- Maintaining official CEA documents and records;
- Ensuring compliance with Public Records Act (PRA) and responding to PRA requests; and
- Administering Oath of office and serving as filing officer for the Fair Political Practices Commission for disclosure filings.

Exhibit B
Compensation

Authority shall compensate Consultant for the professional services provided in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" shall not exceed a total of \$300,000 dollars. Reimbursable expenses shall be in addition to the not to exceed amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

The compensation for the Chief Executive Officer shall be billed at a flat monthly amount of \$18,750 until the in-house Chief Executive Officer is hired, at which time Chief Executive Officer services will no longer be provided or compensated and instead CCA Operations Consultant services shall be provided. The compensation for the CCA Operations Consultant will be billed hourly at the rate shown below.

Rates

Personnel	Title	Rate
Barbara Boswell	Chief Executive Officer (until in-house CEO is hired)	\$18,750 per month
Barbara Boswell	CCA Operations Consultant (after transition from Chief Executive Officer)	\$175 per hour
Susan Caputo	Board Secretary	\$71 per hour

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services and hours worked).

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and must include itemized receipts/documentation.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority prior to commencement of any additional services.

Consultant shall submit, at the Board's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation.

Exhibit D
Insurance Requirements and Proof of Insurance

Proof of insurance coverage described below is attached to this Exhibit, with Authority and its members and their respective officials, officers, employees, agents and volunteers named as additional insured.

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California and providing, at minimum, \$1,000,000.00 employers' liability coverage.

(2) **Liability:**

Commercial general liability ("CGL") coverage with minimum limits of \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury and property damage, including ongoing and completed operations. ISO occurrence Form CG 0001 or equivalent is required. If limits apply separately to this Agreement (CG 25 03 or 25 04), the general aggregate limit shall not apply. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy. If Consultant or subcontractor maintains higher limits than the limits shown above, Authority shall be entitled to coverage for the higher limits maintained by the Consultant and their subcontractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority. Any excess or umbrella policies being used to meet the required limits of insurance will be evaluated separately and must meet the same qualifications as the Consultant's primary policy.

(3) **Automotive:**

Commercial Automobile Liability Insurance for all of the Consultant's automobiles including owned, hired and non-owned automobiles, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit no less than \$1,000,000.00 per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

(4) **Professional Liability**

Professional liability insurance that includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000 per claim and \$2,000,000 annual aggregate. Consultant shall ensure both that (1) the policy

retroactive date is on or before the date of commencement of the services; and (2) the policy will be maintained in force for a period of three years after substantial completion of the services or termination of this Agreement, whichever occurs last. Consultant agrees that for the time period defined above, there will be no changes or endorsements to the policy that increase Authority's exposure to loss. All defense costs shall be outside the limits of the policy. If Consultant maintains higher limits than the limits shown above, Authority shall be entitled to coverage for the higher limits maintained by Consultant. Any available proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Authority.

(5) **Cyber Liability**

Consultant maintain Cyber Liability with a limit of \$2,000,000 per occurrence or claim and \$2,000,000 annual aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by Consultant in this Agreement and shall include claims involving infringement of intellectual property, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to such obligations. All defense costs shall be outside the limits of the policy.



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 3: Consider Amendment of Energy Risk Management Policy Updating Delegation of Authority

RECOMMENDATION

Approve amendment of Energy Risk Management Policy updating delegation of authority.

BACKGROUND AND DISCUSSION

At its regular meeting November 19, 2020, the Clean Energy Alliance (CEA) Board of Directors approved its Energy Risk Management Policy (ERMP) (attached). The ERMP defines CEA’s general risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which CEA is exposed in its normal course of business.

Section 6.6 Operational Risk establishes the delegation of authority. The Board establishes a delegation of authority to facilitate the efficient operation of CEA in its ordinary course of business. The delegation of authority (DOA) in the current ERMP provides for the following:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 1 year	400,000 MWh	\$15,000,000
	Resource Adequacy	Up to 1 year	1,500 MW	\$10,000,000
	Renewables	Up to 1 year	200,000 MWh	\$3,500,000
	GHG-free	Up to 1 year	200,000 MWh	\$1,000,000
Chief Executive Officer + CEA Board Chair	All Products	1 to 5 years	Unlimited	\$75,000,000
CEA Board	All Products	Any	Unlimited	Unlimited

The DOA adopted in November 2020 reflected the projected costs and resource needs to serve the cities of Carlsbad, Del Mar and Solana Beach.

With the addition of the cities of Escondido, San Marcos, Oceanside, and Vista, CEA's energy load has increased from ~ 600 GWh per year to a projected 2,500 GWh per year, a more than 300% growth in annual electric load served. In addition, market prices of energy have increased by more than 200% during the past three years. These factors have resulted in a recommendation by staff and the Risk Oversight Committee (ROC) to update the ERMP Delegation of Authority.

In making its recommendation, the ROC considered current approaches and best practices being followed by community choice energy organizations throughout the state. It has become common to base the DOA solely on tenor limit of contracts and remove the volumetric and notional value limits. Doing so allows CEA to continue to operate efficiently with market shifts and in the event of any future service expansions.

The updated Delegation of Authority as recommended by the Board and ROC is as follows:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit
Chief Executive Officer	All Products	Up to 1 year
Chief Executive Officer + CEA Board Chair	All Products	1 to 5 years
CEA Board	All Products	Any

FISCAL IMPACT

There is no fiscal impact by this action.

ATTACHMENTS

Clean Energy Alliance Energy Risk Management Policy



Energy Risk Management Policy

Version: 1.0
Approval Date: 11/19/20

**Energy Risk Management Policy
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Energy Risk Management Policy

1.0 General Provisions

1.1 Background and Purpose of Policy

Clean Energy Alliance (CEA) participates in energy markets for purposes of fulfilling its role as a Community Choice Aggregator serving retail electricity customers located within the San Diego region. This Energy Risk Management Policy (Policy) has been developed to facilitate the achievement of CEA's organizational objectives while adhering to policies established by CEA's Board of Directors (Board), power supply and related contractual commitments, good utility practice, and applicable laws and regulations.

This Policy defines CEA's general energy risk management framework and provides management with the authority to establish processes for monitoring, measuring, reporting, and controlling market and credit risks to which CEA is exposed in its normal course of business.

1.2 Scope of Business and Related Market Risks

Beginning in May 2021, CEA will provide electric energy to retail customers within its service territory, which requires completion of the following business activities: bilateral purchases and sales of electricity under short-, medium- and long- term contracts; scheduling of load and generation of electricity into California Independent System Operator (CAISO) markets; retail marketing of electricity to consumers within its service territory; compliance with voluntary objectives and regulatory requirements that relate to carbon-free and Renewables Portfolio Standard (RPS) compliance; participation in the CAISO-administered Congestion Revenue Rights ("CRRs") market; management of the balance between load and generation over the short-, medium- and long-term planning horizons; and compliance with California Public Utilities Commission (CPUC) Resource Adequacy (RA) requirements. Participation in such activities expose CEA to certain risks, which include, but are not limited to, the following:

- Market Price Risk
- Counterparty Credit and Performance Risk
- Load and Generation Volumetric Risk
- Operational Risk
- Liquidity Risk
- Regulatory/Legislative Risk

To mitigate CEA's exposure to such risks, this Policy has been drafted to focus on the following areas of concern:

- Risk Management Goals and Principles
- Definitions of Risks
- Internal Control Principles
- Risk Management Business Practices
- Risk Management Governance

This Policy does not address the following types of general business risk, which should be treated separately in other policies, ordinances and regulations pertaining to CEA: fire, accident and casualty; health, safety, and workers' compensation; general liability; and other such typically insurable perils. The

term “risk management,” as used herein, is therefore understood to refer solely to market risks as defined herein, and not those other categories of risk.

1.3 Policy Administration

This version of the Energy Risk Management Policy was adopted by the CEA Board of Directors on November 19, 2020. This Policy may be amended as needed by CEA’s Board.

1.4 Policy Distribution and Acknowledgment

This Policy shall be distributed to all CEA employees and third-party contractors who are engaged in the planning, procurement, sale and scheduling of electricity on CEA’s behalf and/or in other CEA departments providing oversight and support for these activities. All such employees and contractors are required to confirm in writing on an annual basis that they:

- Have read CEA’s Risk Management Policy
- Understand pertinent terms and requirements of the Policy
- Affirm the intent to comply with the Policy
- Understand that any violation of the Policy shall be subject to employee discipline up to and including termination of employment.

1.5 Policy Interpretation

Questions about the interpretation of any matters related to the Policy should be referred to the Risk Oversight Committee (ROC) or, if the ROC has not yet been formed, CEA’s Board. All legal matters stemming from this Policy will be referred to General Counsel.

2.0 Risk Management Goals

The goals of CEA’s energy risk management practices are to:

- [1] assist in achieving the business objectives of retail rate stability and competitiveness;
- [2] avoid losses and excessive costs, which would materially impact the financial condition of CEA;
- [3] establish the parameters for energy procurement and sales activity to minimize costs while ensuring compliance with approved risk limits and policy objectives;
- [4] assist in assuring that market activities and transactions are undertaken in compliance with established procurement authorities, applicable laws, regulations and orders; and
- [5] encourage the development and maintenance of a corporate culture at CEA in which the proper balance is struck between control and facilitation and in which professionalism, discipline, technical skills, and analytical rigor come together to achieve CEA objectives.

3.0 Risk Management Principles

3.1 General Risk Management Principles

CEA manages its energy resources and transactions with the objectives of reducing greenhouse gas emissions, supporting local economic development and providing customers with stable, competitive electric rates while contemporaneously minimizing risks. CEA's risk management principles include the identification of relevant risks, systematic risk measurement and reporting, and strict adherence to established risk policies. CEA will not engage in transactions without proper authorization or if such transactions are determined to be inconsistent with this Policy.

It is the policy of CEA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable CEA standards of personal conduct while employed by or affiliated with CEA.

3.2 Conflicts of Interest

All CEA Directors, management, employees, consultants, and agents participating in any transaction or activity within the coverage of this Policy are obligated to give notice in writing to CEA of any financial interest such person has in any counterparty that seeks to do business with CEA, and to identify any real or potential conflict of interest such person has or may have with regard to any existing or potential contract or transaction with CEA. Further, all persons are prohibited from personally participating in any transaction or similar activity that is within the coverage of this Policy, or prohibited by California Government Code § 1090, and that is directly or indirectly related to the trading of electricity and/or environmental attributes as a commodity.

If there is any doubt as to whether a prohibited condition exists, then it is the employee's responsibility to discuss the possible prohibited condition with her/his manager or supervisor.

3.3 Adherence to Statutory Requirements

Compliance is required with rules promulgated by the state of California, California Public Utilities Commission, California Energy Commission, Federal Energy Regulatory Commission (FERC), Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, FERC and CFTC have enacted laws, regulations, and rules that prohibit, among other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making any untrue statement of fact or omitting to state a material fact where the omission would make a statement misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved, as well as CEA. This Policy is intended to comply with these laws, regulations and rules and to avoid improper conduct on the part of anyone employed by CEA. These procedures may be modified from time to time by legal requirements, auditor recommendations, requests from the CEO and/or ROC, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, CEA will provide legal counsel to employees. However, CEA will not appoint legal counsel to an employee if CEA's General Counsel and Chief Executive Officer determine that the employee was not acting in good faith within the scope of employment. CEA employees are prohibited from working for another power supplier, CCA or utility in a

related position while they are simultaneously employed by CEA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent CEA staff from performing non-CCA activities on behalf of CEA in the normal course of its business.

3.4 System of Records

CEA will maintain a set of records for all transactions executed in association with CEA's procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

4.0 Definitions of Market Risks

The term "market risks," as used herein, refers specifically to those categories of risk which relate to CEA's participation in wholesale and retail markets as a Load Serving Entity (LSE) as well as CEA's interests in certain long-term contracting opportunities. Market risks include market price risk, counterparty credit and performance risk, load and generation volumetric risk, operational risk and liquidity risk, as well as regulatory and legislative risk. These categories are defined and explained as follows.

4.1 Market Price Risk

Market price risk is defined as exposure to changes in wholesale energy prices. Market price risk is a function of price volatility and the volume of energy that is contracted at fixed prices over a defined period of time. Prices in electricity markets exhibit high volatility, and appropriate forward procurement and hedging approaches are necessary to manage exposure to pricing volatility within the CAISO or bilateral energy markets.

Market price risk is also impacted by market liquidity, which may be an issue for certain energy or capacity products that CEA procures. Illiquid markets are characterized by relatively few buyers or sellers, making it more difficult to buy or sell a commodity and often resulting in higher premiums on purchases or deeper discounts on sales.

Another dimension of market price risk is congestion or "basis" risk. Congestion risks arise from the locational differences in prices between the point of delivery of CEA's load (meaning, power consumed by customers) and its contracted supply.

For CEA, market price risk manifests in two types of exposure. The first type of market price risk exposure is the potential for variations in power costs that are related to CEA's "open positions", meaning the volume of energy that will ultimately be required for delivery to CEA customers but that has not yet been purchased. Increases in market prices will increase CEA's costs when those open positions are eventually filled at the higher prices. Incurrence of higher than anticipated power costs can reduce funds available for financial reserves or other planned uses and can lead to the need for rate increases. Market price risk exposure related to open positions are monitored through net open position valuations and value at risk metrics as described in Section 6.1 of this Policy.

The second type of market price risk exposure is the potential for wholesale trading positions, long-term supply contracts and generation resources to move "out of the money," that is, become less valuable when compared to similar positions, contracts or resources obtainable at present prices. These same positions can also be "in the money" if such positions become more valuable when compared to similar positions, contracts or resources obtainable at present market prices. This valuation methodology is

commonly referred to as “Mark to Market.” Transaction valuation and reporting of positions shall be based on objective, market-observed prices. If CEA is “out of the money” on a substantial portion of its contracts, it may have to charge higher retail rates relative to competitors. Such a situation could erode CEA’s competitive position and market share if other market participants (e.g., Direct Access providers or SDG&E) are able to procure power at a lower cost and offer lower retail electric rates.

4.2 Counterparty Credit and Performance Risk

Performance and credit risk refer to the inability or unwillingness of a counterparty to perform according to its contractual obligations. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are four general performance and credit risk scenarios:

- [1] counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring CEA to purchase replacement products elsewhere, possibly at higher costs;
- [2] counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating a quick resale of the product elsewhere, possibly at a lower price;
- [3] counterparties may fail to pay for delivered energy or environmental attributes; and
- [4] counterparties and suppliers may refuse to extend credit to CEA, possibly resulting in higher collateral posting costs, which could impact CEA’s cash position and/or bank lines of credit.

An important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated with one or a very small number of counterparties, generating resources, or geographic locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty/supplier or as a result of unexpected price fluctuations at one location.

4.3 Load and Generation Volumetric Risk

Energy deliveries must be planned in consideration of forecasted load. CEA forecasts load over the long and short term and enters into long- and short-term fixed price energy contracts to hedge its load consistent with the provisions of its Integrated Resource Plan (IRP).

Load forecasting risk arises from inaccurate load forecasts and may result in the over- or under-procurement of energy and/or customer rate revenues that deviate from approved budgets. Energy delivery risk occurs if a generator fails to deliver expected or forecasted energy volumes. Variations in wind speed and cloud cover, for example, can also impact the respective amount of electricity generated by wind and solar resources. Furthermore, the occasional oversupply of power on California’s electric grid can lead to curtailment of energy deliveries or reduced revenue resulting from low or negative prices at certain energy delivery points. In general, weather is an important variable that can result in higher or lower electricity usage due to its impact of customer electricity usage (heating and cooling needs, for example) as well as energy production (by generators that are commonly impacted by ambient weather conditions).

In the CAISO markets this situation can result from both the oversupply and undersupply of electricity relative to CEA’s load as well as the over- or under-scheduling of generation or load into the day ahead market (relative to actual energy consumed or delivered in the real-time market). Load and generation volumetric risk may result in unanticipated open positions and imbalance energy costs, which are assessed

when actual and scheduled loads do not align. More specifically, imbalance energy costs result from temporal pricing differences that often exist in the day-ahead and real-time energy markets during discrete scheduling intervals. For example, if CEA's actual load is higher than scheduled in the day-ahead market, and real-time prices are comparatively high during such instances, then CEA bears the risk of higher-than-anticipated energy costs due to such variation.

4.4 Operational Risk

Operational risk consists of the potential for failure to execute and control business activities relative to plan. Operational risk includes the potential for:

[1] organizational structure that proves to be ineffective in addressing risk, i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate and untimely forecasts or reporting, failure to separate incompatible functions, etc.;

[2] absence, shortage or loss of key personnel or lack of cross-functional training;

[3] lack or failure of facilities, equipment, systems and tools, such as computers, software, communications links and data services;

[4] exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.; and

[5] errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.

4.5 Liquidity Risk

Liquidity Risk is the risk that CEA will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analyses, and debt analyses. Some unexpected financial events impacting liquidity could include:

[1] breach of CEA credit covenants or thresholds – CEA has credit covenants included in its banking agreements and may, eventually, have similar covenants within its energy contracts. Breach of credit covenants or thresholds could result in the withdrawal of CEA's line of credit or may trigger the requirement to post collateral;

[2] contractual requirements to post collateral (with counterparties) due to a decline in market prices below the contract price; and

[3] from time to time CEA may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by CEA could reduce CEA's liquidity if the cause of loss is not covered by CEA's insurance policies.

4.6 Regulatory/Legislative Risk

Regulatory risk encompasses market structure and operational risks associated with shifting state and federal regulatory policies, rules, and requirements that could negatively impact CEA. An example is the potential increase in exit fees for customers served by Community Choice Aggregators that could result in higher overall electricity costs for CEA customers (relative to SDG&E or DA service options).

Legislative risk is associated with actions by federal and state legislative bodies, which may impose adverse changes or requirements that could infringe upon CEA's autonomy, increase its costs, or otherwise negatively impact CEA's ability to fulfill its goals and objectives.

5.0 Internal Control Principles

Internal controls are based on proven principles that meet or exceed the requirements of financial institutions and credit rating agencies while also being considerate of good utility practice. The required controls shall include all customary and usual business practices designed to prevent errors and improprieties, ensure accurate and timely reporting of results of operations as well as information pertinent to management, and facilitate attainment of business objectives. These controls shall remain fully integrated in all activities of the business and shall be consistent with stated objectives. There shall be active participation by senior management in risk management processes.

The required controls include the following:

[1] Segregation of duties and functions between front, middle, and back office activities. In general terms, the designation of responsibilities shall be organized as follows:

- Front office is responsible for planning (e.g. preparation of the IRP and other planning activities) and procurement (e.g. solicitation management, contract negotiation, structuring and pricing as well as contract execution), contract management, compliance and oversight of scheduling coordinator functions with the CAISO;
- Middle office is responsible for controls and reporting (e.g., risk monitoring, risk measurement, risk reporting, procurement compliance, counterparty credit review, approval and monitoring); and
- Back office is responsible for settlements and processing (e.g., verification, validation, reconciliation and analysis of transactions, tracking, processing and settlement of transactions).

[2] Delegation of authority as defined in section 6.5 (below) that is commensurate with responsibility and capability, and relevant training to ensure adequate knowledge to operate in and comply with rules associated with the markets in which such personnel may transact (e.g., CAISO). Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractors for each transaction. No individual staff member shall perform all of these functions on a single transaction.

[3] Defining authorized products and transactions. In general terms, authorized and prohibited transactions are defined as follows:

- Authorized transactions are those transactions directly related to the procurement and/or administration of electric energy, reserve capacity, transmission and distribution service, ancillary services, congestion revenue rights, renewable energy, renewable energy credits, scheduling activities, tolling agreements, and bilateral purchases of energy products. All transactions must be consistent with this Policy and the Board approved IRP.
- It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of CEA's generation portfolio and execution of procurement strategies. Prohibited transactions are those transactions that are not related to serving retail electric load and/or reducing financial exposure. Speculative buying and selling of energy products or maintenance of open positions that do not conform with agreed upon thresholds is prohibited. Speculation is defined as buying energy in excess of forecasted load plus reasonable planning reserves, intentionally under procuring energy relative to minimum load hedging targets or selling energy or environmental attributes that are not yet owned by CEA. In no event shall speculative transactions be permitted. Any financial derivatives transaction including, but not limited to futures, swaps, options, and swap options are also prohibited. If any questions arise as to whether a proposed transaction(s) constitutes speculation, CEA shall conduct an analysis of the transaction and the Board shall review the transaction(s) to determine whether the transaction(s) would constitute speculation and document its finding in the meeting minutes.

[4] Defining proper process for executing power supply contracts. CEA will ensure power supply contracts are approved by pertinent technical personnel. Legal review will be required of various forms of agreement used by CEA.

[5] Accurately capturing transactions and other data, with standardization of electronic and hard copy documentation.

[6] Summarizing and reporting of transactions and other activity at regular intervals.

[7] Measuring risk and performance in a timely manner and at regular intervals.

[8] Regularly reviewing compliance to ensure that this Policy and related risk management guidelines are adhered to, with specific guidelines for resolving instances of noncompliance.

[9] Ensuring active participation by senior management in risk management processes.

6.0 Risk Management Business Practices

6.1 Risk Measurement Metrics and Reporting

A vital element of this Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with CEA's procurement-related business activities and performance relative to stated goals.

CEA measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short-term budget updates. The following items are measured, monitored and reported:

[1] Mark-to-Market Valuation – marking to market is the process of determining the current value of contracted supply. A mark-to-market valuation shall be performed at least once per quarter.

[2] Exposure Reporting – calculates the notional dollar risk exposure and value at risk of open portfolio positions at current market prices. The exposure risk calculations shall be performed at least once per quarter.

[3] Open Position Monitoring – on a monthly basis, CEA shall calculate/monitor its open positions for all energy and capacity products. If energy open positions for the month following the then current month (prompt month) exceed 10% of load, CEA will solicit market energy to close open positions and make a commercial decision to close the position. Open positions for terms beyond the prompt month will be monitored monthly and addressed in accordance with CEA’s planning models and related policies.

[4] Counterparty Credit Exposure – calculates the notional and mark-to-market exposure to each CEA counterparty by deal and in aggregate. Counterparty credit exposure shall be reported on a quarterly basis. Counterparty exposure reporting includes contingent collateral posting risks arising from changes in market prices and other factors.

[5] Reserve Requirement Targets – no less than once per year, CEA staff will monitor CEA’s reserves to ensure that they meet the targeted thresholds.

Consistent with the above, the Middle Office will develop reports and provide feedback to the Risk Oversight Committee. If a limit or control established by this Policy is violated, the Middle Office will send notification to the responsible party and the Risk Oversight Committee. The Risk Oversight Committee will discuss the cause and potential remediation of any violation to determine next steps for curing the violation.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure CEA adjusts its methods to reflect the evolving competitive landscape.

6.2 Market Price Risk

CEA manages market price risk using its planning models which define forecasted load, energy under contract and CEA’s open positions across various energy product types including renewable energy (Portfolio Content Category I and II; CEA does not anticipate procuring Portfolio Content Category III products), carbon-free energy and system power relative to CEA’s procurement targets.

CEA determines the quantity of energy it intends to place under contract each year through the use of its planning models and in consideration of stated procurement targets. The planning models include an outline of the delivery term and quantity of each energy product that CEA intends to fill in the upcoming year. The planning models inform CEA’s solicitation planning, including solicitation timing and strategy as well as the person/team responsible for related solicitations.

In general, CEA will seek to purchase some long-term renewable energy each year for purposes of diversifying market exposure while also avoiding potential “planning cliffs”, which can occur when a significant portion of long-term contracts expire at or near the same point in time.

For products generally purchased through short- and medium-term contracts, CEA follows a similar temporal diversification strategy, with multiple procurement cycles occurring throughout the year.

Congestion risk is managed through the contracting process with a preference for day-ahead energy delivery at the SP 15 trading hub. Once energy is procured, CEA manages congestion risks through the application of CRRs consistent with its Congestion Revenue Rights Risk Management Guidelines. CRRs are financial instruments used to hedge against transmission congestion costs encountered in the CAISO day-ahead market. CEA uses a third-party scheduling coordinator to manage its CRR portfolio. CEA primarily uses CRRs to reduce its exposure to congestion charges.

6.3 Counterparty Credit and Performance Risk

CEA shall evaluate and monitor the financial strength of its suppliers in consideration of adopted Credit Guidelines. Generally, CEA manages its exposure to energy suppliers by exhibiting a preference for counterparties with Investment Grade Credit ratings as determined by Moody's or Standard and Poor's and through the use of security requirements in the form of cash and letters of credit. CEA measures its mark-to-market counterparty credit exposure consistent with industry best practices.

6.4 Load and Generation Volumetric Risk

CEA manages energy delivery risks by ensuring that contracts include appropriate contractual penalties for non-delivery, acquiring energy from a geographically and technologically diverse portfolio of generating assets (with a range of generation profiles that are generally complementary to the manner in which CEA's customers use electric power). Due to known production variability and supply uncertainty related to renewable and other carbon-free energy products, CEA includes planning margins in its procurement of such products to ensure that related targets/mandates are achieved.

CEA manages load forecasting and related weather risks by contracting with qualified data management and scheduling coordinators, which independently or jointly provide the systems and data necessary to forecast and schedule load using good utility practice. Load variability is also considered in establishing appropriate planning margins for renewable and other carbon free energy sources.

CEA's load scheduling strategy, as executed by its scheduling coordinator, shall be in accordance with adopted Load Bidding/Scheduling Guidelines. This strategy shall ensure that price risk in the day-ahead and real-time CAISO markets is managed effectively and is consistent with good utility practice.

6.5 Operational Risk

Operational risks are managed through:

- Adherence to this Policy, and oversight of procurement activity including delegation of authority;
- Conformance with applicable human resources policies and guidelines;
- Staff resources, expertise and/or training reinforcing a culture of compliance;
- Use of qualified, highly experienced contractors on an as-needed basis in the event that necessary expertise does not exist within CEA's own organization;
- Ongoing and timely internal and external audits; and
- Cross-training amongst staff

To ensure proper controls for executing energy transactions and to facilitate the efficient operation of CEA in its ordinary course of business, the Board delegates transactional authority that is commensurate with responsibility and capability. Accordingly, by approving this Policy, the Board delegates the following energy procurement authorities by product type, tenor, volume and notional value to its Chief Executive Officer and the ROC:

Delegation of Authority: Title/Governing Body	Product Type	Tenor Limit	Volumetric Limit	Notional Value Limit
Chief Executive Officer	System Power	Up to 1 year	400,000 MWh	\$ 15,000,000
	Resource Adequacy	Up to 1 year	1,500 MW	\$ 10,000,000
	Renewables	Up to 1 year	200,000 MWh	\$ 3,500,000
	GHG-free	Up to 1 year	200,000 MWh	\$ 1,000,000
Chief Executive Officer + CEA Board Chair	All Products	1 to 5 years	Unlimited	\$ 75,000,000
CEA Board	All Products	Any	Unlimited	Unlimited

Any changes to the delegation of authority will require Board approval.

6.6 Liquidity Risk

CEA manages liquidity risk through adherence to its loan and power purchase agreement credit covenants; limiting commitments to provide security consistent with adopted Credit Guidelines; ensuring it has adequate loan facilities, prudent cash and investment management; and adherence to any applicable reserve policies. CEA monitors its liquidity (defined as unrestricted cash, investments, and unused bank lines of credit) no less than weekly. CEA utilizes scenario and sensitivity analyses while preparing budget, rate, and pro forma analyses to identify potential financial outcomes and ensure sufficient liquidity under adverse conditions.

6.7 Regulatory/Legislative Risk

CEA manages its regulatory and legislative risk through active participation in working groups and advocacy coalitions such as the California Community Choice Association. CEA regularly monitors and participates in, as necessary, regulatory rulemaking proceedings and legislative affairs to protect CEA's interests.

7.0 Risk Management Policy Governance

7.1 CEA Board of Directors

The CEA Board is responsible for adopting this Policy. The Board also approves CEA's annual budget, contracting authorities and delegated responsibilities for the management of CEA's operations to its Chief Executive Officer and staff. The Board is responsible for reviewing and recommending approval of substantive changes to this Policy, as needed, and for initiating and overseeing a review of the implementation of this Policy as it deems necessary. The Chief Executive Officer and Risk Oversight Committee (described below) may make reports and seek approval for any substantive changes to this Policy, and any such changes would be subject to Board approval.

7.2 Risk Oversight Committee (ROC)

To ensure the implementation of and compliance with this Policy, the Board will establish a Risk Oversight Committee prior to the commencement of retail electric service by CEA. Members of the ROC will be selected by the Chief Executive Officer, who will serve as the ROC's Chair. The ROC will have authority to:

- Meet at least once per quarter, or as otherwise called to order by the ROC's Chair.
- No less than once per quarter, provide a report to the Board regarding its meetings, deliberations and any other areas of concern.
- From time to time, adopt and/or adapt risk management guidelines defining internal controls, strategies and processes for managing market risks incurred through or attendant upon wholesale trading, retail marketing, long-term contracting, CRR trading and load and generation scheduling.
- Specify the categories of permitted transactions and set risk limits for wholesale trading. The ROC will receive and review information and reports regarding risk management, wholesale trading transactions, and the administration of supply contracts.
- Have direct responsibility for enforcing compliance with this Policy. Any material violations of this Policy, as determined by the ROC, shall be reported to the Board for appropriate action.



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 4: Declare Community Advisory Committee Vacancy for the City of Solana Beach for Term Ending December 31, 2024

RECOMMENDATION

Declare Community Advisory Committee Vacancy for the City of Solana Beach, one appointee for term through December 2024, and direct application period to be open July 1 – July 31, 2023, and return with recommendation for appointment August 31, 2023.

BACKGROUND AND DISCUSSION

Clean Energy Alliance's (CEA) Community Advisory Committee (CAC) Policy (Attachment A) establishes that the CAC shall consist of two (2) appointees from each CEA member agency as well as 1 CEA Board Alternate to serve as CAC Chair, to serve three (3) year staggered terms. Due to a resignation, a vacancy exists for the City of Solana Beach for the CAC term through December 31, 2024.

CAC members shall be residents (property owners or renters) or business owners within the service territory for the city which the CAC member is representing and are subject to all applicable conflict of interest laws and may be required to disclose potential conflicts by filing a Form 700. The CAC Policy further states that CAC applicants that have a relevant background in, or expertise related to, one of the following fields: electricity, community outreach or engagement, or policy advocacy will be considered.

CAC appointees must be committed to serving on the CAC and attending regular CAC meetings and occasional CEA Board meetings, with CAC meetings occurring on the first Thursday of each even months (February, April, June, August, October, and December) at 2pm at Oceanside City Council Chambers. CAC members are expected to maintain a good attendance record and will be removed from the CAC after two consecutive unexcused absences from CAC meetings or have unexcused absence for more than 25% of the CAC meetings in a calendar year. The annual workplan for the CAC is set by the Board and the 2023 Workplan is attached (Attachment B).

The CAC is subject to the Brown Act and all meetings are publicly noticed and held in public settings pursuant to requirements of the Brown Act.

CEA will advertise the openings on its social media, post a notice along with the application on its website, and will work with staff of the City of Solana Beach to advertise the vacancies. Applications will

be accepted July 1 – July 31, 2023, and will be provided to the Solana Beach Board Members the week of August 1 for review and consideration. The Solana Beach Board Member will nominate the CAC member from their pool of applicants for full CEA Board approval at the August 31, 2023, CEA Board meeting and the CAC Member will be sworn in prior to or at the October CAC meeting.

FISCAL IMPACT

There is no fiscal impact as a result of this action.

ATTACHMENTS

Attachment A - Clean Energy Alliance Community Advisory Committee Policy

Attachment B - 2023 Community Advisory Committee Workplan

Clean Energy Alliance

JOINT POWERS AUTHORITY

COMMUNITY ADVISORY COMMITTEE PURPOSE AND SCOPE

Community Advisory Committee (CAC) Authorization

Section 5.9 of the Clean Energy Alliance (CEA) Joint Powers Authority (JPA) Agreement provides the authority for the CEA Board to establish an advisory committee to assist the Board in implementing and operating its CCA program. Pursuant to the JPA Agreement, the committee should have equal representation from the member agencies. The Board may establish criteria to qualify for appointment to the committee, and establish rules, regulations, policies or procedures to govern the committee.

CAC Membership Criteria

- The CAC membership shall consist of two (2) appointees from each CEA member agency and 1 Board Alternate. CAC committee members shall serve staggered three (3) year terms with a two-term limit. In the inaugural year, one appointee seat from each member agency shall serve two (2) years.
- Board Alternate will serve as CAC Chair and provide regular reports to the CEA Board.
- Committee members serve at the pleasure of the Board.
- CAC members will be subject to all applicable conflict of interest laws and may be required to disclose potential conflicts by filing a Form 700. (Information about conflicts of interest and Form 700 can be found here: <http://www.fppc.ca.gov/Form700.html>).
- Members shall be residents (property owners or renters) or business owners within the service territory of CEA.
- CAC membership will be considered for those that have a relevant background in or expertise related to one or more of the following fields: electricity, community outreach or engagement, or policy advocacy.
- Applicants must be committed to serving on the CAC and attending regular committee meetings, and occasional CEA Board meetings. Committee meetings will be held quarterly unless additional meetings are directed by the Board. Members are expected to maintain a good attendance record. A committee member will be removed from the

CAC if the member has two consecutive unexcused absences from CAC meetings or has unexcused absences from more than 25% of the CAC meetings in a calendar year.

- The CAC is subject to Brown Act and all meetings will be publicly noticed and held in public settings pursuant to requirements of the Brown Act.
- CAC meetings, times and location will be determined by the CEA Board.

CAC Purpose & Objectives

The purpose of the CAC is to advise the CEA Board of Directors on those matters concerning the operation of its Community Choice Aggregation (CCA) program as directed by the Board of Directors in an annual workplan for the CAC that is adopted by the Board. The objectives of the CAC are to provide feedback to the Board, act as a liaison between the Board and the community and serve as a forum for community input on those matters assigned to the CAC in the annual workplan. The CAC shall not have any decision-making authority but will serve as an advisory body to the Board of Directors.

CAC Member Selection Process

Applicants must complete and submit the Clean Energy Alliance Community Advisory Committee Application (Attachment A). Board Members will nominate two applicants from their respective communities to the full Board for approval. In addition, the full Board will select one Board Alternate to participate on the CAC.

Attachment A
Clean Energy Alliance
Community Advisory Committee Application

CAC Purpose & Objectives

The purpose of the CAC is to advise the CEA Board of Directors on those matters concerning the operation of its Community Choice Aggregation (CCA) program as directed by the Board of Directors in an annual workplan for the CAC that is adopted by the Board. The objectives of the CAC are to provide feedback to the Board, act as a liaison between the Board and the community and serve as a forum for community input on those matters assigned to the CAC in the annual workplan. The CAC shall not have any decision-making authority but will serve as an advisory body to the Board of Directors.

NAME: _____

ADDRESS: _____

PHONE: _____ EMAIL: _____

Are you a resident/business owner of one of the CEA member cities?

If yes, which city: _____

Please attach a current resume and respond to the following questions. Please attach a separate sheet if additional space is needed.

What experience/perspective will you bring to the committee?

Describe any relevant background in or expertise related to one or more of the following fields: electricity, community outreach or engagement, or policy advocacy.

Do you have any interests or associations that might present a conflict of interest? If yes, please explain:

What do you hope to accomplish as a member of the Clean Energy Alliance Community Advisory Committee?

Please provide three references

NAME	Phone Number	Relationship

By signing below, I acknowledge that I have sufficient time to actively participate in the Clean Energy Alliance Community Advisory Committee for the benefit of the program and the communities it serves. I understand that committee members are subject to conflict of interest laws and required to disclose potential conflicts by filing Form 700.

Signature: _____

Date: _____

Completed applications should be emailed to: Secretary@TheCleanEnergyAlliance.org



2023 Community Advisory Workplan and Schedule

MEETING DATE	WORK PLAN/TOPICS
February 2, 2023	Microgrid Program Presentation Review Escondido & San Marcos Marketing & Education for CAC Assistance Assignment; Green Impact Champions Program Overview and Marketing Input
April 6, 2023	Receive report from CEA Board Budget Workshop & Provide Input for Board Consideration Regional Energy Networks Presentation; Presentation Regarding Inflation Reduction Act and Other Grant Opportunities for CEA Programs
June 1, 2023	Review CEA Draft FY 2022/23 Budget Review Website
August 3, 2023	Escondido/San Marcos Enrollment Recap Marketing and Outreach Strategy for Oceanside & Vista Launch
October 5, 2023	Review Subcommittee Work for Preparation to Present to Board Consider current structure of CAC in light
December 7, 2023	2023 Achievements and 2024 Workplan Suggestions for Board Consideration in January



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 5: Consider Approval of Execution of Memorandum of Understanding with Center for Community Energy for Partnership in Applying for California Energy Commission Reliable, Equitable and Accessible Charging for Multi-Family Housing 2.0 (REACH 2.0)

RECOMMENDATION

Approve execution of Memorandum of Understanding with Center for Community Energy for Partnership in applying for California Energy Commission Reliable, Equitable and Accessible Charging for Multi-Family Housing 2.0 (REACH 2.0) and authorize the Chief Executive Officer to sign all documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION

The California Energy Commission Reliable, Equitable and Accessible Charging for Multi-Family Housing 2.0 (REACH 2.0) Grant Program provides funding for a minimum 100 EV chargers in one or more multi-family housing projects with a minimum 50% of the charges to be within disadvantaged communities, low-income communities, or a combination of both (Priority Communities). If at least 90% of the chargers are installed within Priority Communities, there is no matching funds requirement. The grant application is due August 2, 2023, with a maximum \$5.0MM for each project.

The Center for Community Energy (CCE) reached out to Clean Energy Alliance (CEA) to propose a partnership to apply for the grant. CCE has a database of multi-family housing locations that meet the Priority Communities goals designated by the CEC. CCE proposes to take the lead in identifying the program location(s) writing the grant proposal for the application, work with CEA to identify contractors to build the project and carry out the data analysis required in the grant. CEA will be the applicant for the grant, administer the grant funds and work with CCE in developing the community outreach and in selecting vendors for the project.

As proposed by CCE, the projects would include a solar and battery storage component to address the energy needs of the EV chargers.

The proposed project is supportive in achieving the goals of CEA and the Climate Action Plan goals of its member agencies by expanding the EV charging infrastructure to multi-family housing in Priority Communities.

The Community Advisory Committee (CAC) EV Programs Subcommittee met with CCE regarding the proposed partnership and the project. The CAC is supportive of CEA partnering with CCE in the REACH 2.0 grant application and recommends the Board approve the MOU.

The Memorandum of Understanding (MOU) (attached) proposes:

- CEA shall be the Proposal applicant.
- CCE will work to identify the multi-family housing EV charging installation locations and execute the appropriate agreement with the property owners to install the equipment.
- CCE and CEA will work together to identify a developer to install solar + battery storage systems to reduce impact of demand from the EV chargers.
- CCE will be primarily responsible for preparing the grant proposal for submittal.
- CEA shall receive all community-related, administration and program evaluation funds to spend at its discretion, in accordance with GFO grant requirements.
- CEA will subcontract CCE to carry out the data analysis required in the grant.
- CEA and CCE will work together in developing the community outreach for the project.
- CCE will manage construction of the EV charging stations by a private vendor in accordance with GFO grant requirements.

FISCAL IMPACT

There is no fiscal impact by this action. Should the proposal be successful in receiving funding, CEA would benefit from the receipt of funds for community outreach, administration, and program evaluation. In addition, the new EV charging infrastructure would be customers of CEA, generating new revenue through the sale of energy for the chargers.

ATTACHMENTS

Proposed Memorandum of Understanding Between Clean Energy Alliance Center for Community Energy

**MEMORANDUM OF UNDERSTANDING
RELIABLE, EQUITABLE AND ACCESSIBLE CHARGING FOR
MULTI-FAMILY HOUSING 2.0 (“REACH 2.0”)
GRANT SUBMISSION FOR LARGE-SCALE MULTI-FAMILY EV CHARGING
between
Clean Energy Alliance and Center for Community Energy**

Center for Community Energy (CCE), a 501(c) 3 non-profit organization, is pleased to provide Clean Energy Alliance, a California joint powers authority (“CEA”, and together with CCE, the “Parties”), with this Memorandum of Understanding (“MOU”), which by our respective signatures below, we agree shall become effective as of July 1, 2023 (“Effective Date”).

WHEREAS, CCE is duly organized and existing under the laws of the State of California and is duly registered and authorized to do business in the State of California; and,

WHEREAS, the California Energy Commission (CEC) recently issued Grant Funding Opportunity (“GFO”) Number GFO-22-614 for its REACH 2.0 program that will provide significant grant funding to successful grant applicants that will cover 100% of the cost of the deployment of EV Chargers at multi-family housing locations, specifically within disadvantage communities, low-income communities, or a combination of both (Priority Communities); and,

WHEREAS, the grant requires the installation of not less than 100 EV charging stations in one or more multi-family housing projects with a minimum 50% of the chargers in Priority Communities; and,

WHEREAS, if at least 90% of the charges are installed at Priority Communities there is no matching funds requirement; and,

WHEREAS, CCE has a database of multi-family housing that meet the Priority Communities goals designated by the CEC; and,

WHEREAS, CCE will utilize this database to identify locations that meet the criteria to be eligible for funding through the grant; and,

WHEREAS, the installation of EV chargers in multi-family housing locations will accelerate the achievement of the Climate Action Plans of the member cities of CEA, and bring jobs and significant health and economic development benefits to lower income neighborhoods in those cities which are in CEA’s service territory; and,

WHEREAS, Parties will work together in identifying a solar + battery storage developer to install solar + battery systems that reduce the peak demand impact of the EV chargers; and,

WHEREAS, the grant opportunity is in alignment with CEA’s goals of increasing EV infrastructure to support the increase of EV use in CEA’s region; and,

WHEREAS, the grant provides up to \$5MM to install the charges and includes funding to cover CEA’s costs for CEA’s grant administration and overhead expense; and,

WHEREAS, the Parties desire to work together to submit an application for funding under the GFO which is due on August 2, 2023.

THEREFORE, the Parties agree as follows:

- I. Inclusive, Innovative & Excellent Project. It is the intent of the Parties to design and build a replicable and scalable project for large-scale deployment of EV infrastructure capable of maximizing EV use for multi-family residents in Priority Communities.
- II. Good Faith Effort to Apply For Funding. The Parties agree to work in good faith to submit a grant proposal application (“Proposal”) under the GFO in order to receive 100% of the funding for the Project from the CEC.
- III. Key Proposal Terms. The Parties agree that the Proposal will be crafted as follows:
 - a. CEA shall be the Proposal applicant.
 - b. CCE will work to identify the multi-family housing EV charging installation locations and execute the appropriate agreement with the property owners to install the equipment.
 - c. CCE and CEA will work together to identify a developer to install solar + battery storage systems to reduce impact of demand from the EV chargers.
 - d. CCE will be primarily responsible for preparing the grant proposal for submittal.
 - e. CEA shall receive all community-related, administration and program evaluation funds to spend at its discretion, in accordance with GFO grant requirements.
 - f. CEA will subcontract CCE to carry out the data analysis required in the grant.
 - g. CEA and CCE will work together in developing the community outreach for the project.
 - h. CCE will manage construction of the EV charging stations by a private vendor in accordance with GFO grant requirements.
- IV. Additional CEA and CCE Approval. If the Proposal to the GFO is awarded funding, the Parties agree to work in good faith to amend this Agreement (or execute a new agreement) to: 1) add assurances, insurance and indemnifications that remove any Project-related financial risk to CEA; and, 2) add additional specific detail regarding the Key Proposal Terms outlined above. Additionally, any Party, at its sole discretion, may require approval by its respective Board of Directors, before accepting such funding, and any Party may terminate this MOU without penalty upon written notice to the other Parties at any time.

[Signature page follows]

The Parties to this MOU hereby accept the terms and conditions contained herein.

CLEAN ENERGY ALLIANCE

By: _____

Name: Barbara Boswell

Title: Chief Executive Officer

Center for Community Energy,

By: _____

Name:

Title:



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Chief Executive Officer

ITEM 6: Consider Approval of Agreement with Keyes and Fox for Regulatory Attorney Services effective July 1, 2023 through July 30, 2027, for an annual amount not to exceed \$400,000 in the first year.

RECOMMENDATION

Approve agreement with Keyes and Fox for Regulatory Attorney Services effective July 1, 2023, through June 30, 2027, for an annual amount not to exceed \$400,000 for the first year, and authorize Chief Executive Officer to execute all documents, subject to General Counsel approval.

BACKGROUND AND DISCUSSION

Clean Energy Alliance (CEA) utilizes outside legal counsel for regulatory and legislative matters. Ty Tosdal of Tosdal APC has been providing these services since CEA's inception in November 2019. In early 2023, Mr. Tosdal informed CEA that he would not be renewing the agreement with CEA beginning July 1, 2023, due to a change in focus at his firm. Mr. Tosdal had been jointly representing CEA and San Diego Community Power (SDCP) for the various regulatory matters that were of joint concern. Addressing regulatory counsel in this manner is cost effective since CEA and SDCP have many positions on regulatory matters in common.

CEA and SDCP issued a joint Request for Proposals for Regulatory Legal Services on April 12, 2023, with proposals due May 12, 2023. Six responses were submitted for consideration. CEA and SDCP staff reviewed the responses and selected Keyes and Fox to move forward in the process. CEA staff and General Counsel as well as SDCP staff interviewed Keyes and Fox staff to further determine fit for the needs of the organizations.

Keyes and Fox has been providing special Regulatory Counsel services to CEA, representing CEA as part of the San Diego Gas & Electric (SDG&E) Annual Energy Revenue Recovery Applications (ERRA), ERRA Compliance applications and most recently SDG&E's General Rate Case. Keyes and Fox have demonstrated professionalism and effectiveness in representing CEA in these proceedings. Most recently, at its March 20, 2023, regular meeting, the CEA Board approved extending Keyes and Fox's engagement for these proceedings through FY 23/24 at an amount not to exceed of \$100,000.

As a result of the RFP process, and the experience CEA has had to date working with Keyes and Fox, staff recommends executing a new agreement with Keyes and Fox for a term of three years, with the option

to extend two additional years, to include the new scope of services as well as the existing scope of services, and voiding the agreement approved March 30, 2023.

The new not to exceed amount will be \$400,000 in FY 2023/2024, \$440,000 in FY 2024/25 and \$484,000 in FY 2025/26.

FISCAL IMPACT

Funds for the fiscal year 23/24 agreement have been assumed in the CEA financial pro forma and are included in the proposed FY 23/24 budget.

ATTACHMENTS

Agreement Between Clean Energy Alliance and Keyes and Fox.

KEYES&FOX^{LLP}

1580 Lincoln St., Suite 1105
Denver, CO 80203
(720) 643-5920
www.keyesfox.com

June 18, 2023

Barbara Boswell, Chief Executive Officer
Clean Energy Alliance
5857 Owens Ave, 3rd Fl
Carlsbad, CA 92008
E-mail: ceo@thecleanenergyalliance.org

RE: Engagement Letter and Joint Representation Agreement Between Keyes & Fox LLP and Clean Energy Collective (“CEA”)

Keyes & Fox LLP (“K&F”) is delighted that CEA, has decided to engage K&F to act as general regulatory counsel to provide legal representation both individually and jointly with other community choice aggregators (“CCAs”) before the California Public Utilities Commission (“Commission”) and other regulatory agencies, as well as compliance related issues and any other matters K&F and CEA both mutually agree to undertake for the period of June 2023 through May of 2026, with the option to renew this agreement upon mutual consent through May of 2028 (“Legal Services”).

This letter describes the basis of the attorney-client relationship between K&F and CEA with respect to the Legal Services, and an explanation of how K&F will bill for those services. This letter also describes the risks to and responsibilities of CEA for matters where CEA will be jointly represented along with other CCAs (“Joint Representation”).

1. Scope of Engagement

Pursuant to this Engagement Letter, K&F shall provide CEA with the Legal Services identified above. K&F will do its utmost to represent CEA effectively, provide Legal Services in an efficient manner, and respond promptly to CEA’s inquiries.

We have run a conflicts check as it relates to the proposed Legal Services, and we have not found any direct conflicts with undertaking them. If a conflict arises that may impact our ability to provide CEA with effective representation, we will promptly bring that conflict to CEA’s attention. If CEA becomes concerned about any relationship we might have with particular companies, organizations or individuals, please bring those concerns to our attention.

K&F will coordinate projects with Barbara Boswell, as the designated representative of CEA, or with whomever Ms. Boswell may specifically delegate that authority. We understand that Ms. Boswell has the authority to make decisions on behalf of CEA in connection with the Legal Services proposed, and we are relying on that understanding.

2. Joint Representation

When asked to undertake Joint Representations of multiple CCAs (“Joint Clients”) K&F will represent each of the Joint Clients with respect to the Legal Services, and all appearances and filings made in connection with the Legal Services shall be made in the name of all Joint Clients. By executing this letter, CEA agrees that for Joint Representation matters, K&F will take direction from each Joint Client. In addition, CEA agrees that if any Joint Clients in a Joint Representation requests in writing – for any reason or for no reason – to withdraw from Joint Representation, that withdrawal would be effective immediately, and from that point forward, K&F would not have an attorney-client relationship or further attorney-client obligations with the withdrawn party with respect to the Legal Services.

Because K&F will be representing multiple clients in certain matters under this engagement, the applicable rules of professional conduct require that we inform you, as a Joint Client, of actual and potential conflicts of interest with respect to Joint Representation, and that we obtain informed, written consent from each of the Joint Clients agreeing to the Joint Representation.

K&F has run a conflict check as it relates to the Legal Services. Based on the information we have been provided, we do not believe representation of Joint Clients with respect to the Legal Services involves an actual conflict of interest between the Joint Clients. If CEA is aware of an actual conflict of interest as between and Joint Clients, please let K&F know immediately.

Even though there may be no actual conflict, there are potential conflicts. K&F currently represents numerous CCAs and other organizations and companies in California’s energy industry in matters that may pertain to the Legal Services. K&F may be required to refrain from providing Legal Services on a particular matter if it has an existing conflict or potential conflict due to an existing engagement with another client. K&F will seek to obtain conflict waivers from CEA and other K&F clients whenever possible.

Differences in respective financial resources, prior experience, interests, and objectives of any Joint Clients could make one approach to K&F’s representation more favorable to one Joint Client than to another, or could lead to disputes among Joint Clients. For example, if K&F was to represent only one client, rather than multiple Joint Clients, K&F might be able to obtain more favorable treatment for that one. Because K&F will be representing multiple Joint Clients, it will be necessary to balance the interests of any Joint Clients rather than prioritizing the interests of only one client.

If a potential conflict arises, either among any Joint Clients or between CEA and other K&F clients that may impact our ability to fully represent CEA with respect to the Legal Services, we will promptly bring that conflict to CEA’s attention.

In the event any Joint Clients become adverse to each other with respect to the Legal Services, CEA agrees that they shall not seek disqualification of K&F from representation of the other Joint Clients with respect to the Legal Services on the basis of this agreement, K&F’s access to confidential information obtained from CEA in connection with the Legal Services, or K&F’s separate representation of any Joint Clients on matters unrelated to the Legal Services;

provided, however, that nothing in this agreement authorizes K&F to represent either of the Joint Clients in any action brought by or against either of the other Joint Clients.

3. Confidentiality of Communications and Work Product.

Generally, it is in CEA's interest to preserve confidentiality of all communications with K&F. If CEA discloses any of our communications, it jeopardizes the privileged nature of the communications, so we believe it is advisable that CEA take care not to disclose privileged information to third parties.

For Joint Representations, CEA understands and acknowledges that any communications between each of the Joint Clients and K&F regarding the Legal Services may not be kept confidential from the other Joint Clients. In addition, should any future dispute among Joint Clients concerning the matter on which Joint Clients have engaged us to represent them lead to litigation, the attorney-client privilege may not protect communications that were commonly shared.

If CEA wishes to communicate confidentially with K&F about matters outside the scope of any Joint Representation, it should: 1) exclude all third parties from the communication, including the other members of the Joint Clients, and 2) ensure K&F is aware the correspondence is on behalf of the individual agency, company or organization and is not related to the Legal Services subject to a Joint Representation.

Through this Engagement Letter, CEA authorizes K&F to engage in confidential communications with EQ Research LLC to obtain litigation support with respect to the Legal Services. K&F understands it is the intent of CEA that all communications and work product that are developed by, or shared with, EQ Research LLC related to the Legal Services shall be confidential and subject to attorney-client privilege and/or attorney work product privilege.

4. Fees, Costs, and Invoicing

By signing this Joint Representation Agreement, CEA agrees to pay K&F for time and out-of-pocket expenses according to the terms set forth below.

a. Professional Fees

K&F will keep an hourly total of time spent on the Legal Services matters. Work will be performed at hourly rates according to the rates set forth in Attachment A to this Engagement Letter, which is incorporated by reference herein. It is K&F's policy to adjust hourly rates for all attorneys and staff at the beginning of the calendar year. Historically, rate increases have been between 5-8% per year. Rates quoted in Attachment A are 2023 rates. Our firm's practice is to charge for travel time, as discussed in Attachment A.

Tim Lindl and Jake Schlesinger will be the lead K&F attorneys providing the Legal Services to CEA. Mr. Lindl and Mr. Schlesinger may utilize services of other K&F attorneys and support staff in connection with this matter. By executing this Engagement Letter, you consent to Mr. Lindl and Mr. Schlesinger serving as lead attorneys in providing Legal Services and to

their assignment, as necessary, of work on this matter to the attorneys, support staff or EQ employees listed in Attachment A.

Unless otherwise agreed to in writing, CEA will not be obligated for fees in excess of the following amounts:

June 1, 2023 – May 31, 2024: \$400,000

June 1, 2024 – May 31, 2025: \$440,000

June 1, 2025 – May 31, 2026: \$484,000

If the option to extend is elected, budgets for any extension will be determined at that time. Agreements to exceed the fees and expenses stated herein may occur via electronic mail.

b. Expenses

Expenses may be incurred in performing the Legal Services. K&F will bill for all costs, disbursements, and expenses in addition to our hourly fees. Costs and expenses include costs for travel including mileage and parking, and similar expenses. Expenses shall be billed at actual cost.

c. Invoices and payments

K&F will invoice CEA on or around the 10th of each month for Legal Services provided during the prior calendar month. Fees for Legal Services will be earned as of the time of invoicing. Invoices shall list the matter worked on and provide information on the dates of service, time involved, attorney responsible, and activity undertaken. CEA shall be responsible for payment of the total amount of its invoice. Invoices are due and payable within thirty (30) calendar days. Any unpaid amounts after thirty days will accrue interest at a rate of nine percent (9%) per annum.

For Joint Representation matters where K&F represents multiple Joint Clients, K&F will split the invoice among the Joint Clients evenly, unless otherwise agreed to in writing.

5. Termination of K&F's Representation

Either K&F or CEA may terminate K&F's representation of CEA at any time and for any reason. At the time K&F's representation of CEA concludes, all unpaid fees and costs for K&F's Legal Services become due and payable. If at that time CEA does not request the return of files related to the Legal Services, K&F will retain such files for a period of three years, after which K&F may have the files destroyed.

6. Miscellaneous

This letter is the entire agreement between CEA and K&F concerning the provision of regulatory, policy and compliance Legal Services. It supersedes and replaces in its entirety all prior Engagement Letters between CEA and K&F with regard to such matters *including* the March 13, 2023 Joint Representation Agreement Between Keyes & Fox LLP, San Diego

Community Power and Clean Energy Alliance re San Diego Gas & Electric Company's 2021 and 2022 Energy Resource Recovery Account Compliance Proceedings, 2023 and 2024 Energy Resource Recovery Account Forecast Proceedings, and Phase I and Phase II General Rate Cases, which approved a total do not exceed ("DNE") for CEA of \$184,048.07. That DNE is now superseded and replaced by the DNE contained in this agreement.

This Engagement Letter and the scope of Legal Services provided under it may be amended from time to time by mutual agreement. California law will govern this agreement and any subsequent amendments.

7. Conclusion

If the terms of K&F's representation as explained in this Engagement Letter are satisfactory, please execute a copy of this letter as indicated and return it to me. Please feel free to contact me if you have any questions.

We look forward to our representation of CEA.

Sincerely,



Tim Lindl, Partner
Keyes & Fox LLP



Jacob Schlesinger, Partner
Keyes & Fox LLP

CEA hereby authorizes K&F to represent its interests with respect to the Legal Services. CEA acknowledges, by signing this letter, that it has had the opportunity to consult with other counsel about the consequences of this engagement and that K&F recommends that you do so. By signing this letter, the signatory affirms that he or she understands and agrees to bind his or her company to the terms set forth in this Engagement Letter. This Engagement Letter shall not take effect, and K&F shall have no obligation to provide the Legal Service described herein, until CEA has returned a signed copy of this letter.

CEA

I have read the foregoing Engagement Letter, understand it and agree to it on behalf of CEA.

By: _____

Barbara Boswell

Title: Chief Executive Officer

Date: _____

Attachment A: Keyes & Fox LLP 2023 Hourly Rate Sheet

Kevin Fox	\$480
Jason Keyes	\$370
Tim Lindl	\$420
Jake Schlesinger	\$365
Scott Dunbar	\$335
Sheridan Pauker	\$430/\$455*
Mark Valentine	\$350
Beren Argetsinger	\$310
Nikhil Vijaykar	\$340
Lee Ewing	\$280
Julia Kantor	\$300
Lucas Fykes	\$260
Ann Springgate	\$380
David Wooley	\$280

* Rates with one asterisk are transactional/compliance rates

EQ Research, LLC Analysts and Experts (Non-Keyes & Fox LLP Personnel)

Miriam Makhyoun	\$250/\$275**
Justin Barnes	\$220/\$275**
Jason Hoyle	\$170/\$210**
Blake Elder	\$170/\$210**
Heather DePouw	\$130
Riana Ackley	\$130
Jeremy Abcug	\$125
Alicia Zaloga	\$120
Corey Cochran	\$100

** Rates with two asterisks are expert witness rates

Travel Policy: Unless special arrangements are made, travel time is billed at the full hourly rate. Every effort will be made to work productively on the Joint Clients matters during travel. If work is performed for another client during travel, the Joint Clients will not be billed for that time. All reasonable travel expenses are billable – hotel, airfare, car rental, meals, taxi, public transit, etc.

Work Policy: Reasonable time for filing and service is billed at regular billable rates.

Miscellaneous Expenses Policy: Expenses for postage, photocopying, printing, faxing and other minor expenses directly related to a matter are billable at cost to the Joint Clients.



Staff Report

DATE: June 29, 2023
TO: Clean Energy Alliance Board of Directors
FROM: Barbara Boswell, Chief Executive Officer
ITEM 7: 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

Expansion of Clean Energy Alliance

The enrollment of non-Net Energy Metering (NEM) accounts in Escondido and San Marcos has been completed. NEM accounts (customers with rooftop solar) will be enrolled throughout the year, effective on the accounts normal NEM annual true-up. The opt-outs below reflect NEM enrollment activity for April & May. The following table summarizes the status of opt-outs and opt-ups for customers in Escondido and San Marcos through June 9, 2023.

STAT	ESCONDIDO	SAN MARCOS	BOTH CITIES
Total Eligible Customers	58,010	38,144	96,154
Opt-Outs	1,733	1,143	2,876
Opt-Out Percentage	2.99%	3.00%	2.99%

Activities related to the service expansion to Oceanside and Vista, scheduled for April 2024, will begin in January 2024.

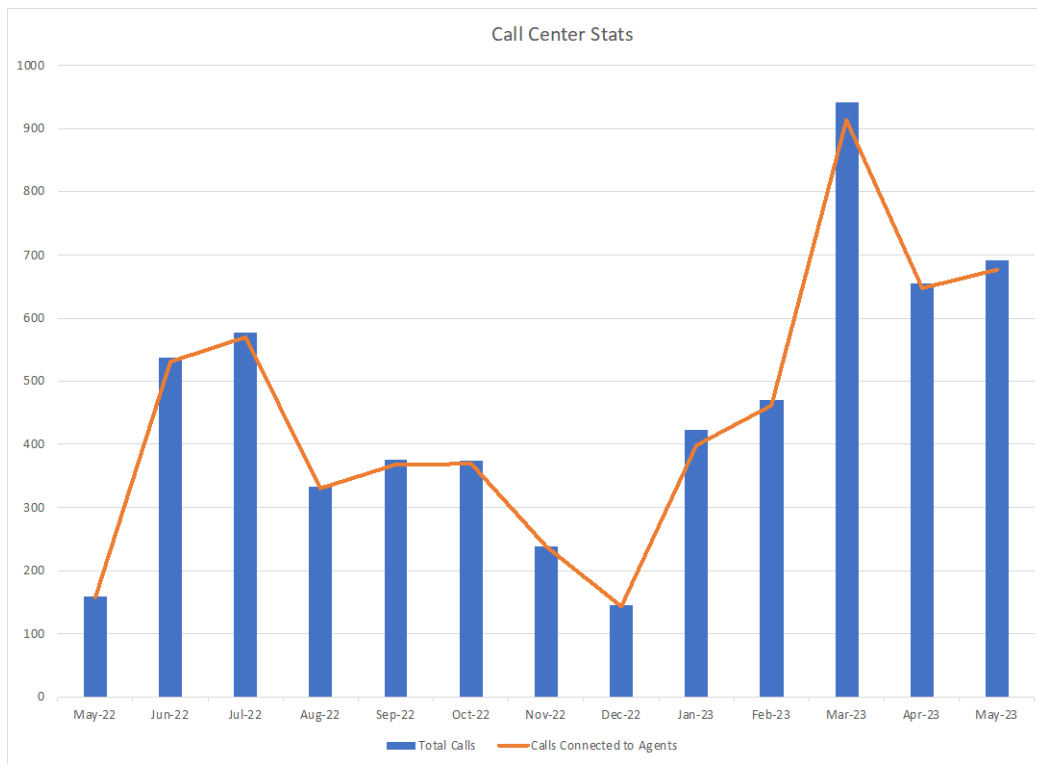
Risk Oversight Committee

Pursuant to CEA's Energy Risk Management Policy, the Risk Oversight Committee met June 1, 2023. The Committee reviewed CEA's recent procurement activity, current portfolio positions and future procurement targets, and portfolio mark to market and counterparty exposure. The Committee

confirmed that CEA is in compliance with its Energy Risk Management Policy. The next meeting of the Committee is scheduled for September 7, 2023.

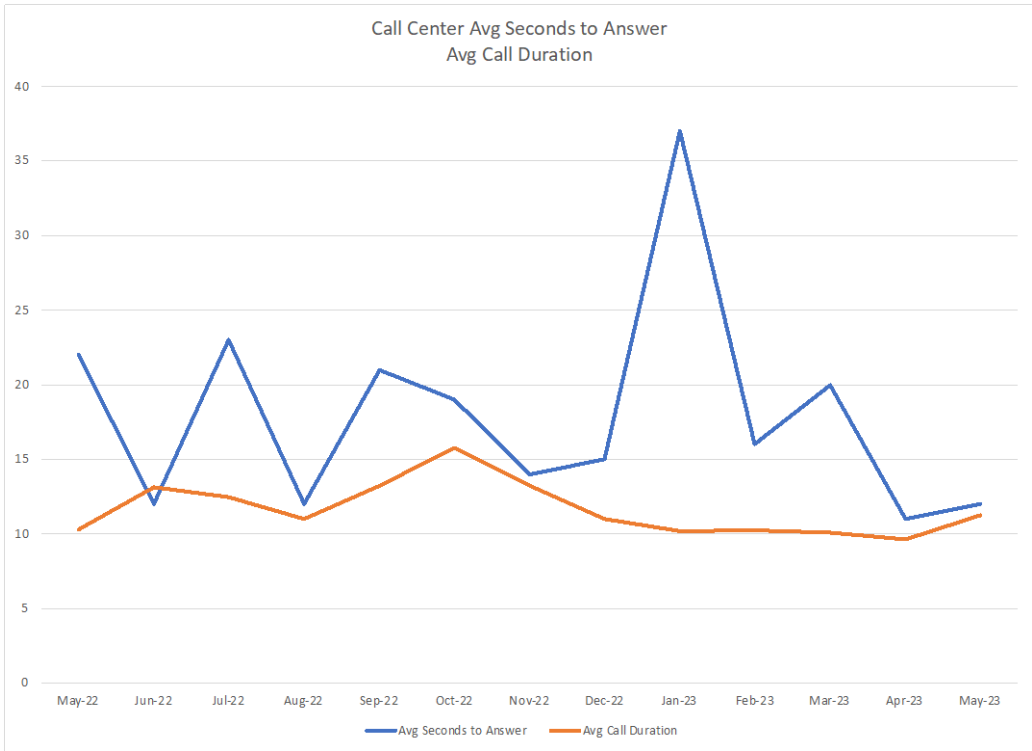
Call Center Activity

The charts below reflect customer activity through May 31, 2023:



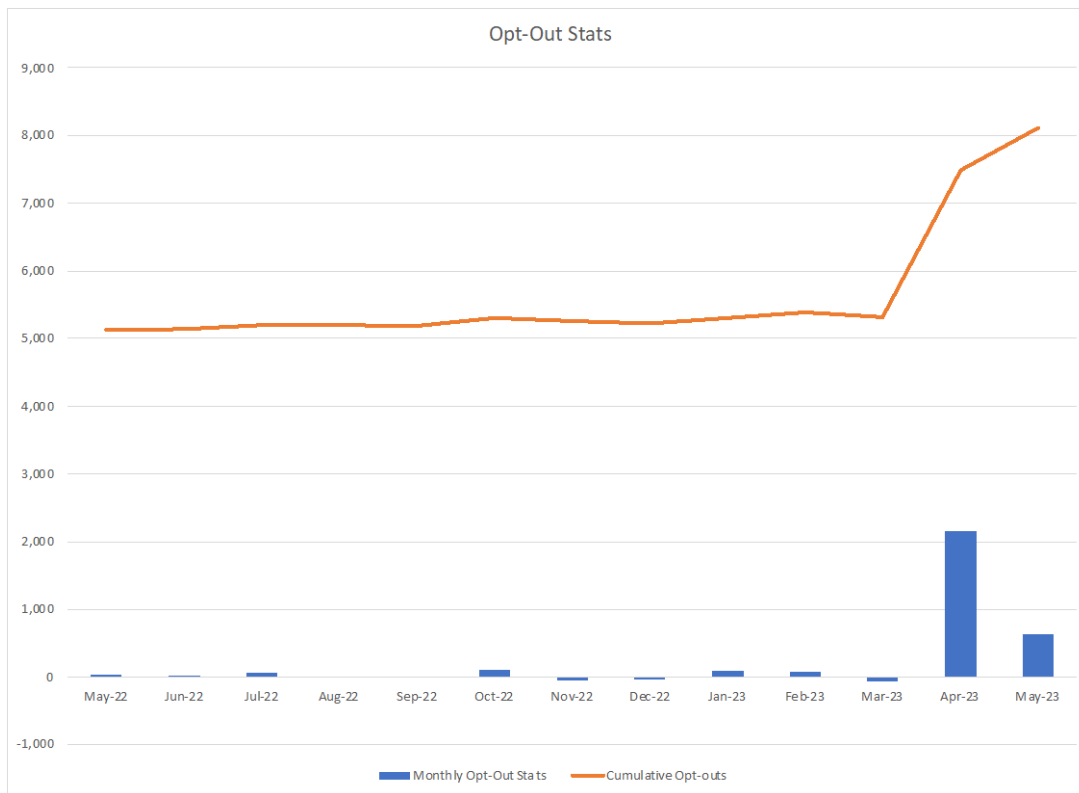
As expected, calls to the call center peaked in March due to the noticing related to the Escondido and San Marcos service launch. Calls increased slightly from April related to the NEM enrollment mailers.

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



Call duration and time to answer remained about the same as April 2023. Duration of calls averages about 11 minutes.

The following chart reflects the monthly and cumulative opt-outs through May 31, 2023, for CEA. The statistics reflect all 5 cities combined.



CEA’s participation is approximately 95%, with monthly opt out activity decreased from the prior month.

The following chart reflects enrollments in CEA’s power supply products:

POWER SUPPLY PRODUCT	APR 2023	MAY 2023	Net Change
Clean Impact – 50% Renewable	323	373	+ 50
Clean Impact Plus - 75% Carbon Free	152,259	152,341	+82
Green Impact – 100% Renewable	498	511	+ 13
TOTAL ACCOUNTS	153,080	153,225	+145

Department of Transportation Charging and Fueling Infrastructure Grant Program in Partnership with Jubilant One Escondido, LLC and Jubilant One San Marcos, LLC

On June 12, 2023, CEA submitted the application to the Department of Transportation for the Charging and Fueling Infrastructure Grant Program. The grant application proposes to install 30 EV Chargers in San Marcos and another 30 EV Charges in Escondido for a total project cost of \$7,524,650. The grant would provide 80% funding, in the amount of \$6,019,720 with the 20% match (\$1,504,930) being provided by Jubilant.

If successful, CEA expects to receive the notice of award in November 2023, and final approval in March 2024.

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 Energy Regulatory Update

June 29, 2023

Overview

Resource Adequacy: Comments on Proposed Decision (R. 21-10-001)

Provider of Last Resort: Amended Scoping Memo (R. 21-03-011)

Draft Resolution E-5277: SDG&E Westside Canal Project

Clean Energy Financing: Proposed Decision (R. 20-08-022)

RA: Proposed Decision

Proposed Decision among other things holds that CCA eligibility to expand (and DA eligibility to sign new customers) depends on compliance with resource adequacy requirements in prior two calendar years.

Eg) CCA files an implementation plan in 2024 to expand in 2026 must comply with month-ahead RA requirements from 2023 to 2024 and year-ahead requirements from 2024 to 2025.

Note that Energy Division proposed limit on expansion for CCAs with 2.5% RA deficiency.

RA: Proposed Decision

Limit on expansion only applies to a CCA's plans to expand service territory, and not to new developments within a CCA territory or customers moving into the CCA territory.

- New customers in a CCA's existing territory may be defaulted into the CCA's service but the CCA is not eligible to expand.
- Rules are applicable to LSEs that are not acting as POLR.
- Requirement applies to implementation plans submitted after effective date of decision.

RA: Comments on Proposed Decision

CalCCA and AReM/DACC, which represents Direct Access, oppose the restrictions.

CalCCA: PD exceeds the Commission's jurisdiction, is not supported by law, is not supported by substantial evidence and is an abuse of discretion.

Note: 3CE, CPA/Peninsula, EBCE, MCE also filed and commented separately.

AReM/DACC: Opposes to restrictions on expansion for all non-POLRs (=CCA and DA). Alternatively, AReM/DACC argue the restriction should begin in the future so as to prevent retroactive ratemaking and should only apply to LSEs with three or more deficiencies that amount to a 1% shortage in an LSE's monthly RA requirement. Waiver should be authorized.

Note: Shell also filed and made similar arguments.

IOUs: Silent on the issue.

POLR: Amended Scoping Memo

Amended Scoping Memo issued on June 19, 2023, cancels hearings and revises the procedural schedule.

- CPUC finds there are no disputes of material fact and that issues are policy and legal in nature.
- Establishes upcoming deadlines:

July 10, 2023 – Opening Briefs

July 31, 2023 – Reply Briefs

October 2023 – Proposed Decision

SDG&E Westside Canal Project

Draft Resolution E-5277 approves SDG&E's request to count the Westside Canal Energy Storage Project toward its midterm reliability requirements.

- SDG&E was originally approved for CAM treatment for this utility owned project under the Summary Reliability Decision, D. 21-12-015.
- Protest raised issues related to PCIA cost recovery.
- CPUC agrees with SDG&E in Draft Resolution E-5277, approves the request to count the project toward MTR compliance and PCIA cost recovery treatment (vintage 2021).

June 28, 2023 – Comments on Draft Resolution

Clean Energy Financing: Proposed Decision

Proposed Decision issued June 9, 2023, in Clean Energy Financing proceeding approves with subsequent modification and declines to adopt CCA proposals.

- Proposal sponsored by SBCE to create a new decarbonization incentive rate was declined because rate design was not considered among issues originally scoped.
- CPUC commended, but did not adopt SVCE proposal for a Tariff On-Bill because parties voiced significant concerns about technology ownership, notice provisions, and other issues.
- PD directs formation of TOB working group to present refined TOB proposal within 180 days.
- Eligible clean energy technology includes rooftop solar, energy storage, building electrification, and energy efficiency. TOB group to determine eligible decarbonization technologies.

Clean Energy Financing: Proposed Decision

IOU OBF program permits any CPUC-endorsed projects that support GHG reduction, resiliency, decarbonization, DERs, and electrification of transportation to be eligible for non-residential customers.

- Broad authorization granted.
- IOUs who offers OBF loans under the expanded OBF program must submit a Tier 2 Advice Letter every 2 years to update the list of eligible technologies.

Clean Energy Financing: Proposed Decision

SDG&E proposals are unclear as to CCA customer participation in non-residential OBF programs for “comprehensive clean energy projects”:

- SDG&E proposal for commercial electrification program is denied, but IOU proposals for changes to existing OBF programs for comprehensive clean energy projects were approved.
- SDCP sought clarification regarding customer eligibility.
- CPUC states that OBF should be available to both bundled and unbundled customers and that there would be no difference in program implementation, marketing or outreach, and other program services, or requirements.

QA



Staff Report

DATE: June 29, 2023

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer

ITEM 8: Consider Resolution 2023-005 Approving Clean Energy Alliance Fiscal Year 23/24 Budget

RECOMMENDATION

Adopt Resolution 2023-005 Approving Clean Energy Alliance Fiscal Year 23/24 Budget.

BACKGROUND AND DISCUSSION

At its May 25, 2023, regular meeting, the Clean Energy Alliance (CEA) Board reviewed and discussed the proposed Fiscal Year (FY) 2023/24 Budget. The Board did not make any changes to the proposed FY 23/24 budget; however, they did provide direction on programs to be developed and brought back to the Board for approval and funding.

The proposed Fiscal Year 23/24 budget (detail below) reflects service expansion into the cities of Oceanside and Vista, 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 and projected usage,
- Power supply costs based actual executed contracts and May forward price curves,
- Reasonable power supply cost contingency based on historical volatility,
- Addition of several key positions including hiring of full-time CEO,
- Consulting services based on approved contracts,
- Required pre-payment of \$5 million on Line of Credit due December 2023,
- Repayments of original \$150,000 start-up loans to Carlsbad, Del Mar and Solana Beach.

Fiscal Year 22/23 Year End Estimates

As part of developing the FY 23/24 proposed budget, staff has evaluated the current FY 22/23 budget to determine the projected ending net results.

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

Fiscal Year 22/23	Midyear Adjusted Budget	Year End Estimate	Variance Fav/(Unf)
Projected Revenue	\$96,825,523	\$97,203,350	\$377,827
Projected Operating Expenses	\$89,845,542	\$90,449,730	(\$604,188)
Projected Financing Costs	\$1,065,447	\$1,050,000	\$15,447
Net Results	\$5,914,534	\$5,703,620	(\$210,914)

Expenses above the mid-year adjusted budget are driven primarily by the addition of a previously unplanned expense for bad debt which is deemed necessary given the significant recent expansion. It is possible that the amount estimated is more than needed once all the year-end accounting and year-end audit has been completed. In addition, the projected financing costs are higher than the adjusted budget based on the recent increase in the line of credit with JP Morgan. Additional borrowing was needed to support working capital and early purchases of energy as collections from the recent expansion catch up to power supply expenses.

Proposed Fiscal Year 23/24 Operating Budget

The FY 23/24 proposed budget was based on the following priorities and goals:

- Financial Stability
- Meeting Regulatory Compliance
- Successful Expansion to Oceanside and Vista

Based on current assumptions, including accounting for the additional customers to be served in Oceanside and Vista starting in April 2024, sufficient revenues are projected to cover costs with net positive results of operations in the amount of \$17,553,795, as summarized below and detail reflected in the attachment.

The chart below compares the FY 22/23 Year End Estimates to FY 23/24 Proposed Budget:

	FY 22/23 Year End Estimate	FY 23/24 Proposed Budget	Variance Fav/(Unf)
Projected Revenue	\$97,203,350	\$230,915,000	\$133,711,650
Projected Operating Expenses	\$90,449,730	\$212,661,205	\$122,211,475
Projected Financing Costs	\$1,050,000	\$700,000	\$350,000
Net Results	\$5,703,620	\$17,553,795	\$11,850,175
Required 5% Operating Reserve Contribution	\$4,860,168	\$11,545,750	

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 and from the expansion in April 2024 to Oceanside and Vista. The increase in expenditures is due mostly to the increase in energy purchases related to higher energy prices and to the service expansions (representing an increase of \$113.3MM of the total increase in

Operating Expenses). The two other largest increases are related to staffing expansion plans (increase of \$2.7MM) and allowance for bad debt expense due to unknowns related to the 2024 service expansions (increase of \$3.8 million).

Loan Repayments

Per the terms of our line of credit agreement with JP Morgan, CEA is required to make a \$5MM payment by the end of December 2023. Once made, those funds will be made available after 30 days for re-use if needed. In addition, the proposed total outflows up for Board approval includes repayment of the \$504,017 currently owed to member agencies.

Other Line-Item Assumptions.

Power supply costs include the costs related to the expansion into Oceanside and Vista, including Resource Adequacy, Conventional Energy, Renewable Portfolio Standards and Carbon Free. To the extent those needs are not yet contracted for, staff utilized current available forward price curves and market data. Due to the uncertainty in those costs, staff has also included additional funds for contingency.

Data Management/Call Center

Data Management/Call Center costs are based on a per account basis. As CEA expands and increases accounts, the Data Management/Call Center costs increase accordingly. The increase from FY 2022/23 to FY 2023/24 reflects the full year of service to Escondido and San Marcos and the partial year service to Oceanside and Vista (April – June 2024).

Staff/Consultants

Staffing and consultant costs are proposed to increase from \$290,500 to \$3,000,000 from FY 22/23 to FY 23/24. The increase is to cover salary and benefits, as well as other overhead items such as technology needs, office space, etc., for the following positions to be hired:

- Chief Executive Officer
- Board Secretary
- Regulatory Analyst
- Procurement Manager
- Account Services/Program Manager

The following table provides the line-item detail of FY 22/23 Year End Estimates and FY 23/24 Proposed Budget.

**Clean Energy Alliance
FY 22/23 Year End Estimates and FY 23/24 Proposed Budget**

Budget and Forecast	FY2022-2023		FY2023-2024
	Mid-Year Adjusted/Approved Budget	Full-Year Forecast	Proposed Budget
OPERATING REVENUES			
Customer Base Revenues	\$96,825,523	\$97,203,350	\$230,915,000
Non-Operating Revenues	-	-	
TOTAL REVENUES	\$96,825,523	\$97,203,350	\$230,915,000
OPERATING EXPENSES			
Power Supply	86,635,982	86,662,905	200,000,000
Data Management/Call Center	1,151,180	1,100,000	2,500,000
Staffing/Consultants	382,900	290,500	3,000,000
Legal Services	335,000	350,000	467,500
Professional Services	1,002,100	934,200	1,448,885
Audit Services	10,000	8,900	10,000
Software & Licenses	15,100	9,325	15,000
Memberships & Dues	121,000	90,000	292,040
G&A (includes Bad Debt expense)	192,280	1,003,900	4,927,780
TOTAL OPERATING EXPENSES	89,845,542	90,449,730	212,661,205
OPERATING MARGIN	\$6,979,981	\$6,753,620	\$18,253,795
FINANCING			
NET INTEREST EXPENSE/(INCOME)	565,447	1,050,000	700,000
CHANGE IN NET POSITION	\$6,414,534	\$5,703,620	\$17,553,795
Net Position at the beginning of period	(\$3,333,642)	(\$3,333,642)	\$2,369,978
Net Position at the end of period	\$3,080,892	\$2,369,978	\$19,923,773
Repaid to Member Agencies			504,017
Repaid to Line of Credit (JP Morgan)			5,000,000
Total Outflows - Board Approval			218,865,222

Total Outflows include the sum of Operating Expenses, Financing Costs, Repayment to Member Agencies, and Repayment of a Portion of the Line of Credit to JP Morgan.

Proposed Additions for Board Consideration not yet Included:

At its meeting on April 6, 2023, the Community Advisory Committee (CAC) considered program and project ideas and prioritized the following items for the Board to consider funding in the coming fiscal year budget. These items are not yet reflected in the draft budget as proposed above.

- Community Solar/Feed-in-Tariff – A community solar program would provide funds to support and encourage development of small -scale renewable energy projects within CEA’s service territory. The Board would approve the Feed-in-Tariff at a future meeting that would set the rates CEA would offer for renewable energy projects that meet the specifications and determined in the approved program.
- Grant Writer – The CAC recommends the Board consider adding funds to the budget for a grant writer. There are various grant funding opportunities CEA could apply for with the assistance of a grant writer. Doing so provides funds for programs that are not currently available within CEA’s existing budget.
- Home Electrification – The CAC is interested in CEA establishing a program that would provide funding support for CEA’s customers to implement home electrification conversions such as induction cooktops and heat pumps.

The Board directed staff to develop the programs and to return to the Board with the program specifics for Board approval and specific funding approval.

FISCAL IMPACT

Revenue from energy sales to customers provides sufficient funds for the proposed expenditures and contribution to reserves.

ATTACHMENTS

Resolution 2023-005 Approving Clean Energy Alliance Fiscal Year 23/24 Budget

CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2023-005

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY
ALLIANCE ESTABLISHING FISCAL YEAR 2023/24 BUDGET

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019; and

WHEREAS, Section 4.6.1 of the Joint Powers Authority (JPA) Agreement establishes the specific responsibility of the CEA Board of Directors to adopt an annual budget prior to commencement of the fiscal year; and

WHEREAS, the CEA Board desires to establish the Fiscal Year 2023/24 Budget.

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 sets the Fiscal Year 2023/24 Budget detailed in Exhibit A.

The foregoing Resolution was passed and adopted this _____ day of _____, 2023, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

APPROVED:

David Druker, Chair

ATTEST:

Susan Caputo, MMC
Interim Board Secretary

Exhibit A

Budget and Forecast	FY2022-2023		FY2023-2024
Items	Mid-Year Adjusted/Approved Budget	Full-Year Forecast	Proposed Budget
OPERATING REVENUES			
Customer Base Revenues	\$96,825,523	\$97,203,350	\$230,915,000
Non-Operating Revenues	-	-	
TOTAL REVENUES	\$96,825,523	\$97,203,350	\$230,915,000
OPERATING EXPENSES			
Power Supply	86,635,982	86,662,905	200,000,000
Data Management/Call Center	1,151,180	1,100,000	2,500,000
Staffing/Consultants	382,900	290,500	3,000,000
Legal Services	335,000	350,000	467,500
Professional Services	1,002,100	934,200	1,448,885
Audit Services	10,000	8,900	10,000
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FINANCING			
NET INTEREST EXPENSE/(INCOME)	565,447	1,050,000	700,000
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