



REGULAR MEETING of the Board of Directors of the Clean Power Alliance of Southern California

Thursday, April 7, 2022

2:00 p.m.

SPECIAL NOTICE: Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID-19, the Board of Directors will conduct this meeting remotely.

[Click here to view a Live Stream of the Meeting on YouTube](#)

If the YouTube stream is not working, please use the zoom link.

*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:

<https://us06web.zoom.us/j/84912360644>

or

Dial: (346) 248-7799 Meeting ID: 849 1236 0644

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- Email Public Comment: Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.
- Provide Public Comment During the Meeting: Please notify staff via email at clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
 - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
 - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
 - You will be able to speak to the Board for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments during the meeting via email to: clerk@cleanpoweralliance.org.

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Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least two (2) working days before the meeting at clerk@cleanpoweralliance.org or (323) 640-7664. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Board on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Board are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to [Policy No. 8 – Public Comment](#) for additional information.

CALL TO ORDER AND ROLL CALL

PLEADGE OF ALLEGIANCE

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Adopt Resolution 22-04-027 Finding the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953(e)
2. Approve Minutes from March 3, 2022, Board of Directors Meeting
3. Approve Bill Positions in the 2021/2022 Legislative Session as Recommended by the Legislative & Regulatory Committee: (a) SB 1287 - Recommended Position: Oppose Unless Amended; and (b) AB 2238 - Recommended Position: Support
4. Approve Fiscal Year 2021/2022 Amended Budget
5. Receive and File Community Advisory Committee Monthly Report

REGULAR AGENDA

Action Item

6. Review PCIA Voluntary Allocation and Market Offer (VAMO) Presentation, and:
 - (a) Approve a 50% Voluntary Allocation of the PCIA Long-Term Renewable Energy Portfolio; and,
 - (b) Authorize the Chief Executive Officer to Execute the Voluntary Allocation Agreement with Southern California Edison (SCE) During the May 2022 Enrollment Period

Information Items

7. Clean Energy Prepayment Financing Presentation
8. Customer Programs Update

OPEN NOMINATION PERIOD FOR BOARD CHAIR FOR A TWO-YEAR TERM BEGINNING ON JULY 1, 2022

MANAGEMENT REPORT

COMMITTEE CHAIR UPDATES

Director Lindsey Horvath, Chair, Legislative & Regulatory Committee

Director Julian Gold, Chair, Finance Committee

Director Robert Parkhurst, Chair, Energy Planning & Resources Committee

BOARD MEMBER COMMENTS

REPORT FROM THE CHAIR

ADJOURN – NEXT REGULAR MEETING ON MAY 11, 2022

***Public Records:** Public records that relate to any item on the open session agenda for a regular Board Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Board. Those documents are available for inspection online at www.cleanpoweralliance.org/agendas*



Staff Report – Agenda Item 1

To: Clean Power Alliance (CPA) Board of Directors

From: Nancy Whang, General Counsel

Approved by: Ted Bardacke, Chief Executive Officer

Subject: Adopt Resolution 22-04-027 Finding the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953(e)

Date: April 7, 2022

RECOMMENDATION

Adopt Resolution 22-04-027 finding the continuing need to meet by teleconference pursuant to Government Code Section 54953(e).

BACKGROUND/DISCUSSION

This resolution is required pursuant to AB 361, signed by Governor Newsom on September 20, 2021, so that CPA may continue to meet under the modified teleconferencing rules.

The State of Emergency declared by Gov. Newsom remains in effect and COVID-19 and the Omicron variant continues to pose a threat to the health and lives of the public, and incidences of Omicron subvariant BA.2 are rising as discussed more fully in Resolution 22-04-027. For these reasons, the recommended action is for the Board to adopt the attached Resolution 22-04-027 finding the continuing need to meet by teleconference pursuant to Government Code Section 54953(e).

This Resolution will authorize the Board to hold teleconference meetings within the requirements of AB 361 but does not prohibit the Board from holding in person meetings in the future.

ATTACHMENT

1. Resolution 22-04-027 Finding the Continuing Need to Meet by Teleconference.

RESOLUTION NO. 22-04-027**RESOLUTION OF THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA FINDING THE CONTINUING NEED TO MEET BY TELECONFERENCE PURSUANT TO GOVERNMENT CODE SECTION 54953(e)****THE BOARD OF DIRECTORS OF CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA HEREBY RESOLVES AS FOLLOWS:**

WHEREAS, all meetings of the Board Of Directors, the Executive Committee, the Energy, Finance, and Legislative and Regulatory Committee (“Three Standing Committees”), and the Community Advisory Committee (“CAC”) of Clean Power Alliance Of Southern California (“CPA”) are subject to the Ralph M. Brown Act (Cal. Gov. Code §§54950 – 54963) (“Brown Act”); and

WHEREAS, Government Code section 54953(e) of the Brown Act makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

WHEREAS, such State of Emergency due to COVID-19 remains in effect; and

WHEREAS, COVID-19 continues to threaten the health and lives of the public; and

WHEREAS, the Omicron variant remains a variant of concern, occurrences of Omicron subvariant BA.2 is rising, breakthrough cases of COVID-19 remain a concern, and the Los Angeles County Department of Public Health recommends measures to promote social distancing, including recommendations to avoid prolonged exposure to crowded indoor spaces.

NOW, THEREFORE, BE IT DETERMINED, AFFIRMED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA THAT:

IT IS DETERMINED, AFFIRMED, AND ORDERED that due to COVID-19, holding in-person meetings of the Board of Directors, Executive Committee, Three Standing Committees, and CAC of CPA will present imminent risk to the health and safety to attendees.

IT IS FURTHER DETERMINED, AFFIRMED, AND ORDERED that meetings of the Board of Directors, Executive Committee, Three Standing Committees, and CAC of CPA may continue to meet by teleconference in accordance with Government Code section 54953(e).

IT IS FURTHER DETERMINED, AFFIRMED, AND ORDERED that this Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (1) 30 days from the date of adoption of this Resolution, or (2) such time the Board of Directors of the Clean Power Alliance of Southern California adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953, or (3) the Board of Directors of the Clean Power Alliance of Southern California adopts a Resolution rescinding this Resolution.

IT IS FURTHER DETERMINED, AFFIRMED, AND ORDERED that the approval of this Resolution is not a “project” under Section 21065 of the Public Resources Code and under California Environmental Quality Act (“CEQA”) Guidelines Sections 15378(a) and is exempt under CEQA Guidelines Section 15061(b)(3).

ADOPTED AND APPROVED this ____ day of _____ 2022.

Diana Mahmud, Chair

ATTEST:

Gabriela Monzon, Secretary

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, March 3, 2022, 2:00 p.m.

The Board of Directors conducted this meeting remotely, pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting CPA Resolutions, and as a response to mitigating the spread of COVID-19

CALL TO ORDER & ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:00 p.m. and Gabriela Monzon, Clerk of the Board, conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	Michael McConville	Alternate	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Reata Kulcsar	Alternate	Remote
8	Claremont	Jennifer Stark	Alternate	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens	Ramie L. Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Sheila Kuehl	Vice Chair	Remote
14	Malibu	Mikke Pierson	Director	Remote
15	Manhattan Beach	Hildy Stern	Director	Remote
16	Moorpark	Jessica Sandifer	Alternate	Remote
17	Ojai	Betsy Stix	Director	Remote
18	Oxnard	Bert Perello	Director	Remote
19	Paramount			Absent
20	Redondo Beach	Ted Semaan	Alternate	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Gleam Davis	Director	Remote
23	Sierra Madre	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos Samantha Argabrite	Director Alternate	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City	Fernando Vizcarra	Director	Remote
27	Thousand Oaks	Kevin McNamee	Director	Remote
28	City of Ventura	Joe Yahner	Alternate	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Robyn Eason	Alternate	Remote
31	Westlake Village	Ned Davis	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

No general public comment was made.

CONSENT AGENDA

1. Adopt Resolution 22-03-025 Finding the Continuing Need to Meet by Teleconference Pursuant to Government Code Section 54953 (e)
2. Approve Minutes from February 3, 2022 Board of Directors Meeting
3. Appoint Gabriela Monzon as the Board Secretary and appoint Raynette Tom as alternate Board Secretary
4. Adopt Resolution 22-03-026 to Amend and Restate the CPA Bylaws
5. Approve Support Position on AB 1814 in the 2021/2022 California Legislative Session and Support Position on HR 6662 in the 117th Congressional Session
6. NewGen Cost of Service Task Order and Amendment
 - a. Ratify Amendment No. 2 to the Professional Services Agreement Amendment with NewGen Strategies and Solutions LLC (NewGen) for review of SCE's ERRAs filings with a total Not to Exceed (NTE) amount of \$108,060
 - b. Ratify Cost of Service Study Task Order Issued to NewGen with an NTE amount of \$115,270
 - c. Approve Amendment No. 1 to Cost of Service Study Task Order increasing the total NTE amount to \$130,370
7. Approve Agreement with MRW to Support 2022 Rate Setting Activities
8. Receive and File FY 2021/22 Q2 Financial Report
9. Receive and File Q4 2021 Risk Management Report
10. Receive and File Q4 2021 Communications Report

11. Receive and File Community Advisory Committee Monthly Report

Motion: Director Gold, Beverly Hills
Second: Vice Chair Kuehl, Los Angeles County
Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

12. Fiscal Year (FY) 2022/2023 Rates Outlook

Matt Langer, Chief Operating Officer, provided a brief informational presentation. Mr. Langer explained that the PCIA is dropping approximately 85% in 2022 and described the impact of the drop; CPA customers will see bill reductions of 6-7% beginning in March 2022. The primary driver for the decrease is historically high energy market forward prices in 2022 which reduce the above market cost of Southern California Edison's (SCE) PCIA portfolio. Mr. Langer discussed impacts to CPA's competitive position; itemized several considerations for FY 22/23 rates, including reserve targets, changing competitive environment in the future, achieving an investment grade credit rating, and upcoming default changes. Mr. Langer detailed the specifics of CPA's progress towards obtaining an investment-grade credit rating and reviewed the benefits a credit rating, such as an increase in the number of financial institutions willing to finance long-term renewable and energy storage projects, reduce costs, and enhance CPA's reputation in the legislative, regulatory, and commercial arenas. In 2023, early forecasts project a higher PCIA and lower SCE generation rates; CPA will have less flexibility and can accumulate more reserves this year to balance its competitive position in the following year. Mr. Langer outlined two 'bookend' cases to present a wide range of possibilities for how CPA might set rates in FY 2022/23. The lowest revenue case will maintain most rates the same, with a narrow differential between the three rate products, end the 2021 CARE rate freeze and contribute an additional \$17 million compared to current revenues. In the high revenue case, the Clean Power rate is priced the same as SCE's base rate, which together with all other assumptions in the low-revenue case, will contribute an additional \$185 million compared to current revenues. Mr. Langer reviewed the impact of ending the CARE rate freeze, however, all cases set CPA CARE rates at or below SCE CARE rates. CPA's load forecast and financial projections will be updated in March, and staff will return to the Executive Committee and the Board in April/May with a recommended approach. Rate adoption will take place at the June Board meeting with the adoption of the FY 22/23 budget.

In response to questions from Board members, staff clarified the following: the credit rating process takes two to three months once a rating agency is formally engaged and CPA will be required to demonstrate its ability to achieve the required financial targets. Due to the delayed deadline for submittal of the Integrated Resource Plan (IRP) and the significant number of member agencies that changed their default rate, staff deferred a decision on changes to its three rate options this year and will bring that discussion back to the Board at a later date. Last year's rate setting process revealed that each rate product was covering its cost, with smaller gaps between Clean and 100% Green, and this year's rate setting reflects those readjustments and updates to cost of service show narrow differentials being maintained. Director Gold shared four factors that should drive CPA's rate setting process: credit rating, adequate reserves, rate stability, and continuing to meet CPA's promised value proposition.

Chair Mahmud asked about the status of the PCIA proceeding at the CPUC. Mr. Langer indicated that volatility reflects a PCIA mechanism working as intended; a CPUC-adopted decision last year determined the disposition of all the PCIA resources. In the decision, IOUs offer the opportunity to receive an allocation of renewable energy resources. CPA can receive its share and lock in the value of those long-term resources to ensure they do not go unused. Chair Mahmud asked follow-up questions regarding resource adequacy attributes of long-term resources; insight into the remaining SCE contracts affecting the PCIA; and SCE's implementation of a rate reduction in this calendar year. Mr. Langer clarified that SCE keeps all resource adequacy attributes; it will be at least 10 years before the first tranche of long-term contracts end and the PCIA burden starts to diminish. Mr. Langer stated that a SCE rate reduction is possible if they overcollect but they usually don't see that in time to propose a mid-year adjustment.

In response to questions by Vice Chair Kuehl concerning any downsides to the higher revenue approach and the rationale behind ending the CARE rate freeze, Mr. Langer explained that the higher revenue approach would advance CPA's progress towards an investment grade credit rating while still remaining very competitive with SCE. Regarding the CARE rate freeze, Mr. Langer said that CARE customers would still be paying less with CPA this year than they would with SCE. Vice Chair Kuehl expressed concern that ending the CARE rate freeze may send an unwelcome message to customers during an enduring difficult economic time. Vice Chair Parks expressed a desire to see significantly fewer changes made to rates over time.

Harvey Eder provided public comment. Mr. Langer clarified that SCE's rate change went into effect on March 1st and though CPA led efforts at the CPUC to shift the PCIA mechanism to benefit its ratepayers, the results were mixed.

CLOSED SESSION

13. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION **Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of** **Section 54956.9: 1**

Nancy Whang, General Counsel, stated that the Board voted to authorize the Chief Executive Officer to sign a settlement agreement with HDSI, LLC, wherein HDSI will pay CPA \$3.25 million and CPA will return HDSI's contingent payment of \$5.25 million to resolve the dispute between CPA and HDSI concerning delays in achieving commercial operation and whether those delays were excused due to force majeure or otherwise pursuant to the Power Purchase Agreement (PPA). The vote was 28 to 0 in favor of approval. There was no public comment on this item.

MANAGEMENT REPORT

Mr. Bardacke discussed the billing issues from the previous month; thanked the internal customer care and external affairs teams for their contributions; noted that some cities were more significantly impacted than others, but processes have been established to ensure advanced warning is given should any such issue occur again. Mr. Bardacke extended apologies to the Board members personally impacted and stated that CPA is addressing reputational impacts as well. Mr. Bardacke provided an update on the Power Share program, noting that CPA has surpassed 1/3 of the 6,300-enrollment goal and is

receiving customer testimonials in English and Spanish. Mr. Bardacke discussed default rate changes in the cities of Claremont and South Pasadena and stated that CPA is on track to have more than half of its customers on 100% Green by the end of the year. Lastly, with regard to fiscal status, Mr. Bardacke indicated that CPA has paid \$10 million of its \$30 million county loan and is on track to repay the rest of by June.

COMMITTEE CHAIR UPDATES

Director Gold, Finance Committee Chair, reported that the Committee has discussed clean energy prepayment transactions.

Director Parkhurst, Energy Planning & Resources Committee Chair, reported that the Committee discussed energy policy issues affecting CPA.

BOARD MEMBER COMMENTS

Director Perello thanked Chair Mahmud for her prompt response following his comments at the end of the last Board meeting. Director Ashton announced his departure from the CPA Board and Downey City Council on March 18, 2022; expressed appreciation for staff and Board members' support. Chair Mahmud, Board members, and Mr. Bardacke all thanked Director Ashton for his early support of and involvement in CPA. Director Santangelo requested Board members submit letters of support for the default rate change in the City of Camarillo. Director Monteiro thanked Mr. Bardacke and Policy Director, Gina Goodhill, for the invitation to participate in a sustainability roundtable discussion.

REPORT FROM THE CHAIR

Chair Mahmud referenced a report issued by the Intergovernmental Panel on Climate Change (IPCC) with a policymaker summary that illustrates why CPA's work is important for its communities. Chair Mahmud reminded the Board of upcoming items for consideration, including the adoption of rates and the budget, and thanked the Board members for their strong participation in Board meetings.

ADJOURN

Chair Mahmud adjourned the meeting at 3:33 p.m.



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Board of Directors
From: Gina Goodhill, Policy Director
Approved By: Ted Bardacke, Chief Executive Officer
Subject: Approve Positions on Two Bills in the 2021/2022 California Legislative Session
Date: April 7, 2022

RECOMMENDATION

Approve positions on two bills in the 2021/2022 California Legislative Session, as recommended by the Legislative & Regulatory Committee.

DISCUSSION

[SB 1287 \(Senator Bradford\)](#)

Recommended Position: Oppose Unless Amended

This bill would update financial security requirements that CCAs and privately owned energy service providers (ESPs) post with the provider of last resort (POLR) to cover the cost of reentry fees if an ESP or CCA becomes insolvent and must be returned to the POLR. Specifically, it would require ESPs and CCAs to post a bond or demonstrate insurance in the amount of \$500,000, and to cover 12 months of incremental procurement costs incurred by the POLR. In CCA territories, the designated POLRs are the investor-owned utilities (IOUs) and in CPA's case, the POLR is Southern California Edison (SCE).

Current law requires CCAs and ESPs to post a bond or demonstrate insurance to cover any reentry costs that would be imposed on a customer in the event of an involuntary return to the POLR, to avoid imposing costs on the IOU's bundled customers. For CPA,

this amount has consistently been the established minimum of \$147,000, which CPA finances with a letter of credit at a nominal cost. The new minimum of \$500,000 would be close to triple this amount and would likely be financed in a similar way.

However more worrisome in SB 1287 is new language that would require this amount to include “costs for no less than 12 months of incremental procurement incurred by the POLR in the last calculation of the financial security requirement amount.” It is unclear if the term “costs” was meant to refer to only the forecast costs to serve the returned customers or forecast costs netted against forecast revenue. If it is the former, then the amount of money that CCAs would have to hold as bond or finance would be in the billions of dollars. This could effectively require CCAs to acquire a costly financial instrument, thus significantly increasing costs to CCA customers. It is a sledgehammer reaction to the bankruptcy of Western Community Energy in 2020 that overestimates the risk of a CCA failure, and yet ironically it could create such financial uncertainty that it could become a self-fulfilling prophesy.

This bill is also unnecessary, as it overlaps with an open CPUC proceeding that is investigating the appropriate level of financial security requirements that CCAs and ESPs should post in the event of an involuntary customer return to the POLR.

CPA disagrees with both changing the bond amount to \$500,000, and with requiring CCAs to post financial security to include costs for no less than 12 months of incremental procurement incurred by the POLR. However, the former would be manageable, while the latter would be determinantal.

CPA staff therefore propose opposing the bill *unless* the author to strike Section (e)(2), which currently reads: “(2)...*commission shall update the financial security requirements established pursuant to paragraph (1) to include costs for no less than 12 months of incremental procurement incurred by the provider of last resort in the calculation of the financial security requirement amount.*”

[AB 2238 \(Luz Rivas and Eduardo Garcia\)](#)

Recommended Position: Support

This bill would require, by January 1, 2024, the California Environmental Protection Agency, the Office of Planning and Research, and the Integrated Climate Adaptation and Resiliency Program, 1) to develop a statewide extreme heat ranking system; 2) to submit a study of the costs related to past extreme heat events; and 3) to develop a public communication plan for the statewide extreme heat ranking system.

The bill notes that California has experienced record-setting temperatures in the last two years, demonstrating the urgency of addressing climate-intensified extreme heat impacts. In 2020, temperatures in Los Angeles County reached as high as 121 degrees Fahrenheit, the highest temperature ever recorded in Los Angeles County, causing an increase of 10 times the normal number of emergency room visits.

Existing advance warnings of disasters from other perils save lives and provide a window of opportunity for protecting property, avoiding harm, and saving lives. For example, California's "red flag" warnings for wildfire conditions, the United States Environmental Protection Agency Air Quality App, the naming system for tropical storms and hurricanes by the National Oceanic and Atmospheric Administration, and air quality alerts embedded in smart phone weather applications that allow those with respiratory conditions to find shelter in advance from dirty air could serve as templates for ranking extreme heat events.

A statewide ranking system for extreme heat is one of the recommendations from the California Climate Insurance Working group, which was convened by Insurance Commissioner Ricardo Lara; Commissioner Lara is also the sponsor of this bill. After the statewide extreme heat ranking system is finalized, the bill would also require the development of specific heat adaptation measures that could be triggered by the system. The bill has received early public support from a slew of environmental, environmental justice, and public health groups.

Alignment with CPA 2022 Legislative & Regulatory Platform

The issues addressed in the bill aligns with CPA's 2022 Legislative & Regulatory Platform, specifically section 1c and 3a.

ATTACHMENT

- 1) 2022 Legislative & Regulatory Platform



2022 Legislative and Regulatory Policy Platform

Overview and Purpose

The Clean Power Alliance (CPA) Legislative and Regulatory Policy Platform (Platform) serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Platform allows both members of the CPA Board of Directors and CPA staff to pursue actions at the local, regional, state, and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform enables the organization to move swiftly to respond to events in Sacramento (Legislative / Executive) and San Francisco (California Public Utilities Commission) and provides guidance to the Executive Director on the support or oppose positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

All CPA positions on individual bills are presented to the CPA Board of Directors for approval, except during times of urgency as provided under the protocols approved by the CPA Board of Directors on June 7, 2018, that allow the Chair, Vice-Chairs, Legislative & Regulatory Committee Chair, and Executive Director to act on behalf of the organization in urgent advocacy matters.

Policy Principles

The Legislative and Regulatory Policy Platform is centered around four basic principles:

1. Protecting CPA's local control and autonomy by its members, especially with regards to finances, power procurement, reliability, and local customer programs.
2. Ensuring equal treatment of unbundled and bundled customers by the CPUC and other state agencies.
3. Supporting recognition that electricity is an essential good, and that CPA should have the ability to set electric rates and offer programmatic services that are affordable and inclusive for all.

4. Pursuing environmental initiatives that exceed prescriptive State mandates, promote the growth in renewable energy capacity at the local level, encourage clean energy adoption by CPA customers, and reduce fossil fuel dependency, with the goal of combating climate change.

Policy Platform

1) Local Control, Finance, and Power Procurement

CPA will pursue legislative and regulatory activity that:

- a. Supports the authority of CPA and its Board of Directors to retain local control over its activities;
- b. Supports the protection of CPA's procurement autonomy;
- c. Supports the ability of CPA to maintain control over its financial decisions;
- d. Supports the ability of CPA to expand its service offerings and activities in response to a changing energy landscape;
- e. Supports the ability of CPA to access state incentives and funding for its customers and member agencies; and
- f. Supports the ability of CPA to enhance reliability through accelerating the deployment of energy storage resources, fully valuing behind the meter energy resources, and expanding the use of demand response.

2) Equitable Treatment of CPA Customers

CPA will pursue legislative and regulatory activity that:

- a. Supports the equal treatment of unbundled and bundled customers by the CPUC and the legislature; and
- b. Supports the development of a state regulatory environment that is empowering for community energy providers.

3) Ratepayer Advocacy and Social Justice

CPA will pursue legislative and regulatory activity that:

- a. Supports the protection of all ratepayers, particularly environmental and social justice communities in CPA's service territory;
- b. Supports supplier diversity in CPA's contracting activities and through women-owned, minority-owned, disabled-veteran-owned, and lesbian, gay, bisexual, and/or transgender owned business enterprises;

- c. Supports workforce development with a focus on new stable, well-paying local jobs, and participation in a just transition to a low-carbon economy;
- d. Supports the ability for CPA to set appropriate benchmarks for performance measurement using accepted industry standards; and
- e. Supports increased access to clean energy technologies, clean energy and contracting jobs, and clean energy opportunities for environmental and social justice communities in CPA's service territory.

4) Environmental Leadership

CPA will pursue legislative and regulatory activity that:

- a. Supports the ability of CPA and its members to meet and exceed State goals for greenhouse gas emissions reductions (e.g. encouraging movement towards 100% renewable energy), climate action planning, and fossil fuel independence;
- b. Supports the ability of CPA to promote growth in renewable energy capacity, resiliency, and electrification at the local level, in a way that is equitable for all customers;
- c. Supports the ability of CPA to promote electrification of the transportation sector in response to state and federal goals aimed at increasing the usage of zero emission vehicles;
- d. Supports the ability of CPA to promote electrification and the reduction of natural gas usage in the building sector.



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Board of Directors
From: David McNeil, Chief Financial Officer
Approved By: Ted Bardacke, Chief Executive Officer
Subject: Approve Fiscal Year 2021/22 Amended Budget
Date: April 7, 2022

RECOMMENDATION

Approve Fiscal Year (FY) 2021/22 Amended Budget (“Amendment”).

BACKGROUND

Each year CPA develops an annual budget to govern the agency’s revenues and expenses during the upcoming fiscal year. In June 2021, CPA’s Board of Directors approved the FY 2021/22 Budget (“Budget”).

The Proposed Amendment will allow increases to Technical Services (+\$29,000, +2%), Interest Expense (+\$283,000, +99%) and Capital Outlay (+\$39,000, +13%) budget line items. These increases will be largely offset by decreases in Legal and Other Services line items. All other revenue and expense budget line items will remain unchanged.

The impact of these changes on the budgeted change in Net Position is \$0.00.

Budget Detail

The Amendment includes changes to the following Budget line items:

Technical Services (+\$29k, +2%): The proposed increase to the Technical Services budget line item would allow for an increase in contingencies.

Interest Expense (+\$283k, +99%): The proposed increase to Interest Expense budget line item is intended to accommodate increased expenses arising from:

- A \$30 million term loan from the County of Los Angeles approved by the Board in August 2021.
- An \$80 million line of credit with JPMorgan Chase approved by the Board in September 2021. The JPMorgan Chase line of credit replaced CPA's \$37 million borrowing facility with River City Bank.

Capital Outlay (+\$39k, +13%): The proposed increase in Capital Outlay will allow increased investment in the architecture and performance of CPA's website and to accommodate unforeseen equipment purchases and office improvements as more staff begin to use the office on a regular basis.

Legal Services (-\$156k, -13%) and Other Services (-\$156k, -10%): Anticipated works/projects included in the Legal Services and Other Services budget line items were delayed or replaced due to other priorities or logistic issues.

ATTACHMENT

- 1) FY 2021/21 Amended Budget

CLEAN POWER ALLIANCE of SOUTHERN CALIFORNIA
Fiscal Year 2021/2022 Amended Budget
Proposed

	FY 2021/22 Budget	Amendment	FY 2021/22 Amended Budget	Budget Difference (\$)	Budget Difference (%)
Revenue - Electricity net	895,246,680		895,246,680	-	0%
Transfer from Fiscal Stabilization Fund				-	
Other revenue	1,868,000		1,868,000	-	0%
TOTAL REVENUE	897,114,680		897,114,680	-	0%
TOTAL ENERGY COSTS	834,281,512		834,281,512	-	0%
NET ENERGY REVENUE	62,833,168		62,833,168	-	0%
OPERATING EXPENSES					
Staffing	9,893,000		9,893,000	-	0%
Technical services	1,184,000	29,000	1,213,000	29,000	2%
Legal services	1,237,000	(156,000)	1,081,000	(156,000)	-13%
Other services	1,612,000	(156,000)	1,456,000	(156,000)	-10%
Communications and marketing services	1,505,000		1,505,000	-	0%
Customer notices and mailing services	797,000		797,000	-	0%
Billing data management services	10,417,000		10,417,000	-	0%
Service fees - SCE	2,016,000		2,016,000	-	0%
Customer programs	1,872,000		1,872,000	-	0%
General and administration	1,584,000		1,584,000	-	0%
Occupancy	548,000		548,000	-	0%
TOTAL OPERATING EXPENSES	32,665,000	(283,000)	32,382,000	(283,000)	-1%
OPERATING INCOME	30,168,168	283,000	30,451,168	283,000	1%
Finance and interest expense	287,000	283,000	570,000	283,000	99%
Depreciation	156,000	-	156,000	-	0%
TOTAL NON OPERATING EXPENSES	443,000	283,000	726,000	283,000	64%
Interest Income	144,000	-	144,000	-	0%
TOTAL NON OPERATING REVENUE	144,000	-	144,000	-	0%
NON OPERATING REVENUE (EXPENSE)	(299,000)	(283,000)	(582,000)	(283,000)	95%
CHANGE IN NET POSITION	29,869,168	-	29,869,168	-	0%
NET POSITION BEGINNING OF PERIOD	67,370,711		74,229,299	6,858,588	10%
NET POSITION END OF PERIOD	97,239,879		104,098,467	6,858,588	7%
FISCAL STABILIZATION FUND	17,392,965		-	(17,392,965)	-100%
RESERVES END OF PERIOD (Net Position + FSF)	114,632,844		104,098,467	(10,534,377)	-9%
<i>Other Uses</i>					
Capital Outlay	297,000	39,000	336,000	39,000	13%
Depreciation	(156,000)	-	(156,000)	-	0%
CHANGE IN FUND BALANCE	29,728,168	(39,000)	29,689,168	(39,000)	0%

Note: Funds may not sum precisely due to rounding



Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Board of Directors
From: Christian Cruz, Community Outreach Manager
Approved by: Ted Bardacke, Chief Executive Officer
Subject: Community Advisory Committee (CAC) Report
Date: April 7, 2022

RECOMMENDATION

Receive and file.

MARCH MEETING REPORT

At the March meeting, the CAC received an update and a presentation on CPA's recent legislative activity. The CAC reviewed AB 1814 (Grayson), which CPA supports as a priority bill. This bill would allow Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) allowing them to become Transportation Electrification Program Administrators. The CAC also reviewed HR 6662 (Barragan), which CPA also supports. This bill would require the U.S. Department of Energy (DOE) and the U.S. Department of Housing and Urban Development (HUD) to authorize up to \$50 million annually to support Electric Vehicle (EV) car-sharing for public housing projects.

In addition, the CAC received an overview of the bills CPA is currently monitoring that include relevant themes, such as:

- Changes to the Integrated Resource Plan (IRP)
- Increased financial security requirements
- Distributed Energy Resources (DER) access
- Extreme heat monitoring and potential state action
- Bills related to the draft state budget
- Utility bill affordability

CPA staff also highlighted that the agency will be hosting a virtual lobby day tentatively scheduled for either May 17th or 18th. CPA staff will work with CAC members interested in participating in key meetings during the lobby day.

CAC Working Group

At the February meeting, the CAC received an update and a presentation on Net Energy Metering (NEM) 3.0. Because of the complexity of the CPUC NEM discussion and its potential impacts on ratepayers, in conjunction with the delayed deliberation of the Proposed Decision (PD), the CAC moved to convene a NEM working group of a subset of CAC members. On March 24th, CPA staff assisted the CAC in convening a working group. During this meeting, the working group received a presentation on Distributed Energy Resources' (DER) role in grid decarbonization and reliability. The presentation helped to frame, for the CAC working group, how rooftop solar is one of the many DER tools that can help in the effort to decarbonize and ensure reliability, especially when paired with storage.

The CAC working group recommended that CPA staff provide information to the larger CAC about the current total amount of distributed solar and solar + storage within CPA service territory. In addition, the working group highlighted that the goals and objectives on decarbonization, system reliability, and equity are consistent with the goals and mission of CPA. The working group also recommended that CPA staff ensure that equity is a key part of the discussion when developing CPA's NEM policy and tariffs, or when CPA staff and CAC decide that it is appropriate for CPA to provide comments on the alternate PD, whenever it has been issued.

NEXT STEPS

CPA staff will assist the CAC working group to convene one additional meeting in late April. At this meeting, CPA staff will provide the working group with a cost analysis for serving existing CPA NEM customers.

Additionally, CPA staff will continue to provide the CAC with legislative updates, as necessary. CPA staff will also reach out to CAC members to participate in advancing the

CPA legislative platform, as relevant bills continue through the legislature in the coming months.

ATTACHMENT

1. CAC Meeting Attendance

Community Advisory Committee Attendance											
2022											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
East Ventura/West LA County											
Angus Simmons (Vice Chair)	✓	✓	✓								
Jennifer Burke	✓	✓	✓								
Debbie West	A	✓	✓								
San Gabriel Valley											
Richard Tom	✓	✓	✓								
Kim Luu	✓	A	A								
West/Unincorporated Ventura County											
Lucas Zucker	A	A	A								
Vern Novstrup	A	✓	✓								
South Bay											
David Lesser	✓	✓	✓								
Emmitt Hayes	A	✓	✓								
Gateway Cities											
Jaime Lopez	A	A	A								
Genaro Bugarin	✓	✓	✓								
Westside											
Cris Gutierrez	✓	✓	✓								
David Haake (Chair)	✓	✓	A								
Unincorporated LA County											
Neil Fromer	✓	✓	✓								
Kristie Hernandez	✓	✓	✓								

Major Action Items and Presentations

January

- Executive Director Update
- Diversity, Equity, and Inclusion Plan Update

February

- Executive Director Update
- Net Energy Metering 3.0
- CAC Final Draft Workplan

March

- Executive Director Update
- CPA Bill Positions



Staff Report – Agenda Item 6

To: Clean Power Alliance (CPA) Board of Directors

From: Natasha Keefer, Vice President of Power Supply

Approved By: Ted Bardacke, Chief Executive Officer

Subject: Approval of PCIA Voluntary Allocation of Long-Term Renewable Energy and CEO Authorization

Date: April 7, 2022

RECOMMENDATIONS

- (a) Approve a 50% voluntary allocation of the Power Charge Indifference Adjustment (PCIA) long-term renewable energy portfolio; and
- (b) Authorize the Chief Executive Officer to execute the Voluntary Allocation Agreement with Southern California Edison (SCE) during the May 2022 enrollment period.

BACKGROUND

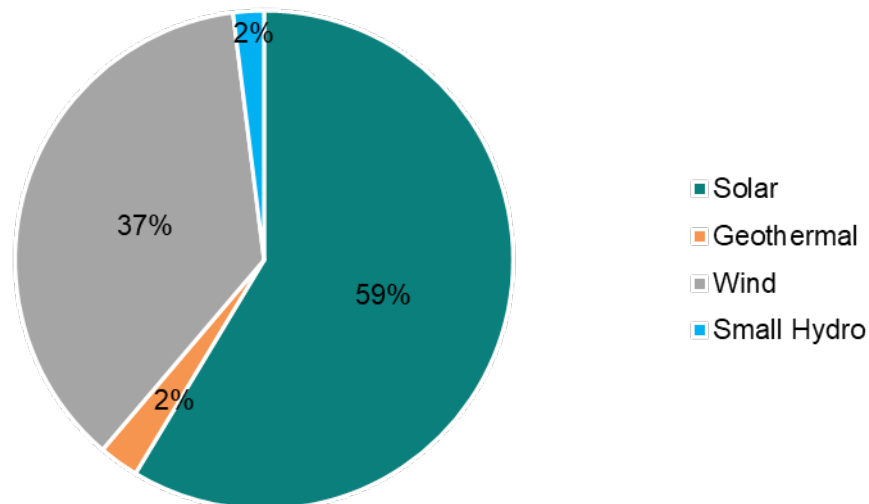
CPA customers reimburse SCE for above-market costs of the energy resources procured on behalf of those customers through the PCIA or “exit fee”, including renewable energy contracts. In the past, CPA customers paid for these above market costs through the PCIA, but CPA was not able to count the PCIA resources in its portfolio. In 2021, the California Public Utilities Commission (CPUC) ordered the Investor-Owned Utilities (IOUs) to offer PCIA-paying load-serving entities like CPA voluntary allocations of PCIA-eligible renewable resources, and then sell any unallocated resources through an annual Market Offer process. CPA now has an opportunity to secure allocations of PCIA-eligible renewable resources from SCE. CPA would pay the annual Market Price Benchmark for resources allocated through this process. This Market Price Benchmark fluctuates in any given year and is the benchmark used to set the renewable energy portion of the PCIA.

In order to secure voluntary allocations, CPA must participate in SCE's enrollment process, which will close on May 13, 2022, and enter into a voluntary allocation agreement. A portion of the PCIA-eligible renewable energy resources includes long-term contracts (10 years or greater in remaining term). Per CPA's Energy Risk Management Policy, any power purchase transactions greater than 5 years require approval by the Board.

VOLUNTARY ALLOCATION PORTFOLIO OVERVIEW

CPA has the option to receive allocations from the SCE PCIA renewable portfolio based on CPA's most recent annual load share. SCE provided CPA with a list of contracts and an indicative forecast of each resource's generation output that would be available to CPA¹. The long-term resources are comprised primarily of solar and wind, as shown below:

Long-Term Voluntary Allocation Portfolio – Resource Type and Percentage of Total Portfolio



¹ The allocation forecast data is confidential, therefore CPA is only presenting aggregated data in this staff report.

The portfolio only includes Renewable Portfolio Standard (RPS)-eligible renewable energy and does not include any nuclear or fossil fuel resources. The PCIA renewable allocation is comprised of renewable energy resources but does not include Resource Adequacy (RA) value or deliver an energy hedge for CPA.

VOLUNTARY ALLOCATION & MARKET OFFER (VAMO) PROCESS

Voluntary Allocation Process

Key features of the allocation mechanism:

- CPA may elect its allocation in 10% increments of its total allowable allocation (e.g. 0%, 10%, 20%, 30%... up to 100%).
- CPA will pay for the delivered renewable energy at the Market Price Benchmark, which is representative of the current market value of renewables in any given year.
- If CPA elects an allocation, SCE will continue to remain the counterparty of the resource contracts, i.e. the contracts are not assigned to CPA and CPA will not take on the obligations of the contract.
- If CPA chooses to receive a long-term allocation, the allocation commitment will span the full term of the underlying contracts. The longest contract term in the portfolio is 2042.
- Once the allocation is transferred to CPA, CPA may resell the renewable energy.
- Allocations will be offered once per RPS Compliance Period. We are currently in California RPS Compliance Period 4 (2021-2024). The next opportunity to receive an allocation will be in 2024 for the 2025-2027 Compliance Period.

Market Offer Process

SCE will sell any remaining allocations not taken by LSEs to the market through the Market Offer process. CPA may participate in this Market Offer process to secure additional renewable energy not already elected for allocation. However, SCE has a confidential price floor (i.e. minimum price at which SCE can sell), and any CPA offer into the Market Offer process will be subject to the price floor. Any unsold volumes in the

Market Offer will remain with SCE for the benefit of their customers despite their above market costs being paid for by CPA customers through the PCIA.

RATIONALE FOR ELECTING ALLOCATIONS

There are several reasons why electing allocations is beneficial for CPA customers:

- CPA has a large and growing renewable energy demand, for which CPA will need to procure supply. The renewable allocations will be particularly helpful in the near term to help meet the additional renewable energy demand caused by member agencies changing their default rates to 100% Green.
- Pursuant to SB 350, CPA is subject to long-term contracting requirements.² While CPA has already met and exceeded these requirements with resources already under contract and expected to come online in 2022-2024, there is a risk that CPA could miss its compliance requirement for the 2021-2024 period due to project delays or failures. Electing additional long-term contracts from the PCIA renewable portfolio that will start delivering renewable energy to CPA starting in 2023 will mitigate this compliance risk.
- Allocations that remain in SCE's portfolio (i.e. not obtained by CPA and other load serving entities) will only benefit SCE's customers.

While electing allocations is beneficial to CPA, allocations of these existing resources will effectively reduce CPA's demand for new-build renewables. Therefore, the selection of allocations must be balanced with CPA's priority of expanding the availability of new renewable and clean energy resources on California's grid.

RECOMMENDATION

On March 23, 2022, Staff presented several allocation election options to the Energy & Resource Planning Committee, as summarized below:

² 65% of CPA's RPS compliance requirement must be met with contracts that are 10 years or longer in term.

% of Long-Term Allocation	Rationale	Impact to CPA's Renewables Position
10%	<ul style="list-style-type: none"> Minimum allocation required to cover SB 350 compliance risk 	Small
50% (RECOMMENDED)	<ul style="list-style-type: none"> Material contribution to meeting CPA's renewable open position Allows room for CPA contracting of new build resources 	Moderate
100%	<ul style="list-style-type: none"> Maximize allocation to minimize stranded PCIA resources 	Large

The Energy Committee supported the recommendation to take a 50% allocation of long-term renewable resources. This recommendation would achieve the following objectives:

- Ensures CPA will meet its SB 350 long-term contracting requirement in the 2021-2024 RPS Compliance Period
- Minimizes volume of PCIA resources at risk of being stranded in the Market Offer process
- Allows room for CPA to do additional procurement of new build renewable resources
- Unbundled RECs³ make up a very small portion of the long-term portfolio. CPA will seek to remarket the unbundled RECs.

Should CPA seek to secure additional long-term renewable allocation, the next 2024 VAMO process will be another opportunity for CPA to obtain these resources.

VOLUNTARY ALLOCATION AGREEMENT

The voluntary allocations will be secured via the Voluntary Allocation Agreement, to be executed by CPA and SCE. The draft Voluntary Allocation Agreement, which is an attachment to this agenda, has been released by SCE and is awaiting CPUC approval. CPA's General Counsel, as well as CPA's outside counsel Davis Wright Tremaine, have

³ Unbundled RECs or "PCC3 RECs" are low-value renewable energy credits and are not associated with direct energy delivery; CPA's JPA discourages the use of unbundled RECs.

reviewed the proposed draft and do not object to its terms⁴. The form of agreement is largely similar to the contracts that CPA has executed in the past with SCE to buy short-term renewable energy products.

ATTACHMENTS

1. Presentation on the Voluntary Allocation and Market Offer (VAMO) Process
2. Draft Voluntary Allocation Agreement

⁴ CalCCA has filed a Protest to SCE's Advise Letter seeking Approval of the Voluntary Allocation Contract for RPS Resources (Advice 4732-E) in order to clarify certain aspects of the VAMO process. While CPA supports these requests for clarification, they will not materially change the terms of the agreement.

PCIA Voluntary Allocation & Market Offer (VAMO)

April 7, 2022



Executive Summary

- ⚡ CPA has an opportunity to secure long-term voluntary allocations (VA) of PCIA-eligible renewable resources from SCE in May 2022 for deliveries beginning in 2023
 - These are renewable resources that CPA customers already pay above market costs for through the PCIA, but do not yet count towards CPA's portfolio
 - CPA actively engaged in the PCIA proceeding to allow for access to these resources for the benefit of CPA's customers
- ⚡ Pursuant to the Energy Risk Management Policy, CPA's Board would need to approve long-term renewable allocations ahead of the May enrollment period
 - CPA will have another opportunity to secure allocations in 2024 for 2025 and beyond
- ⚡ On March 23rd, Staff received feedback from Energy Committee on the proposed approach to select 50% of the available long-term allocations

Agenda

- ⚡ Overview
- ⚡ Indicative Forecast
- ⚡ Recommendation and Next Steps



Overview



Regulatory Background

- ⚡ In the past, CPA customers paid for these above market costs through the PCIA, but CPA was not able to count the PCIA resources in its portfolio
- ⚡ In 2021, the CPUC ordered the IOUs to offer CCAs voluntary allocations of PCIA-eligible renewable resources, and then sell any unallocated resources through an annual market offer (MO) process
- ⚡ CPA now has an opportunity to secure voluntary allocations of PCIA-eligible renewable resources from SCE at the Market Price Benchmark, which is established by the current market price in any given year and is the same price used to set the renewable energy portion of the PCIA

PCIA Voluntary Allocation Overview

- ⚡ The open enrollment period for selecting voluntary allocations is May 2 – May 13, 2022
- ⚡ LSEs have the option to receive allocations from IOU portfolios based on each LSE's most recent annual load share (MWh)
 - LSEs may elect their allocations in 10% increments of the total allowable allocation
- ⚡ SCE remains the counterparty of the resource contracts
- ⚡ The PCIA renewable allocation is bundled renewable energy but does not provide RA value or an energy hedge
- ⚡ Once transferred to the LSE portfolio, LSEs may resell the elected Voluntary Allocation renewable energy



PCIA Voluntary Allocation Overview (cont.)

- ⚡ The LSEs will have the choice to receive allocations separately for short-term (terms < 10 years remaining) and/or long-term (terms > 10 years remaining) contracts
 - CPA has also evaluated securing short-term allocations in this enrollment period (2023-2024), but will not opt to elect these allocations due to the high percentage of resources that will be treated as unbundled RECs in the short-term portfolio
- ⚡ If an LSE chooses to receive a long-term allocation, the allocation will span the full term of the underlying contracts
- ⚡ Long-term and short-term allocations will be offered once per compliance period
 - We are currently in CA RPS Compliance Period 4 (2021-2024); the next opportunity for allocation will be in 2024 for the 2025-2027 compliance period

Market Offer Process

- ⚡ Any remaining short-term and long-term allocations not elected by LSEs will be sold to the market through the market offer process
 - SCE has a price floor (confidential) at which they can sell through the market offer process
- ⚡ CPA may be able to secure additional RECs through the market offer process, although the price will be subject to the price floor
- ⚡ Any unsold volumes in the market offer process will remain with SCE for the benefit of their customers



2022 VA Election Schedule

VA Enrollment & Contracting Activities	Date
Indicative Allocation Forecast provided to LSEs	February 1, 2022
Final Allocation Forecast provided to LSEs	By April 30, 2022
Voluntary Allocation enrollment period	May 2-13, 2022
Contracting for Voluntary Allocation commences	May 14, 2022
Deadline for LSEs to execute & return	May 24, 2022

Today, CPA is seeking Board approval on the long-term voluntary allocation ahead of the May enrollment period

Key Considerations

- ⚡ CPA has a large and growing renewable energy demand
- ⚡ Allocations will be helpful in the near term to help meet the additional renewable energy demand caused by members agencies changing their default rates to 100% Green
- ⚡ Long-term allocations contribute to CPA's SB 350 long-term contracting obligations
- ⚡ Allocations would effectively reduce CPA's demand for new-build renewables
- ⚡ Allocations that remain in SCE's portfolio (i.e. not obtained by LSEs) will only benefit SCE's customers

Long-Term Compliance Risk

- ⚡ CPA may be at risk of meeting its long-term contracting requirements given COVID-19 and other unprecedented industry-wide supply chain/commodity price pressures

RPS Under SB100 and SB350 Long-term Contracting Requirement per Compliance Period

Assuming standard failure rates*

		2021-2024	2025-2027	2028-2030
1	State Mandated RPS per Compliance Period - % of Retail Sales	40%	49%	57%
2	State Mandated % of Mandated RPS (Row #1) to be Contracted Under RPS LT Contracts	65%	65%	65%
3	CPA's LT RPS Mandate = Row #2 * Row #1	25.9%	32.1%	36.8%
4	RPS Achieved by CPA with Existing LT Contracts	29.9%	54.5%	53.1%
5	Open Position relative to State Mandate (Row 3,4) +Above/ (-) Short	4.0%	22.4%	16.2%
6	RPS Achieved by CPA with Existing LT Contracts + Pending Contracts (Failure Rates Included)	28.2%	48.8%	47.5%
7	Open Position relative to State Mandate (Row 3,6) +Above/ (-) Short with Failure Rates	2.2%	16.7%	10.7%

Assuming additional project failures

		2021-2024	2025-2027	2028-2030
1	State Mandated RPS per Compliance Period - % of Retail Sales	40%	49%	57%
2	State Mandated % of Mandated RPS (Row #1) to be Contracted Under RPS LT Contracts	65%	65%	65%
3	CPA's LT RPS Mandate = Row #2 * Row #1	25.9%	32.1%	36.8%
4	RPS Achieved by CPA with Existing LT Contracts	29.9%	54.5%	53.1%
5	Open Position relative to State Mandate (Row 3,4) +Above/ (-) Short	4.0%	22.4%	16.2%
6	RPS Achieved by CPA with Existing LT Contracts + Pending Contracts (Failure Rates Included)	25.7%	41.4%	40.4%
7	Open Position relative to State Mandate (Row 3,6) +Above/ (-) Short with Failure Rates	-0.2%	9.4%	3.6%

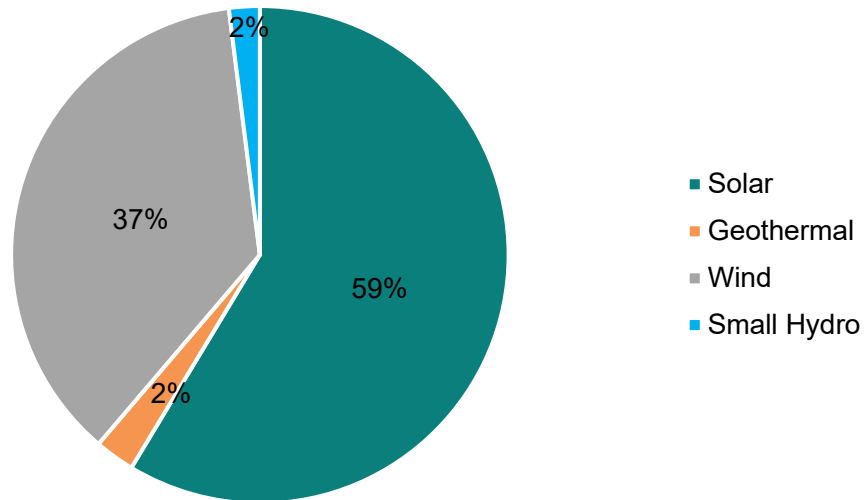
*CPA standard assumptions for project failure are 0% failure for online projects, 10% failure for projects under construction, and 20% for projects under development

Indicative Forecast

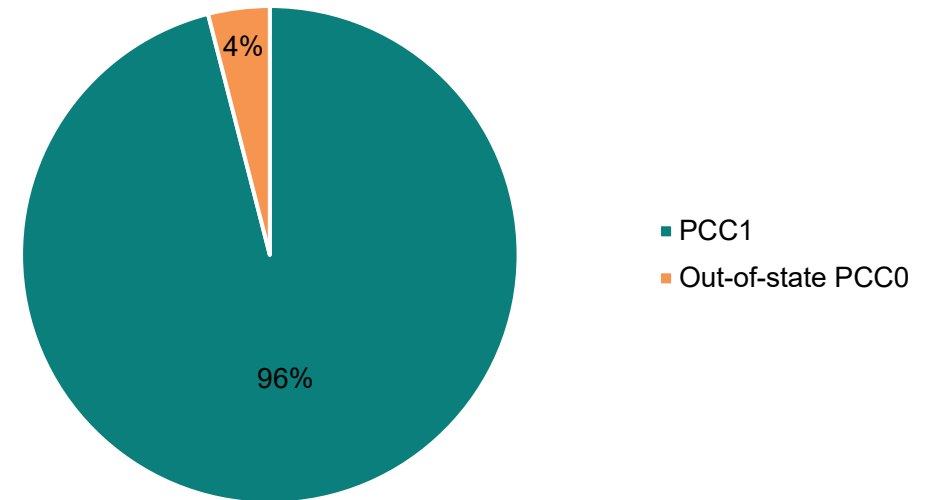


Long-Term Indicative Allocation

Long-Term Resource Type & % of VA Portfolio



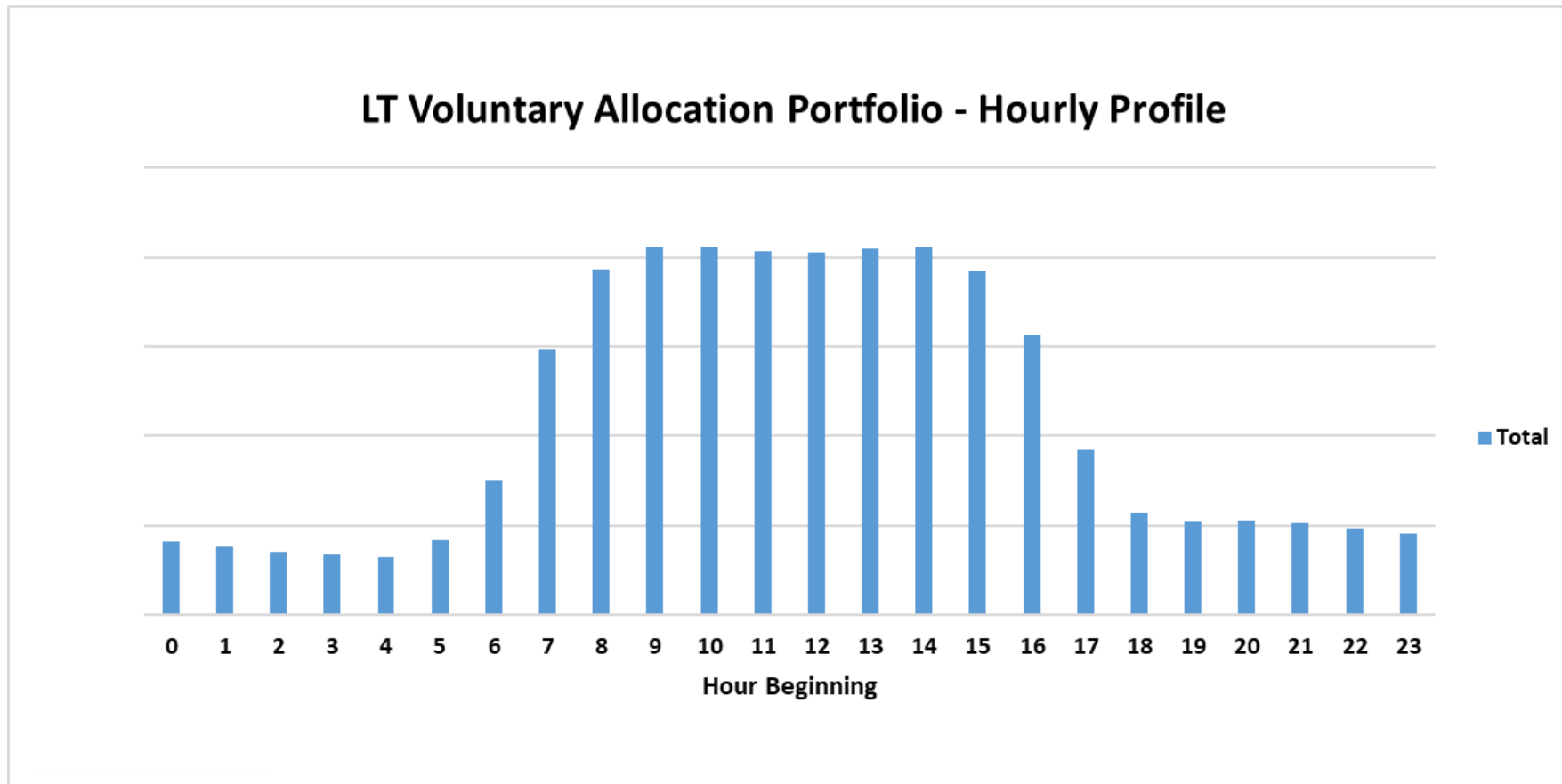
Long-Term Renewable Product Mix



- ⚡ Approx. 41% of the long-term portfolio are non-solar resources
- ⚡ The long-term portfolio has a small percentage of out-of-state PCC0 renewable energy credits (RECs), which may be treated as PCC3 or “unbundled” RECs once transferred to CPA’s portfolio – if they are transferred as PCC3, CPA will seek to remarket them

Long-Term Average Hourly Profile

- ⚡ The long-term voluntary allocation would provide some beneficial baseload renewables to CPA's portfolio



Recommendation and Next Steps



Long-Term VA Considerations

Pros

- ⚡ Insurance for meeting SB 350 long-term contracting requirement in case of LT PPA delays/failure
- ⚡ Voluntary Allocations help CPA supply new demand impacts of member agencies changing their default rates to 100% Green Market Price Benchmark will be at a competitive price

Cons

- ⚡ Allocations would effectively reduce CPA's demand for new-build renewables
- ⚡ If out-of-state PCC0s transfer as PCC3s, CPA would need to remarket PCC3s

Long-term Voluntary Allocation Approach

⚡ Three Options Considered:

% of Long-Term Allocation	Rationale	Impact to CPA's Renewables Position
10%	<ul style="list-style-type: none">• Minimum allocation required to cover SB 350 compliance risk	Small
50% (RECOMMENDED)	<ul style="list-style-type: none">• Material contribution to meeting CPA's renewable open position• Allows room for CPA contracting of new build resources	Moderate
100%	<ul style="list-style-type: none">• Maximize allocation to minimize stranded PCIA resources	Large

Long-term Allocation Recommendation


Recommendation: Take 50% of the Long-Term Voluntary Allocations

- ⚡ Ensures CPA will meet its SB 350 long-term contracting requirement in the 2021-2024 RPS Compliance Period
- ⚡ Minimizes volume of PCIA resources at risk of being stranded in the Market Offer process
- ⚡ Allows for procurement of new resource build
- ⚡ Additional PCIA long-term contracts may be secured in the 2024 VAMO process
- ⚡ Out-of-state PCCOs make up a very small portion of the long-term portfolio – less than 100 GWh of annual energy and less than 1% of CPA's load



Next Steps

- ⚡ CalCCA and CPA are currently seeking to clarify the treatment of out-of-state PCCOs with the CPUC
- ⚡ CPA must finalize enrollment by May 13
- ⚡ CPA will continue to engage in the regulatory oversight of the VAMO process



Today, Staff is seeking the Board's approval of the 50% long-term voluntary allocation approach and authorization for the CEO to execute the voluntary allocation agreement

**VOLUNTARY ALLOCATION
AGREEMENT**

between

{COUNTERPARTY LEGAL NAME}

and

SOUTHERN CALIFORNIA EDISON COMPANY

(Contract ID #)

This Voluntary Allocation Agreement, including all appendices, exhibits, schedules, attachments, and any supplements hereto (the “**Agreement**”) is entered into as of {date} (the “**Effective Date**”), between {Counterparty’s Legal Name}, a {insert state and form of formation or incorporation} (“**Counterparty**”) and Southern California Edison Company, a California corporation (“**SCE**”), each individually a “Party” and together the “Parties”. Capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to them in the CAISO Tariff as of the date hereof.

RECITALS

WHEREAS, the CPUC adopted the power charge indifference adjustment (“**PCIA**”) in order for customers (“**Departed Load Customers**”) of investor-owned utilities (“**IOUs**”) who later depart IOU service to remain responsible for costs incurred by IOUs on their behalf;

WHEREAS, the IOUs have a portfolio of contracts with third parties for the procurement of California RPS-Eligible Electric Energy which is subject to the PCIA (the “**RPS PCIA Portfolio**”);

WHEREAS, the CPUC in CPUC Decision 21-05-030 provides for the allocation of the California RPS-Eligible Electric Energy and associated Green Attributes generated from an IOU’s RPS PCIA Portfolio to certain Load Serving Entities (“**LSE**”) whose customers include the IOU’s Departed Load Customers (“**PCIA-Eligible LSEs**”), with the exception of certain California RPS-Eligible Electric Energy and associated Green Attributes that are (1) generated under agreements that do not have a termination date (i.e., evergreen contract), (2) generated by resources owned by IOUs, or (3) cannot be allocated due to: (a) there being no associated Renewable Energy Credits created pursuant to Sections 399.21(a)(4) – (5) of the California Public Utilities Code, or (b) the requirement that an electrical corporation utilize certain procured California RPS-Eligible Electric Energy and associated Green Attributes to meet its own renewables portfolio standard annual procurement target pursuant to Section 399.20 of the California Public Utilities Code, such as under contracts signed pursuant to the Public Utility Regulatory Policies Act and the Renewable Market Adjusting Tariff (“**Eligible RPS PCIA Portfolio**”);

WHEREAS, Counterparty is a PCIA-Eligible LSE that provides electric services to some of SCE’s Departed Load Customers and desires to receive certain percentages, as elected in this Agreement, of its Load Share Percentage of the Product from SCE’s Eligible RPS PCIA Portfolio; and

WHEREAS, SCE and the Counterparty desire to enter into this Agreement for the transfer of the Product from SCE’s Eligible RPS PCIA Portfolio in accordance with the terms and conditions of this Agreement; and

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

ARTICLE 1. TERM AND VOLUNTARY ALLOCATION TERMS

1.1 Term

The “**Term**” of this Agreement shall commence upon the Effective Date and shall continue until all the obligations of the Parties under this Agreement have been satisfied, unless terminated earlier due to an Event of Default; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Agreement that by its terms survives any such termination.

1.2 Voluntary Allocation Terms

Product	The “ Product ” is the Contract Quantity of California RPS-Eligible Electric Energy and associated Green Attributes from the Projects.
Project	Each of the generating facilities listed in <u>Appendix B</u> shall be a “ Project ” subject to the generating facility no longer being a Project upon: (a) the Project being removed from SCE’s Eligible RPS PCIA Portfolio in accordance with <u>Section 2.5</u> ; (b) the conclusion of the applicable Delivery Period for the Projects designated as “Short-Term” on <u>Appendix B</u> , and (c) the conclusion of the delivery term for a Project designated as “Long-Term” on <u>Appendix B</u> .
Contract Quantity	The “ Contract Quantity ” shall be the sum of the Project Contract Quantities. For each Project, the “ Project Contract Quantity ” shall equal the total California RPS-Eligible Electric Energy generated by such Project and measured at the CAISO revenue meter, multiplied by Counterparty’s Load Share Percentage in the PCIA Vintage Year which the Project is a part of, and further multiplied by the applicable Long-Term Election Percentage or Short-Term Election Percentage.

Load Share Percentage	Counterparty’s Load Share Percentage shall be the same for each Project in the same PCIA Vintage Year and will be as noted in <u>Appendix B</u> . Counterparty’s Load Share Percentage may be updated after the Parties annual Meet and Confer Process in accordance with <u>Section 2.6</u> .
Percentage Election of Counterparty’s Load Share	<u>Long-Term Election Percentage:</u> [•] <u>Short-Term Election Percentage:</u> [•] <i>{SCE Note: The Long-Term Election Percentage and the Short-Term Election Percentage must be in 10% increments.}</i>
Delivery Period	The “ Delivery Period ” shall be the period commencing on the later of (a) CPUC Approval of this Agreement if required, and (b) [January 1, 2023][•] and continuing through: (x) for the Projects designated as “Long-Term” on <u>Appendix B</u> , the end of the longest delivery term of the Projects, as shown in <u>Appendix B</u> ; and (y) for the Projects designated as “Short-Term” on <u>Appendix B</u> , [•]. <i>{SCE Note: The Delivery Period for the initial Voluntary Allocation Agreements will start on January 1, 2023 and for subsequent Voluntary Allocation Agreements will start on January 1st of every subsequent RPS compliance period. The end of the Delivery Period for “Short-Term” elections will be the end of the applicable RPS compliance period for which these allocations are applicable.}</i>
Delivery Point	The “ Delivery Point ” shall be the Pricing Node applicable to each Project.
Contract Price	The “ Contract Price ” shall be the sum of the Energy Price and the REC Price.

ARTICLE 2. DELIVERY OBLIGATIONS

2.1 SCE’s Conveyance of Electric Energy and Green Attributes

- (a) Beginning on the first day of the Delivery Period and throughout all applicable months of the Delivery Period, SCE shall deliver, or cause to be delivered, and Counterparty shall receive, or cause to be received, at the Delivery Point, the Contract Quantity of the California RPS-Eligible Electric Energy associated with the Product, for the Contract Price and subject to the terms and conditions of this Agreement. SCE shall be responsible for any costs or charges imposed on or associated with the California RPS-Eligible Electric Energy or its delivery up to the Delivery Point. Counterparty shall be responsible for any costs or charges imposed on or associated with the California RPS-Eligible Electric Energy or its receipt at and from the Delivery Point.
- (b) SCE, or a qualified third party designated or otherwise agreed to by SCE, shall act as Scheduling Coordinator for the Projects. Counterparty

authorizes SCE, or its third party Scheduling Coordinator designee, to deliver the California RPS-Eligible Electric Energy associated with the Product to the CAISO at the Delivery Point as an agent on Counterparty's behalf.

- (c) Title to and risk of loss related to the California RPS-Eligible Electric Energy shall transfer from SCE to Counterparty upon satisfaction of the delivery obligations in this Article 2. SCE warrants that it will deliver to Counterparty the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to delivering such Product in accordance with this Article 2.
- (d) During the Delivery Period, SCE, at its own cost and expense, shall maintain its registration with WREGIS. All Green Attributes transferred by Seller hereunder shall be California RPS-compliant, subject to confirmation by the CEC. SCE shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Counterparty in accordance with WREGIS reporting protocols and WREGIS Operating Rules.
- (e) For each applicable month of the Delivery Period, SCE shall deliver and convey the Green Attributes associated with the California RPS-Eligible Electric Energy delivered pursuant to Section 2.1(a) above within thirty (30) days: (a) of the creation of the WREGIS Certificates for the Green Attributes for the Projects where SCE is the WREGIS Account Holder or (b) of SCE's receipt of the WREGIS Certificates for the Projects for which SCE is not the WREGIS Account Holder. SCE shall deliver and convey such Green Attributes by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes, to Counterparty into Counterparty's WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from SCE to Counterparty; provided further, that if SCE fails to properly transfer such WREGIS Certificates to Counterparty in accordance with the above due to an error or omission of an administrative or clerical nature and if such failure can be cured with no harm to Counterparty, then SCE may cure such failure within thirty (30) days after notice of such failure.
- (f) In addition to its other obligations under this Section 2.1, SCE shall convey to Counterparty WREGIS Certificates from the Projects that are of the same Vintage Year as the California RPS-Eligible Electric Energy that was provided under Section 2.1(a) of this Agreement.

2.2 Mutual Indemnification

Each Party shall indemnify, defend and hold harmless the other Party from and

against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control and title to Product is vested in such Party. Each Party shall indemnify, defend and hold harmless the other Party against any Governmental Charges for which such Party is responsible under this Agreement. Neither Party shall be liable with respect to any Claim to the extent that such Claim resulted from the negligence, willful misconduct, or bad faith of the indemnified Party.

2.3 **Force Majeure**

To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “**Claiming Party**”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

2.4 **Remedy for Failure to Make Timely Payment**

- (a) **Stopping Deliveries.** If Counterparty fails to make timely payment for the Product in accordance with the terms of this Agreement, and regardless of whether such failure is an Event of Default or SCE has designated an Early Termination Date, SCE shall immediately stop all deliveries of Product to Counterparty and shall have no obligation to restart deliveries of the Product until Counterparty has made all outstanding payments to SCE. Further, SCE shall have no obligation to provide Counterparty additional Product to make-up for Product not delivered pursuant to this Section 2.4(a) and the amount of Contract Quantity of Product to be delivered to the Counterparty shall be deemed reduced by the amount of Product not delivered pursuant to this Section 2.4(a).
- (b) **Retention of WREGIS Certificates.** For avoidance of doubt, SCE shall have the right to retain and sell any WREGIS Certificates associated with California RPS-Eligible Electric Energy previously delivered to the Counterparty and not paid for by Counterparty.

2.5 **Removal of Project from SCE’s Eligible RPS PCIA Portfolio**

The Parties acknowledge and agree that SCE has the right, at any time and in its sole discretion, to optimize its Eligible RPS PCIA Portfolio by modifying, including, but not limited to, reducing any purchases of energy or capacity, terminating, or assigning to a third party any contract in its Eligible RPS PCIA

Portfolio. If a contract in SCE’s Eligible RPS PCIA Portfolio is terminated or assigned to a third party, the Project corresponding to such contract shall cease to be a Project under this Agreement.

2.6 Load Share Percentage

The Parties acknowledge that at the conclusion of each annual Meet and Confer Process there may be updates (“**Revised Load Share Percentages**”) to the Load Share Percentages for the PCIA Vintage Years shown in Appendix B. The Parties agree that upon SCE sending a letter to the Counterparty with the Revised Load Share Percentages, in accordance with the notice provisions of Section 9.3, the Load Share Percentages will be deemed updated to the Revised Load Share Percentages, as stated in the letter, as of January 1st of each year following the annual Meet and Confer Process, and that the Contract Quantity of Product to be delivered by SCE to Counterparty will be updated accordingly.

ARTICLE 3. PAYMENT

3.1 Monthly Payment

Counterparty shall pay SCE the “Monthly Cash Settlement Amount”, in arrears, for each Calculation Period in the amount equal to the sum, of (A) plus (B) minus (C), where:

- A = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market; and
- B = the REC Price multiplied by the quantity of Green Attributes (in MWhs) that will be conveyed as described in Section 2.1 and that are associated with the Delivered Energy in the Calculation Period; and
- C = the sum, over all hours of the Calculation Period, of (i) the applicable Energy Price for each hour of Delivered Energy within the applicable CAISO market (i.e. integrated forward market, fifteen minute, and/or Real-Time Market) multiplied by (ii) the quantity of Delivered Energy during the time interval in each respective market.

Such Monthly Cash Settlement Amount constitutes payment for the Product, including the Green Attributes, for such applicable Calculation Period. Counterparty shall be obligated to make such payments with respect to each applicable Calculation Period notwithstanding the fact that the Green Attributes associated with a particular Calculation Period may be delivered or credited to

SCE’s WREGIS account subsequent to the conclusion of the applicable Calculation Period in accordance with Section 2.1(e), provided that if SCE fails to comply with the provisions of Section 2.1(e), Counterparty shall be entitled to exercise all rights and remedies available to Counterparty under this Agreement for SCE’s failure to deliver the Product.

3.2 True-up of REC Price

If the CPUC publishes the “Calculation of the Market Price Benchmarks for the Power Charge Indifferent Adjustment Forecast and True Up” which has a final “RPS Adder” for a calendar year that differs from the REC Price invoiced to and paid by the Counterparty for the Product for that same calendar year, SCE will adjust future invoices to account for such differences. Subject to the other terms of this Agreement, no interest shall be paid on the amount of any adjustments due to the publishing of a final “RPS Adder.” If this Agreement has terminated and a final “RPS Adder” is published that results in a Party owing a payment to the other Party, then the Party shall make such payment in accordance with Section 3.4.

3.3 Billing Period

The calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments and as otherwise specified in this Agreement). As soon as practicable after the end of each month, each Party will render to the other Party an invoice for the payment obligations, if any, determined hereunder for the preceding month.

3.4 Timeliness of Payment

All invoices under this Agreement shall be due and payable in accordance with each Party’s invoice instructions on or before the later of the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

3.5 Disputes and Adjustments of Invoices

A Party may adjust any invoice rendered by it under this Agreement to correct any arithmetic or computational error or to include additional charges or claims within twenty-four (24) months after the close of the month in which the obligations being invoiced arose. A receiving Party may, in good faith, dispute the correctness of any invoice or of any adjustment to any invoice previously

rendered to it by providing notice to the other Party on or before the later of (i) twelve (12) months of the date of receipt of such invoice or adjusted invoice, or (ii) twenty-four (24) months after the close of the month in which the obligation being invoiced arose. Failure to provide such notice within the time frame set forth in the preceding sentence waives the dispute with respect to such invoice. A Party disputing all or any part of an invoice or an adjustment to an invoice previously rendered to it may pay only the undisputed portion of the invoice when due, provided such Party provides notice to the other Party of the basis for and amount of the disputed portion of the invoice that has not been paid. The disputed portion of the invoice must be paid within two (2) Business Days of resolution of the dispute, along with interest accrued at the Interest Rate from and including the original due date of the invoice to but excluding the date the disputed portion of the invoice is actually paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment but excluding the date repaid or deducted by the Party receiving such overpayment. An invoice can only be adjusted or amended after it was originally rendered within the time frames set forth in this Section. If an invoice is not rendered within twenty-four (24) months after the close of the month in which the payment obligations arose, the right to payment for that month under this Agreement is waived.

3.6 Netting

The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other as of the same date through netting, in which case all amounts owed by each Party to the other Party during the monthly billing period under this Agreement, including damages, payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it. If the Parties enter into additional agreements for an allocation from SCE's Eligible RPS PCIA Portfolio ("**New Voluntary Allocation Agreements**"), SCE may, in its sole discretion, net any payment owed to Counterparty under this Agreement against any amount owed to SCE by Counterparty arising out of, or related to, such New Voluntary Allocation Agreements.

3.7 Payment

All amounts paid hereunder shall be rendered in the form of immediately available dollars. Payment, as applicable, shall be made by ACH, or in other form reasonably requested, to the following accounts:

SCE:

Bank:

ABA No.:

Account No.:

Counterparty:

Bank:

ABA No.:

Account No.:

ARTICLE 4. OTHER SCE AND COUNTERPARTY REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Mutual Representations and Warranties

On the Effective Date, each Party represents and warrants to the other Party that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses;
- (e) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (f) there is not pending or, to its knowledge, threatened against it or any of its Affiliates (for purposes of this Section, SCE shall be deemed to have no Affiliates) any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- (g) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
- (h) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or

proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

- (i) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (j) it is an “eligible commercial entity” within the meaning of the Commodity Exchange Act, as otherwise amended, updated or modified from time to time;
- (k) it is an “eligible contract participant” within the meaning of the Commodity Exchange Act, as otherwise amended, updated or modified from time to time;
- (l) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Agreement;
- (m) it is a producer, processor, commercial user or merchant handling the Product, and it is entering into the Agreement for purposes related to its business as such; and
- (n) the Agreement is not executed or traded on a “trading facility” as defined in the Commodity Exchange Act, as otherwise amended, updated or modified from time to time, and is subject to individual negotiation by the Parties.

4.2 SCE’s Representations, Warranties and Covenants

- (a) SCE, and, if applicable, its successors, represents and warrants that throughout the Term of this Agreement:
 - (i) a Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16;
 - (ii) a Project’s output delivered to Counterparty qualifies under the requirements of RPS;
 - (iii) all necessary steps to allow the Renewable Energy Credits transferred to Counterparty to be tracked in the WREGIS will be taken prior to the first delivery under this Agreement;
 - (iv) it has the right to sell all right, title, and interest in the Product agreed to be delivered hereunder;

- (v) SCE has not sold the Product to be delivered under this Agreement to any other person or entity;
 - (vi) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Agreement are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
 - (vii) the electric energy generated with the Green Attributes delivered under this Agreement was not and will not be separately sold, marketed, reported, or otherwise represented as renewable energy, renewable electricity, clean energy, zero-emission energy, or in any similar manner; and
 - (viii) a Project either (A) has a first point of interconnection with a California balancing authority, or a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area; or (B) has an agreement to dynamically transfer electricity to a California balancing authority; or, if (A) or (B) are not applicable, a Project and the agreement executed by SCE for such Project meet the conditions in California Public Utilities Code Section 399.16(d).
- (b) SCE and, if applicable, its successors, represents and warrant that throughout the Delivery Period the Renewable Energy Credits transferred to Counterparty conform to the definition and attributes required for compliance with RPS, as set forth in CPUC Decision 08-08-28, and as may be modified by subsequent decision of the CPUC or by subsequent legislation.

SCE makes no representation, warranty or covenant with respect to any portfolio content category designation pursuant to California Public Utilities Code Section 399.16 nor any eligibility of the Product to qualify as excess procurement pursuant to California Public Utilities Code Section 399.13(a)(4)(B).

To the extent a change in law occurs after execution of this Agreement that causes SCE's representation and warranty in Sections 4.2(a)(i)-(ii) and Section 4.2(b) to be materially false or misleading, it shall not be an Event of Default if SCE has used commercially reasonable efforts to comply with such change in law. "Commercially reasonable efforts" shall not require SCE to incur out-of-pocket expenses in excess of \$25,000 in the aggregate in any one calendar year.

4.3 [Counterparty's Representations, Warranties and Covenants if Governmental Entity or Public Power System]

- (a) On the Effective Date and as a condition to the obligations of SCE under

this Agreement, Counterparty shall provide SCE certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Counterparty of this Agreement.

- (b) As of the Effective Date and continuing through the Term, with respect to this Agreement, Counterparty represents and warrants to the SCE: (i) all acts necessary to the valid execution, delivery and performance of this Agreement, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures has or will be taken and performed as required under the Act and the Counterparty's ordinances, bylaws or other regulations, (ii) all persons making up the governing body of the Counterparty are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with the Act and other applicable law, (iii) entry into and performance of this Agreement by Counterparty are for a proper public purpose within the meaning of the Act and all other relevant constitutional, organic or other governing documents and applicable law, (iv) the Term of this Agreement does not extend beyond any applicable limitation imposed by the Act or other relevant constitutional, organic or other governing documents and applicable law, (v) the Counterparty's obligations to make payments hereunder are unsubordinated obligations and such payments are (A) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (B) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Counterparty's obligations hereunder or (C) are to be made solely from a Special Fund, (vi) entry into and performance of this Agreement and by the Counterparty will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Counterparty otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Counterparty or create any kind of lien on, or security interest in, any property or revenues of Counterparty which, in either case, is proscribed by any provision of the Act or any other relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets.
- (c) Counterparty warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its

revenues or assets from (i) suit, (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment.

- (d) With respect to the transactions contemplated under this Agreement, Counterparty shall either: (i) have created and set aside a Special Fund or (ii) upon execution of this Agreement and prior to the commencement of each subsequent fiscal year of Counterparty during any Delivery Period, Counterparty shall have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Agreement for such fiscal year. Any breach of this provision shall be deemed to have arisen during a fiscal period of Counterparty for which budgetary approval or certification of its obligations under this Agreement is in effect and, notwithstanding anything to the contrary in this Agreement, an Early Termination Date shall automatically and without further notice occur hereunder as of such date and Counterparty shall be treated as the Defaulting Party. Counterparty shall have allocated to the Special Fund or its general funds a revenue base that is adequate to cover Counterparty's payment obligations hereunder throughout the entire Delivery Period.] *{SCE Note: Section 4.3 is only included if Counterparty is a Governmental Entity or Public Power System.}*

4.4 CPUC Approval

- (a) Within ninety (90) days after the Effective Date, if CPUC Approval of this Agreement is required by the CPUC, SCE shall file with the CPUC the appropriate request for CPUC Approval of this Agreement. SCE shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. As requested by SCE, Counterparty shall use commercially reasonable efforts to support SCE in obtaining CPUC Approval. SCE has no obligation to seek rehearing or to appeal a CPUC decision which fails to provide CPUC Approval of this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to SCE.
- (b) Either Party, in its sole discretion, on or before the ninetieth (90th) day after SCE files the request for CPUC Approval, has the right to terminate this Agreement upon notice in accordance with Section 9.3 of this Agreement, which such notice will be effective one (1) Business Day after such notice is given, if: (i) the CPUC issues a final and non-appealable order regarding this Agreement which contains conditions or modifications unacceptable to either Party, or (ii) CPUC Approval of this Agreement has not been obtained on or before the date that is sixty (60) days after the date that SCE files the request for CPUC Approval.

- (c) Notwithstanding any other provision in this Agreement, SCE will have no obligation to transfer Product to Counterparty and Counterparty shall have no obligation to receive or pay for the Product unless and until SCE and Counterparty have obtained or waived, in their sole discretion, if required by the CPUC, CPUC Approval of this Agreement.
- (d) Failure to obtain CPUC Approval in accordance with this provision will not be deemed to be or cause an Event of Default by either Party. No Termination Payment will be due or owing by either Party upon termination of this Agreement due solely to failure to obtain CPUC Approval.

ARTICLE 5. EVENTS OF DEFAULT, REMEDIES

5.1 Events of Default

An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within three (3) Business Days after written notice;
- (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default,) if such failure is not remedied within three (3) Business Days after written notice;
- (d) such Party becomes Bankrupt;
- (e) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article 7 hereof or any other credit arrangement related to this Agreement;
- (f) a Merger Event occurs with respect to such Party;
- (g) the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party, under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable or (ii) a default by such Party, in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount.
Counterparty’s Cross Default Amount shall be *[insert amount is words and*

numerically]. SCE’s Cross Default Amount shall be *[insert amount is words and numerically]*;

- (h) an event of default occurs (howsoever determined) under a Specified Energy Transaction with respect to such Party and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of that Specified Energy Transaction; or
- (i) the Party disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of, this Agreement executed and delivered by that Party.

5.2 **Declaration of an Early Termination Date and Calculation of Settlement Amounts**

- (a) If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “**Non-Defaulting Party**”) shall have the right to (i) designate a day and time of day, no earlier than the day such notice is effective and no later than twenty (20) days after such notice is effective, as an early termination date (“**Early Termination Date**”) to accelerate all amounts owing between the Parties and to liquidate and terminate this Agreement, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for this Agreement as of the Early Termination Date and the Termination Payment payable in connection with this Terminated Agreement shall be calculated in accordance with this Section 5.2 and with Section 5.3 below.
- (b) The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for the transactions under this Agreement. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price, then the Non-Defaulting Party shall calculate its Gains and Losses for the transactions under this Agreement in a commercially reasonable manner by calculating the arithmetic mean of at least three (3) Forward Price Assessments for transactions substantially similar to the transactions contemplated under this Agreement. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) Forward Price Assessments, then the Non-Defaulting Party shall calculate its Gains and Losses in a commercially reasonable manner by reference to information supplied to it by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads, or other relevant market data in the relevant markets; provided, however, that the provider of such information shall not be an Affiliate of either Party. Only in the event the Non-Defaulting

Party is not able, after using commercially reasonable efforts, to obtain such third party information, then the Non-Defaulting Party may calculate its Gains and Losses in a commercially reasonable manner using relevant market data it has available to it internally.

5.3 Termination Payment

The Non-Defaulting Party shall net out (a) the Settlement Amount due to the Defaulting Party, if any, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 7, plus any or all other amounts due to the Defaulting Party under this Agreement, against (b) the Settlement Amount due to the Non-Defaulting Party, if any, any cash then available to the Defaulting Party pursuant to Article 7, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the “**Termination Payment**”) payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment

As soon as practicable after a liquidation, but in no event more than fifteen (15) Business Days following the Early Termination Date, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business Days after such notice is effective.

5.5 Disputes With Respect to Termination Payment

If the Defaulting Party disputes the Non-Defaulting Party’s calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party’s calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer Performance Assurance to the Non-Defaulting Party in an amount equal to the Termination Payment.

5.6 Closeout Setoffs

After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to set-off against such Termination Payment any amounts due and owing by the Defaulting Party to the

Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party with respect to the Specified Energy Transactions. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise). Notwithstanding anything to the contrary contained in this Agreement, or in any other agreement, instrument, or undertaking between the Parties with respect to a Specified Energy Transaction, if an Early Termination Date has been designated pursuant to Section 5.2, then, in addition to the other remedies provided in this Agreement, the Non-Defaulting Party may accelerate, liquidate and terminate all, but not less than all, Specified Energy Transactions between the Parties.

5.7 Suspension of Performance

Notwithstanding any other provision of this Agreement, if (a) an Event of Default or (b) a Potential Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days unless an Early Termination Date shall have been declared and notice thereof pursuant to Section 5.2 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE 6. LIMITATIONS

THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION SET FORTH IN THIS AGREEMENT OR OTHERWISE; PROVIDED, HOWEVER, THAT NOTHING IN THIS PROVISION

SHALL AFFECT THE ENFORCEABILITY OF SECTIONS 5.2 AND 5.3 OF THIS AGREEMENT. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 7. CREDIT AND COLLATERAL REQUIREMENTS

7.1 Financial Information

If requested by SCE, the Counterparty shall deliver:

- (a) Annual Reports. Within one hundred twenty (120) days following the end of each fiscal year, a copy of its annual report containing audited consolidated financial statements for such fiscal year. If only unaudited financial statements are available, they must include a Responsible Officer certification attesting to the accuracy of such statements.
- (b) Quarterly Reports. Within sixty (60) days after the end of each of its first three (3) fiscal quarters of each fiscal year, a copy of its quarterly report containing unaudited consolidated financial statements for such fiscal quarter.
- (c) Reports. In all cases the reports shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the producing Party diligently pursues the preparation, certification and delivery of the statements.

7.2 Counterparty's Collateral Requirements

Counterparty will not be required to post collateral at the execution of this Agreement. If there is an Event of Default under this Agreement due to Counterparty's failure to make timely payments for the Product, SCE may require that, in addition to paying all outstanding amounts owed to SCE, and in consideration for SCE not exercising its rights to terminate this Agreement, Counterparty post collateral in an amount and form acceptable to SCE in its sole discretion.

7.3 **SCE’s Collateral Requirements**

Under no circumstances shall SCE be required to post collateral under this Agreement.

7.4 **[Uniform/California] Commercial Code Waiver.**

This Agreement sets forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth herein, neither Party:

- (a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, nor
- (b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Article 7 of this Agreement; and

all implied rights relating to financial assurances arising from Section [2-609 of the Uniform] [2609 of the California] Commercial Code or case law applying similar doctrines, are hereby waived.

ARTICLE 8. MARKET BASED RATE AUTHORITY AND GOVERNMENTAL CHARGES

8.1 **Cooperation**

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 **Governmental Charges**

SCE shall pay or cause to be paid all taxes, charges, or fees imposed by any government authority (“**Governmental Charges**”) on or with respect to the Product arising prior to the Delivery Point. Counterparty shall pay or cause to be paid all Governmental Charges on or with respect to the Product at and from the Delivery Point (other than ad valorem, franchise or income taxes which are related to the sale of the Product and are, therefore, the responsibility of the SCE). In the event SCE is required by law or regulation to remit or pay Governmental Charges which are Counterparty’s responsibility hereunder, Counterparty shall promptly reimburse SCE for such Governmental Charges. If Counterparty is required by law or regulation to remit or pay Governmental Charges which are SCE’s responsibility hereunder, Counterparty may deduct the amount of any such

Governmental Charges from the sums due to SCE under Article 3 of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE 9. MISCELLANEOUS

9.1 Assignment

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

9.2 Governing Law; Dispute Resolution

- (a) Governing Law and Venue: THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT. The Parties hereby consent to conduct all dispute resolution, judicial actions or proceedings arising directly, indirectly or otherwise in conjunction with, out of, related to, or arising from this Agreement in Los Angeles County, California. [NOTWITHSTANDING THE FOREGOING, IN RESPECT OF THE APPLICABILITY OF THE ACT AS HEREIN PROVIDED, THE LAWS OF THE STATE OF CALIFORNIA SHALL APPLY.] *{SCE Note: The bracketed provision is only included if Counterparty is a Governmental Entity or Public Power System.}*
- (b) Dispute Resolution:

- (1) Mediation. The Parties agree that any and all disputes, claims or controversies arising out of, relating to, concerning or pertaining to this Agreement, or to either Party's performance or failure of performance under this Agreement, which disputes, claims, or controversies the Parties have been unable to resolve by informal methods after undertaking a good faith effort to do so, shall first be submitted to Judicial Arbitration and Mediation Services, Inc. ("JAMS"), its successor, or any other mutually agreeable neutral (the "**Mediator**") for mediation, and if the matter is not resolved through mediation, then it shall be submitted as provided below for final and binding arbitration.

The Parties agree that there will be no interlocutory appellate relief (such as writs) available. Any dispute resolution process pursuant to this Section shall be commenced within one (1) year of the date of the occurrence of the facts giving rise to the dispute, without regard to the date such facts are discovered; *provided*, if the facts giving rise to the dispute were not reasonably capable of being discovered at the time of their occurrence, then such one (1) year period shall commence on the earliest date that such facts were reasonably capable of being discovered, and in no event more than four (4) years after the occurrence of the facts giving rise to the dispute. If any dispute resolution process pursuant to this Section with respect to a dispute is not commenced within such one (1) year time period, such dispute shall be waived and forever barred, without regard to any other limitations period set forth by law or statute.

Either Party may initiate the mediation by providing to the other Party a written request for mediation setting forth the subject of the dispute and the relief requested.

The Parties will cooperate with one another in selecting the Mediator from the JAMS' panel of neutrals, or in selecting a mutually acceptable non-JAMS Mediator, and in scheduling the time and place of the mediation.

Such selection and scheduling will be completed within forty-five (45) days after a Party provides a written request for mediation.

Unless otherwise agreed to by the Parties, the mediation will not be scheduled for a date that is greater than one hundred twenty (120) days after a Party provides a written request for mediation.

The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs (other than each Party's individual attorneys' fees and costs related to the Party's participation in the mediation, which fees and costs will be borne by such Party).

All offers, promises, conduct and statements, whether oral or written, made in connection with or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator's agents, representatives and employees, will not be subject to discovery and will be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding between or involving the Parties, or either of them, *provided*, evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

- (2) Arbitration. Either Party may initiate binding arbitration with respect to the matters first submitted to mediation by making a written demand for binding arbitration before a single, neutral arbitrator (the “**Arbitrator**”) within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section (ii) above. If a written demand for arbitration is not provided by either Party within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section (i) above, the dispute resolution process shall be deemed complete and further resolution of such dispute shall be barred, without regard to any other limitations period set forth by law or statute.

The Parties will cooperate with one another in promptly selecting the Arbitrator and shall further cooperate in scheduling the arbitration to commence no later than one hundred eighty (180) days from the date of the initial written demand for binding arbitration.

If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually acceptable Arbitrator, the Arbitrator shall be appointed as provided for in California Code of Civil Procedure Section 1281.6.

Unless otherwise agreed to by the Parties, the individual acting as the Mediator shall be disqualified from serving as the Arbitrator in the dispute, although the Arbitrator may be another member of the JAMS panel of neutrals or such other panel of neutrals from which the Parties have agreed to select the Mediator.

Upon a Party’s written demand for binding arbitration, such dispute, claim or controversy submitted to arbitration, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration before the Arbitrator, in accordance with the laws of the State of California, without regards to principles of conflicts of laws.

Except as provided for herein, the arbitration shall be conducted by the Arbitrator in accordance with the rules and procedures for arbitration of complex business disputes for the organization with which the Arbitrator is associated.

Absent the existence of such rules and procedures, the arbitration shall be conducted in accordance with the California Arbitration Act, California Code of Civil Procedure Section 1280 et seq and California procedural law (including the Code of Civil Procedure, Civil Code, Evidence Code and Rules of Court, but excluding local rules).

Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration shall be in Los Angeles County, California.

Also, notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, discovery will be limited as follows:

- (1) Before discovery commences, the Parties shall exchange an initial disclosure of all documents and percipient witnesses which they intend to rely upon or use at any arbitration proceeding (except for documents and witnesses to be used solely for impeachment);
- (2) The initial disclosure will occur within thirty (30) days after the initial conference with the Arbitrator or at such time as the Arbitrator may order;
- (3) Discovery may commence at any time after the Parties' initial disclosure;
- (4) The Parties will not be permitted to propound any interrogatories or requests for admissions;
- (5) Discovery will be limited to twenty-five (25) document requests (with no subparts), three (3) lay witness depositions, and three (3) expert witness depositions (unless the Arbitrator holds otherwise following a showing by the Party seeking the additional documents or depositions that the documents or depositions are critical for a fair resolution of the Dispute or that a Party has improperly withheld documents);
- (6) Each Party is allowed a maximum of three (3) expert witnesses, excluding rebuttal experts;
- (7) Within sixty (60) days after the initial disclosure, or at such other time as the Arbitrator may order, the Parties shall exchange a list of all experts upon which they intend to rely at the arbitration proceeding;
- (8) Within thirty (30) days after the initial expert disclosure, the Parties may designate a maximum of two (2) rebuttal experts;
- (9) Unless the Parties agree otherwise, all direct testimony will be in form of affidavits or declarations under penalty of perjury; and
- (10) Each Party shall make available for cross examination at the arbitration hearing its witnesses whose direct testimony has been so submitted.

Subject to Article 6 (Limitations), the Arbitrator will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of the Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of Section 9.9 of this Agreement.

Judgment on the award may be entered in any court having jurisdiction.

The Arbitrator shall, in any award, allocate all of the costs of the binding arbitration (other than each Party's individual attorneys' fees and costs related to the Party's participation in the arbitration, which fees and costs shall be borne by such Party), including the fees of the Arbitrator, against the Party who did not prevail.

Until such award is made, however, the Parties shall share equally in paying the costs of the arbitration.

At the conclusion of the arbitration hearing, the Arbitrator shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Arbitrator's decision is based. The Arbitrator shall also have the authority to resolve claims or issues in advance of the arbitration hearing that would be appropriate for a California superior court judge to resolve in advance of trial. The Arbitrator shall not have the power to commit errors of law or fact, or to commit any abuse of discretion, that would constitute reversible error had the decision been rendered by a California superior court. The Arbitrator's decision may be vacated or corrected on appeal to a California court of competent jurisdiction for such error. Unless otherwise agreed to by the Parties, all proceedings before the Arbitrator shall be reported and transcribed by a certified court reporter, with each Party bearing one-half of the court reporter's fees.

9.3 Notices

All notices, requests, statements or payments shall be made as specified in this Appendix C. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight

United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

9.4 **General**

This Agreement constitutes the entire agreement between the Parties relating to the subject matter. Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties. Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect outstanding transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as “**Regulatory Event**”) will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity and audit rights shall survive the termination of this Agreement for two (2) years. This Agreement shall be binding on each Party’s successors and permitted assigns.

9.5 **Audit**

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no

adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

9.6 **Bankruptcy Issues**

The Parties intend that (i) this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code (the “**Bankruptcy Code**”) or a “swap agreement” within the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments” within the meaning of the Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments” within the meaning of the Bankruptcy Code; (iv) this Agreement constitutes a “master netting agreement” within the meaning of the Bankruptcy Code; and (v) each of SCE and Counterparty are “forward contract merchants” within the meaning of the Bankruptcy Code.

Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. Section 366 or another provision of 11 U.S.C. Section 101-1532.

9.7 **Confidentiality**

- (a) Neither Party shall disclose the terms or conditions of this Agreement to a third party (other than the Party’s or the Party’s Affiliates’ officers, directors, employees, lenders, counsel, accountants, advisors, or rating agencies who have a need to know such information and have agreed to keep such terms strictly confidential and to take reasonable precautions to protect against disclosure of such terms) except (i) in order to comply with any applicable law, order, regulation, ruling, summons, subpoena, exchange rule, or accounting disclosure rule or standard, or to make any showing required by any applicable governmental authority; (ii) to the extent necessary for the enforcement of this Agreement; (iii) as may be obtained from a non-confidential source that disclosed such information in a manner that did not violate its obligations to the non-disclosing Party in making such disclosure; (iv) to the extent such information is or becomes generally available to the public prior to such disclosure by a Party; (v) when required to be released in connection with any regulatory proceeding (provided that the releasing Party makes reasonable efforts to obtain confidential treatment of the information being released); (vi) with respect to SCE, as may be furnished to its duly authorized regulatory and governmental agencies or entities, including

without limitation the CPUC and all divisions thereof, and to SCE’s Procurement Review Group, a group of participants including members of the CPUC and other governmental agencies and consumer groups established by the CPUC in D.02-08-071 and D.03-06-071; provided, SCE shall have no liability to Counterparty in the event of any unauthorized use or disclosure by such entities; or (vii) each Party may disclose the terms of this Agreement to WREGIS. The existence of this Agreement is not subject to this confidentiality obligation; provided that neither Party shall make any public announcement relating to this Agreement unless required pursuant to subsection (i) or (vi) of the foregoing sentence of this Section. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

- (b) With respect to information provided under this Agreement, this obligation shall survive for a period of three (3) years following the expiration or termination of this Agreement. [For the purposes of this Section, “Affiliate” for Counterparty shall mean [•] and “Affiliate” for SCE shall mean Edison International.] {SCE Note: Bracketed provision only applicable if Counterparty has Affiliates that have energy trading operations.}

9.8 No Agency

Except as otherwise provided explicitly herein, in performing their respective obligations under this Agreement, neither Party is acting, or is authorized to act, as the other Party’s agent.

9.9 Mobile Sierra Doctrine

- (a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall be the ‘public interest’ standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010) (the ‘Mobile Sierra’ doctrine).
- (b) Notwithstanding any provision of Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by applicable laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or

indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any Section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.

9.10 Multiple Counterparts

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF) or by other electronic means constitutes effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

9.11 Independent Contractors

The Parties are independent contractors. Nothing contained herein shall be deemed to create an association, joint venture, or partnership relationship between the Parties or to impose any partnership obligations or liability on either Party in any way.

9.12 Severability

If any term, section, provision or other part of this Agreement, or the application of any term, section, provision or other part of this Agreement, is held to be invalid, illegal or void by a court or regulatory agency of proper jurisdiction, all other terms, sections, provisions or other parts of this Agreement shall not be affected thereby but shall remain in force and effect unless a court or regulatory agency holds that the provisions are not separable from all other provisions of this Agreement.

9.13 Rules of Construction

- (a) The word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise.
- (b) Where days are not specifically designated as Business Days, they will be considered as calendar days.
- (c) All references to time shall be in PPT unless stated otherwise.
- (d) Headings are included for convenience only and are not to be considered in interpretation.

- (e) References in the singular include references to the plural and vice versa, pronouns having masculine or feminine gender include the other, and words denoting natural persons include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities, whether or not having a separate legal personality.
- (f) Other grammatical forms of defined words or phrases have corresponding meanings.
- (g) Unless otherwise specified herein, where the consent of a Party is required, such consent may not be unreasonably withheld, conditioned or delayed.
- (h) References to any natural person, Governmental Authority, publication, website, market price index, regulatory proceeding, corporation, partnership or other legal entity include successors and lawful assigns.
- (i) All references to money or dollars are to U.S. dollars.
- (j) Examples are for purposes of illustration of the applicable concept only and are not intended to constitute a representation, warranty or covenant concerning the example itself or the matters assumed for purposes of such example.
- (k) If there is a conflict between an example and the text hereof, the text will govern.
- (l) Each term hereof is to be construed simply according to its fair meaning and not strictly for or against either Party.
- (m) No term hereof is to be construed against a Party on the ground that the Party is the author or drafter of that provision.
- (n) Each Party expressly agrees to not utilize in any dispute hereunder any rule of construction that resolves the interpretation of any provision against the drafting Party.

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Contract ID # []

SCE – {Counterparty}

In WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date first written:

{COUNTERPARTY LEGAL NAME},

**SOUTHERN CALIFORNIA EDISON
COMPANY,**

a *{type of organization}*.

a California corporation.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A DEFINED TERMS

[“Act” means [•].] *{SCE Note: Cite the state enabling and other relevant statutes applicable to Governmental Entity or Public Power System. Defined term is only included if Counterparty is a Governmental Entity or Public Power System.}*

“Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Agreement” has the meaning specified in the introductory paragraph hereof.

“Arbitrator” has the meaning provided in Section 9.2(b)(2).

“Automated Clearing House”, or “ACH” means that specific electronic network for financial transactions and fund transfers managed by the Automated Clearing House Network.

“Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

“Bankruptcy Code” has the meaning provided in Section 9.6.

“Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the Friday immediately following the U.S. Thanksgiving holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

“CAISO” means the California Independent System Operator Corporation, or any successor entity performing the same functions.

“CAISO Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

“Calculation Period” means each calendar month during the Delivery Period.

“California RPS-Eligible Electric Energy” means electric energy from an Eligible Renewable Energy Resource, as such term is defined in Public Utilities Code Section 399.12 and 399.16.

“CEC” means the California Energy Commission or its regulatory successor.

“Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Claiming Party” has the meaning provided in Section 2.3.

“Contract Price” shall have the meaning provided in Section 1.2.

“Contract Quantity” shall have the meaning provided in Section 1.2.

“Energy Price” shall be Index.

“Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace the transactions contemplated under the Agreement; and all reasonable expenses (excluding attorneys’ fees) incurred by the Non-Defaulting Party in connection with the termination of this Agreement.

“CPUC” means the California Public Utilities Commission.

“CPUC Approval” means a decision of the CPUC that (i) is final and no longer subject to appeal, which approves the Agreement in full and in the form presented on terms and conditions acceptable to SCE in its sole discretion, including without limitation terms and conditions related to cost recovery and cost allocation of amounts paid to SCE or to Counterparty under the Agreement; and (ii) does not contain conditions or modifications unacceptable to SCE, in SCE’s sole discretion.

“Credit Rating” means with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancements) by the Ratings Agencies. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations the Ratings Agencies, then “Credit Rating” shall mean the general corporate credit rating or long-term issuer rating assigned to such entity by the Ratings Agencies. If any entity is rated by more than one Ratings Agency and the ratings are at different levels, then “Credit Rating” means the lowest such rating.

“Day-Ahead Market” has the meaning set forth in the Tariff.

“Defaulting Party” has the meaning provided in Section 5.1.

“Delivered Energy” means the California RPS-Eligible Electric Energy from a Project that is delivered and scheduled into either the Real Time-Market and/or Day-Ahead Market by SCE on behalf of Counterparty at the Delivery Point.

“Delivery Point” has the meaning provided in Section 1.2.

“Delivery Period” has the meaning provided in Section 1.2.

“Departed Load Customers” has the meaning provided in the Recitals.

“Early Termination Date” has the meaning provided in Section 5.2.

“Effective Date” has the meaning provided in the introductory paragraph of this Agreement.

“Eligible RPS PCIA Portfolio” has the meaning provided in the Recitals.

“Event of Default” has the meaning set forth in Section 5.1.

“Federal Funds Effective Rate” means, for any given month, the average of the annual interest rates reported for all weekdays in the month opposite the caption “Federal funds (effective)” as set forth in the H.15 release, or any successor publication, published by the Board of Governors of the Federal Reserve System.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Counterparty’s markets; (ii) Counterparty’s inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of SCE’s supply; or (iv) SCE’s ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred. [If the Claiming Party is a Governmental Entity or Public Power System, Force Majeure does

not include any action taken by the Governmental Entity or Public Power System in its governmental capacity.] *{SCE Note: Bracketed sentence is only included if Counterparty is a Governmental Entity or Public Power System.}*

“Forward Price Assessments” means quotations solicited or obtained in good faith from regularly published and widely-distributed forward price assessments from a broker that is not an Affiliate of either Party and who is actively participating in markets for the relevant Products.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement, determined in a commercially reasonable manner in accordance with Section 5.2.

“Governmental Authority” means any: (a) federal, state, local, municipal or other government; (b) governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (c) court or governmental tribunal.

“Governmental Charges” shall have the meaning provided in Section 8.3(b).

[“Governmental Entity or Public Power System” means a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.] *{SCE Note: Defined term is only included if Counterparty is a Governmental Entity or Public Power System.}*

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from a Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as:

- (1) Any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants;
- (2) Any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere;¹

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

- (3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy.

Green Attributes do not include:

- (i) Any energy, capacity, reliability or other power attributes from a Project,
- (ii) Production tax credits associated with the construction or operation of a Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation,
- (iii) Fuel-related subsidies or “tipping fees” that may be paid to SCE to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or
- (iv) Emission reduction credits encumbered or used by a Project for compliance with local, state, or federal operating and/or air quality permits.

If a Project is a biomass or biogas facility and SCE receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Counterparty with sufficient Green Attributes to ensure that there are zero (0) net emissions associated with the production of electricity from such Project.

“Index” means, for each Scheduling Period, the applicable CAISO market price for the CAISO Pricing Node for the applicable portion of a Project for each applicable period as published by the CAISO on the CAISO website; or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

“Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

“IOUs” has the meaning provided in the Recitals.

“JAMS” has the meaning provided in Section 9.2(b)(1).

“Load Share Percentage” means a percentage which reflects a Counterparty’s forecasted annual load share, as has been determined through the annual Meet and Confer Process for each PCIA Vintage Year.

“Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of the Agreement, determined in a commercially reasonable manner in accordance with Section 5.2.

“LSE” has the meaning provided in the Recitals.

“Market Quotation Average Price” means the arithmetic mean of the quotations solicited in good faith from not less than three (3) Reference Market-Makers; provided, however, that the Party obtaining the quotes shall use reasonable efforts to obtain good faith quotations from at least five (5) Reference Market-Makers and, if at least five (5) such quotations are obtained, the Market Quotation Average Price shall be determined by disregarding the highest and lowest quotations and taking the arithmetic mean of the remaining quotations. The quotations shall be based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to those contemplated under this Agreement. The quote must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. Each quotation shall be obtained in good faith by such Party, to the extent reasonably practicable, as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date, such day and time as of which those quotations will be selected shall be specified in accordance with Section 5.2. If fewer than three (3) quotations are obtained, it will be deemed that the Market Quotation Average Price in respect of this terminated Agreement cannot be determined.

“Mediator” has the meaning provided in Section 9.2(b)(1).

“Meet and Confer Process” shall mean the annual meetings between the Counterparty and SCE where the Parties determine the Load Share Percentage for each PCIA Vintage Year among other things.

“Merger Event” means, with respect to a Party, that such Party consolidates or amalgamates with, merges into or with, or transfers substantially all its assets to another entity and (i) the resulting entity fails to assume all the obligations of such Party hereunder, or (ii) the benefits of any credit support provided by such Party pursuant to Article 7, fail to extend to the performance of such resulting, surviving or transferee entity’s obligations hereunder, or (iii) the resulting entity’s creditworthiness is materially weaker than that of such Party immediately prior to such action. The creditworthiness of the resulting entity shall not be deemed to be ‘materially weaker’ so long as the resulting entity maintains a Credit Rating of at least that of the applicable Party, as the case may be, immediately prior to the consolidation, merger or transfer.

“Monthly Cash Settlement Amount” has the meaning provided in Section 3.1.

“Moody’s” means Moody’s Investor Services, Inc. or its successor.

“MW” means megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“New Voluntary Allocation Agreements” has the meaning provided in Section 3.6.

“Non-Defaulting Party” has the meaning provided in Section 5.2.

“PCIA” has the meaning provided in the Recitals.

“PCIA-Eligible LSEs” has the meaning provided in the Recitals.

“PCIA Vintage Year” means the calendar year that the contracts in SCE’s RPS PCIA Portfolio are executed.

“Performance Assurance” means all collateral that is provided by one Party to another Party, whether in the form of cash, letters of credit, or combination thereof.

“Potential Event of Default” means an event which, with notice or passage of time or both, would constitute an Event of Default.

“Pricing Node” has the meaning set forth in the Tariff.

“Product” has the meaning provided in Section 1.2.

“Project” has the meaning provided in Section 1.2.

“Project Contract Quantity” has the meaning provided in Section 1.2.

“Ratings Agency” means any of S&P and Moody’s, and any other ratings agency agreed by the Parties (collectively the “Rating Agencies”).

“Real-Time Market” has the meaning set forth in the Tariff.

“REC Price” means the “RPS Adder” for the calendar year in which the RECs are generated, published by the Energy Division of the CPUC as the “Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up”, which may be revised in future publications by the CPUC as the final “RPS Adder.”

“Reference Market-Maker” means a leading dealer in the relevant market that is not an Affiliate of either Party and that is selected by a Party in good faith among dealers of the highest credit standing which satisfy all the criteria that such Party applies generally at the time in deciding whether to offer or to make an extension of credit. Such dealer may be represented by a broker.

“Regulatory Event” has the meaning provided in Section 9.4.

“Renewable Energy Credit” or “REC” has the meaning set forth in CPUC Decision 08-08-028, as such definition may be modified by the CPUC or applicable law from time to time.

“Responsible Officer” shall mean the Chief Financial Officer, Treasurer or any Assistant Treasurer.

“Revised Load Share Percentages” has the meaning provided in Section 2.6.

“RPS” means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

“RPS PCIA Portfolio” has the meaning provided in the Recitals.

“S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

“Scheduling Period” means each hour of the Delivery Period for a Project.

“Settlement Amount” means, with respect to this Agreement and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such party incurs as a result of the liquidation of the Agreement pursuant to Section 5.2.

[“Special Fund” means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Governmental Entity’s or Public Power System’s obligations hereunder out of which amounts shall be paid to satisfy all of the Governmental Entity’s or Public Power System’s obligations under this Agreement for the entire Delivery Period.] *{SCE Note: Defined term is only included if Counterparty is a Governmental Entity or Public Power System.}*

“Specified Energy Transaction” means any transaction (including an agreement with respect to any such transaction) or agreement now existing or hereafter entered into between SCE and Counterparty, which is a transaction under the Edison Electric Institute Master Power Purchase and Sale Agreement, International Swaps and Derivatives Association Master Agreement, the North American Energy Standards Board Base Contract for Purchase and Sale of Natural Gas, the WSPP Agreement, or under any other agreement with respect to the purchase, sale, or transfer of (a) wholesale physical electric energy, capacity, ancillary services or resource adequacy benefits; (b) wholesale physical natural gas; (c) transmission services or capacity, (d) emissions (including greenhouse gas emissions) related credits, allowances or offsets, or (e) financial derivative products related to any of the foregoing.

“Term” has the meaning specified in Section 1.1.

“Termination Payment” has the meaning provided in Section 5.3.

“Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of SCE to the Delivery Point under this Agreement.

“Vintage Year” means the calendar year the WREGIS Certificate is associated with through the generation of electric energy.

“WREGIS” means the Western Renewable Energy Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

“WREGIS Account Holder” means “Account Holder” as defined by WREGIS in the WREGIS Operating Rules.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS, as amended, supplemented or replaced from time to time.

**APPENDIX B
PROJECTS**

[A spreadsheet resulting from the Meet and Confer Process will be attached and will include the following information for each Project:

- Contract ID
- Project Name
- PCIA Vintage Year
- Resource Type
- PCC
- In-State/Out of State
- Resource ID
- CEC ID
- WREGIS ID
- Total Yearly Available Allocation (MWh) per vintage
- LSE's Yearly Available Allocation (MWh) per vintage
- Load Share Percentage; and
- End of Delivery Term]

**APPENDIX C
NOTICES**

<i>{Counterparty Legal Name}</i>	Southern California Edison Company
All Notices: Street: _____ City: _____ Zip: _____	All Notices: 2244 Walnut Grove Ave., G.O.1, Quad 1C Rosemead, CA 91770
Attn: _____ Phone: _____ Email: _____ Duns: _____ Federal Tax ID Number: _____	Attn: Director, Energy Contracts Management Phone: (707) 595-0451 Electronic Facsimile: (732) 289-9854 Email: Energycontracts@sce.com Duns: 006908818 Federal Tax ID Number: 95-1240335
Invoices: Attn: _____ Phone: _____ Email: _____	Invoices Attn: EPM & Contract Settlements Phone: (626) 302-8908 Email: PPFDPowerSettle@sce.com
Trading: Attn: _____ Phone: _____ Email: _____	Trading: Attn: [•] Phone: (626) 307-4425 (Day Ahead) or (626) 307-4453 (Real Time) Facsimile: [•] E-mail: [•]
Scheduling: Attn: _____ Phone: _____ Email: _____	Scheduling: Attn: Manager or Day Ahead Operations Phone: (626) 307-4425 (Day Ahead) or (626) 307-4453 (Real Time) Facsimile: (626) 307-4413 E-mail: presched@sce.com
Payments: Attn: _____ Phone: _____ Email: _____	Payments: Attn: EPM & Contract Settlements Phone: 626-302-8908 E-mail: PPFDPowerSettle@sce.com
Credit and Collections: Attn: _____ Phone: _____ Email: _____	Credit: Attn: Manager of Credit Risk Phone: (626) 302-3672
	Collateral: Southern California Edison Company Attn: Manager of Risk Operations & Collateral Management 2244 Walnut Grove Avenue, GO1 Quad 2B Rosemead, CA 91770 Phone: (626) 302-0023 Email: SCECollateral@sce.com

<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: _____ Phone: _____ Email: _____</p>	<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: Director and Managing Attorney Power Procurement Section E-mail: PPLegalNotice@sce.com</p>
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Staff Report – Agenda Item 7

To: Clean Power Alliance (CPA) Board of Directors
From: David McNeil, Chief Financial Officer
Subject: Clean Energy Prepayment Financing
Date: April 7, 2022

Staff will provide a presentation on Clean Energy Prepayment Financing.

ATTACHMENT

1. Clean Energy Prepayment Financing Presentation



Clean Energy Prepayment Financing

April 7, 2022



Background

- Prepays are well-established financing mechanisms that allow municipal utilities and CCAs to leverage their status as issuers of tax-exempt debt to reduce energy costs.
- Thirteen municipal prepayment transactions totaling over \$7.6 billion have been completed in California since 2006; three transactions were completed by CCAs in Fall 2021.
- Staff introduced clean energy prepayment financings to the Executive and Finance Committees in October 2021 and March 2022
- CPA has contracted with Municipal Capital Advisors (MCM) on a short-term basis to assist CPA with an initial evaluation of prepay transactions, an evaluation of potential prepaid energy suppliers and bond issuers, and to assist with presentations to CPA's Board and Committees

Risks and Benefits Overview

- **Prepays benefits:**
 - An initial prepay transaction is expected to save CPA approximately \$2-3 million per year on its Power Purchase Agreement (PPA) costs, in-line with savings achieved by other CCAs. Additional transactions have the potential to add further savings.
 - Provide a source of savings that can contribute to reserves, lower rates and/or fund customer programs
- **Prepay risks:**
 - The primary risk to CPA is that the prepay program terminates earlier than expected and CPA does not realize expected energy cost savings
 - If the prepay transaction terminates before bond maturity date:
 - The PPA supporting the prepay transaction returns to status quo; CPA re-assumes buyer obligations and pays the PPA price as it does currently.
 - CPA is not responsible for bond repayment.

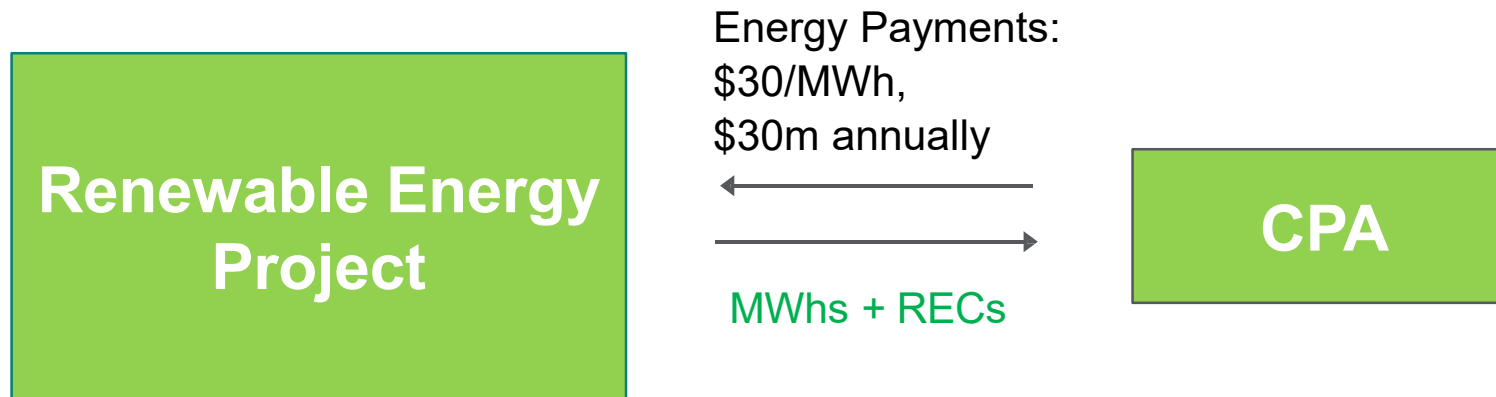


Energy Prepayment Transaction – Entities

- **Prepaid Supplier**
 - A financial institution or other investment grade credit-rated entity
 - CPA assigns one or more existing PPAs to the Prepaid Supplier, which assumes the PPA obligations of the “buyer”.
 - Receives lump sum “prepayment” from Bond Issuer for long-term energy supply and delivers energy to Bond Issuer; repays outstanding bonds if the prepay transaction terminates before the bond maturity date
- **Bond Issuer**
 - Typically, a JPA authorized to issue prepay bonds; 4 CCAs have created a JPA entity to do that
 - Issues the bond; uses the bond proceeds to pay the Prepaid Supplier in exchange for a long-term supply of energy
 - Delivers energy to CPA in exchange for prepay energy payments
 - Pays Bond Investors
- **Bond Investors**
 - Purchases prepay bonds in exchange for principal and interest payments over the term of the Bond
- **Existing PPA Counterparty / Energy Seller (“Renewable Energy Project”)**
 - Receives monthly cash flows from Prepaid Supplier (rather than CPA) for energy supplied to the Prepaid Supplier
- **Service Providers**
 - Municipal Financial Advisor, Bond and Tax Counsel, CPA Prepay Legal Counsel, Prepay Bond Underwriters
 - Support the structuring and issuance of a prepay Bond

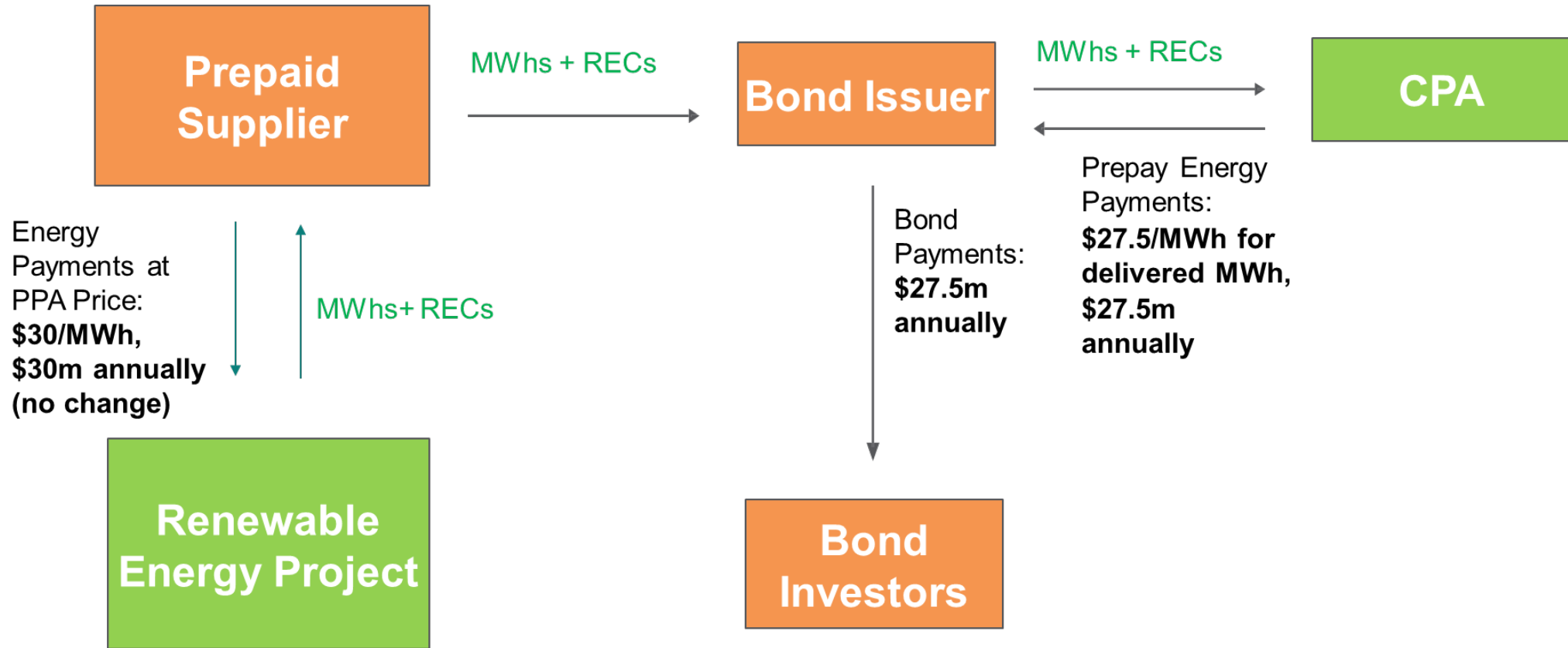


Typical PPA Flowchart



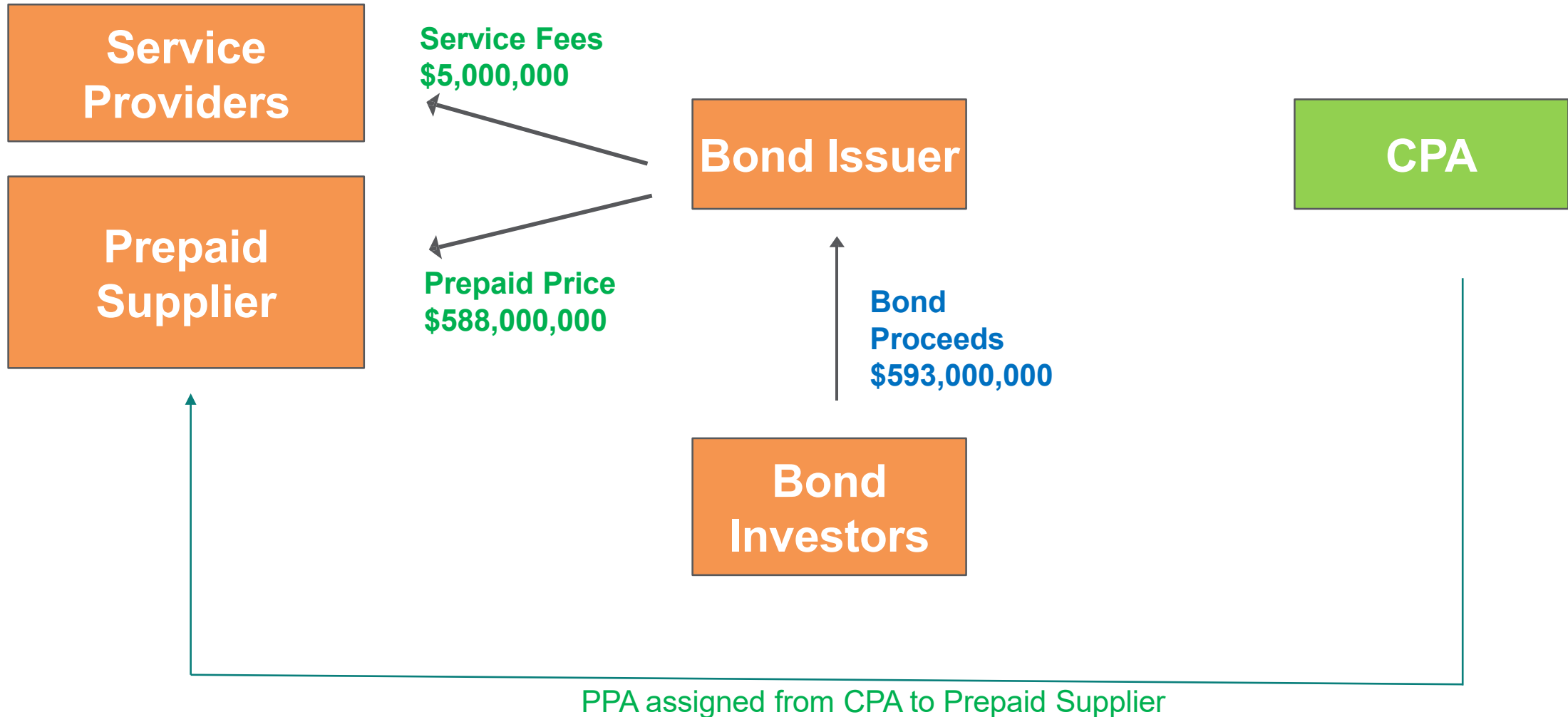
Example Prepay Transaction Flowchart

(Monthly Cash and Electricity Flow)



Example Prepay Transaction Flowchart

(At Bond Issuance / Closing)



Proposed Timeline: Board and Committees

April 2022

- Board (April 7)
 - Introduction to prepay financing
- Prepay Update to Executive Committee (April 20)
- Prepay Update to Finance Committee (April 27)

May 2022 (& June 2022, if necessary)

- Board (May 11, June 2)
 - Introduction to prepay financing part II (as needed) or
 - Present Resolution to join a Bond Issuer JPA
 - Approval of Bond Issuer JPA, CPA Prepay Legal Counsel and Municipal Financial Advisor
 - Selection of Prepaid Supplier (and Bond and Tax Counsel, if possible)
 - Additional Board actions, if required by Bond Issuer JPA's governing documents or policies

July 2022

- Board (July 7)
 - Selection of Prepaid Supplier and Bond and Tax Counsel (if not addressed in June)



Proposed Timeline Continued

-
- September 2022**
- Prepay Update to Executive Committee (September 21)
 - Prepay Update to Finance Committee (September 28)
 - Activities: Preparation of documents and resolutions
-
- October 2022**
- Board (October 6)
 - Presentation of prepay transaction documents
 - Present Resolution to authorize closing of a prepay transaction
-
- Oct – Dec 2022**
- Transaction close



Questions



Prepay Transaction – Key Concepts

Prepay Bond Issuance and Proceeds

- Prepay transactions involve the sale of tax-exempt bonds to Bond Investors by a Bond Issuer. The prepay bond is exempt from federal taxation and from State income taxation for Bond Investors domiciled in California.
- The Bond Issuer uses the bond proceeds to prepay the Prepaid Supplier, usually a financial institution or other investment grade credit-rated entity, for a long-term supply of electricity pursuant to a contract between the Bond Issuer and the Prepaid Supplier
- The Prepaid Supplier:
 - Is obligated to make a payment that is sufficient, together with other available proceeds, to retire the prepay bonds upon a termination of the prepaid contract and to make payments for any electricity that is not delivered, and
 - The Bond Issuer's bonds receive the same credit rating as that of the Prepaid Supplier
- CPA does not issue a bond and bond proceeds do not flow to CPA or to the renewable energy project developers or project owners. CPA has no obligation to repay the bonds.



Renewable Energy Prepayment – Key Concepts

Assignment of an Existing PPA and new Energy Supply Agreements

- In a prepayment transaction, CPA assigns certain rights and obligations, including title and ownership of the renewable energy, under an existing PPA to the Prepaid Supplier
- The renewable energy project owner now delivers energy to the Prepaid Supplier and the Prepaid Supplier assumes responsibilities of the “energy buyer” under the terms of the PPA
- As noted in the previous slide the Prepaid Supplier sells energy to the Bond Issuer under a long-term supply agreement. CPA enters into a separate energy supply agreement with the Bond Issuer under which CPA continues to receive energy and renewable attributes from the renewable energy project (no change from current situation) and make energy payments (less a discount) to the Bond Issuer.
- Title to the renewable energy passes instantaneously from PPA Seller to Prepaid Supplier to Bond Issuer to CPA at the energy delivery point



Renewable Energy Prepayment – Key Concepts

Source of CPA Savings

- In a prepay transaction, a Prepaid Supplier accepts an obligation to make regular PPA payments to the energy project owner and supply energy to the Bond Issuer in exchange for a single lump sum prepayment amount (“prepay price”)
- The “prepay price” is equal to the present value of PPA payments over the prepay bond term discounted at a taxable interest rate approximating what the Prepay Supplier pays to borrow funds
- The Bond Issuer sells prepay bonds to Bond Investors and receives bond proceeds that are required to fund the sum of the “prepaid price” and issuing expenses. Bond Issuer remits the “prepaid price” to the Prepaid Supplier and remits issuing expenses to service providers
- The prepay bonds are amortized over the 30-year term of the transaction and the resulting principal and interest payments (“P&I payments”) are paid by the Bond Issuer to the Bond Investors.
- The Bond Issuer sells CPA the energy each month and CPA pays the Bond Issuer an energy payment sufficient to make P&I payments. The Bond Issuer uses CPA’s payments, and any amounts due from the Prepaid Supplier in lieu of failed deliveries, to make P&I payments to the Bond Investors.
- CPA’s energy payment to the Bond Issuer is lower than the PPA payment due to the energy project owner, resulting in an energy cost savings to CPA



Example Prepay Economics (Illustrative only)

A		B		C		D	
<u>Prepay Supplier</u>		<u>Bond Issuer</u>		<u>CPA</u>		<u>Savings to CPA</u>	
Cost of Funds	3.00%	Bond interest rate	2.28%				
PV of PPA PMTs	\$588,000,000	PV of Bond Payments	\$ 593,000,000				
Year	PPA Payments(1)	Year	Bond Payments	Year	Prepay Energy Payments	Year	Savings
1	\$ 30,000,000	1	\$ 27,500,000	1	\$ 27,500,000	1	\$ 2,500,000
2	30,000,000	2	27,500,000	2	27,500,000	2	2,500,000
3	30,000,000	3	27,500,000	3	27,500,000	3	2,500,000
...
28	30,000,000	28	27,500,000	28	27,500,000	28	2,500,000
29	30,000,000	29	27,500,000	29	27,500,000	29	2,500,000
30	30,000,000	30	27,500,000	30	27,500,000	30	2,500,000
Total	\$ 900,000,000	Total	\$ 825,000,000	Total	\$ 825,000,000	Total	\$ 75,000,000

Energy Prepayment	\$ 588,000,000
Issuance Expenses	\$ 5,000,000
Required Bond Proceeds	\$ 593,000,000
Taxable / Tax Exempt Interest Rate Differential (Spread)	0.72%

1. Representing the annual cost of the energy under a PPA assigned to the Prepaid Supplier; e.g., a wind PPA with a monthly cost of \$2.5 million per month / \$30 million per year

Risks and Risk Mitigants of Prepay Transactions

- **Prepay transaction terminates before bond maturity date due to:**
 - Non-performance or default by Prepaid Supplier
 - Mitigated by selecting an investment grade credit-rated Prepaid Supplier
 - Insufficient energy supply to meet delivery obligations to Prepay Supplier
 - Mitigated by volume of CPA PPAs and Prepaid Supplier's ability to source energy from the market for delivery to Bond Issuer / CPA if needed
 - Non-performance by CPA
 - Mitigated by CPA financial strength and by reserve accounts funded from bond proceeds
 - Interest rate differentials are too narrow at the end of the initial period (5 to 10 years of the 30-year bond) to achieve CPA minimum savings threshold (e.g., \$2.5 million annually)
 - This risk cannot be mitigated
- **If the prepay transaction terminates before bond maturity date:**
 - The assigned PPA returns to status quo; CPA re-assumes buyer obligations under the PPA and pays the PPA price as it does currently.
 - Prepaid Supplier is required to retire prepay bonds.
 - **CPA is not responsible for bond repayment.**

Risks and Risk Mitigants of Prepay Transactions

- **Market timing risks**

- The risk of being “too late” and not being able to initiate a prepay bond if market conditions become unfavorable or “too early” if spreads widen further after a prepay bond is issued
- If CPA elects to proceed, it will be best served by moving forward with preparations for a prepay transaction expeditiously, so as to be ready to transact when market conditions are favorable



Risks and Risk Mitigants – Pricing

- **The Prepaid Supplier’s fees and benefits must be measured and controlled:**
 - Structuring fees
 - Underwriting fees for selling the prepay bonds if the bond underwriter is a related party
 - Fees added to the prepay price for the delivery of physical electricity
 - Electricity remarketing fees
 - Future structuring and underwriting fees for future bond re-pricings
 - Lower funding costs
- **Municipal Financial Advisor (MFA)**
 - Works for CPA to ensure that the Prepaid Supplier fees and implicit funding costs are fair, reasonable and consistent with market pricing
 - Owes a fiduciary responsibility to CPA with contractual risk mitigations, MSRB oversight, and SEC enforcement
- **CPA manages additional risks by engaging in competitive solicitation processes for services, engaging competent outside legal counsel experienced in prepayments, and through the exercise of managerial and professional judgement**



Staff Report – Agenda Item 8

To: Clean Power Alliance (CPA) Board of Directors
From: Jack Clark, Sr. Director, Customer Programs
Approved by: Ted Bardacke, Chief Executive Officer
Subject: Customer Programs Update
Date: April 7, 2022

Staff will provide an update on customer programs.

ATTACHMENT

1. Customer Programs Presentation



Clean Power Alliance Programs Update

April 7, 2022



Agenda

- ⚡ Local Programs for a Clean Energy Future Strategic Plan
- ⚡ Building Team and Processes
- ⚡ Individual Program Review
- ⚡ Lessons Learned
- ⚡ What's Next

Local Programs for a Clean Energy Future

Local Programs Strategic Plan

- ⚡ To ensure that CPA's local programs were driven by the community that it serves, customers and stakeholders were consulted early and often
- ⚡ Over the course of 2 months, CPA conducted 4 in-person goal setting workshops both in LA and Ventura counties
- ⚡ Close coordination and several months of input from the Community Advisory Committee
- ⚡ Released a public survey in English, Spanish and Chinese
- ⚡ CPA interviewed 13 grass root organizations with on the ground experience in environmental, labor, and environmental justice/community issues
- ⚡ CPA's guiding principle was to add value, fill gaps in the market and not replicate programs or resources that currently exist



Program Pillars & Prioritized Programs

- Grid Management & Resiliency
 - Clean back up for Essential Facilities
 - Demand Response
 - Peak Management Pricing
- Electrification
 - Public Electric Vehicle Charging
 - Building Electrification Codes
- Local Procurement
 - Community Solar
 - 100% Green Discount



Customer Programs Team



Xico Manarolla
Electrification
Program Manager



Jillian Nelson
Grid Mgt. & Resiliency
Program Manager



Alex Ricklefs
Community Solar
Program Manager

Power Ready

Power Ready Overview

What is Power Ready?

- ⚡ Power Ready is a resiliency program where CPA member agencies have the opportunity to host a solar powered battery storage system at a facility that provides a critical community or municipal function in times of an outage.

How Does it Work?

- ⚡ CPA with and consultant EcoMotion worked with member agencies to identify potential sites
- ⚡ EcoMotion performed site assessments
- ⚡ CPA developed a memorandum of understanding (MOU) to define roles and responsibilities between CPA and the member agencies; the MOU is under consideration and awaiting approval by several member agencies
- ⚡ CPA will release an RFO for a solar developer where CPA will enter into a PPA for the solar/storage portfolio
- ⚡ The solar developer will install, own and operate the projects; CPA will pay the developer; the member agency will receive back-up power during outages and their overall bill will not increase as a result
- ⚡ The first installations could be operational in 2023

Power Ready Portfolio (To Date)



MOU Executed	
Sierra Madre Ventura County Oak View/Ojai*	
*(Ventura County Site)	
Site Identified	
Agoura Hills Beverly Hills Carson Hawaiian Gardens Hawthorne LA County	Manhattan Beach Oxnard South Pasadena Temple City Ventura West Hollywood Westlake Village
Site Identification Pending	
Redondo Beach Santa Monica	

* Site selections are not final until an MOU is executed

Power Response

Power Response Overview

- ⚡ Power Response encourages both residential and commercial customers to reduce energy usage during demand response events, when electricity is at its highest.
- ⚡ Residential enrollment has grown steadily since program launch in late January 2022
 - More than **600** customers have enrolled
 - More than **2,000** potential customers having initiated enrollment
- ⚡ Program Budget: **\$3.15M**
 - Program Implementation
 - Devices
 - Incentives

Customer	Smart Thermostat	EV Chargers	Solar & Battery Storage	Behavioral Demand Response
Residential	✓	✓	✓	✓
Small Business	✓	✓		
Medium Business	✓	✓		✓
Large C&I		✓	✓	✓
Multi-Family	✓	✓		

✓ - Deployed ✓ - Soon to Launch



Scaling Power Response

Next Steps

- ⚡ Continuing to prioritize low income and disadvantaged community engagement:
 - Behavioral Demand Response (BDR) program segment to launch to support enrollments
- ⚡ Marketing continues to drive engagement:
 - Trade Ally partnerships supporting enrollments through in-app and email marketing
 - CPA direct marketing to continue with email, website updates, and direct outreach
- ⚡ Expanding program offerings:
 - New technologies to expand eligibility
 - Scaling customized offerings to specific customer segments

Electric Vehicle Charger Incentive Program




Electric Vehicle Charger Incentive Program

Overview

- ⚡ CPA programs in both Ventura and Los Angeles Counties
- ⚡ \$1.53 million in CPA investment has leveraged \$14.95 million in state funding
- ⚡ 50%-60% of funds reserved for disadvantaged communities (DAC)/ low-income communities (LIC)
- ⚡ Chargers are automatically enrolled in demand response

Status

- ⚡ Ventura launched August 2021, \$3.6 million reserved, 1.2 million remaining, first installations complete Q2 2022
- ⚡ Los Angeles launched April 2022, \$13.2 million available
- ⚡ Future CPA funding and investments will consider statewide investments and regional market gaps

Charger Type	Eligible Rebates	Max Rebate / Adders
DC Fast 50-99.99 kW	Base rebate	\$30,000
	DAC/LIC	\$40,000
DC Fast 100 kW+	Base rebate	\$60,000
	DAC/LIC	\$80,000
Level 2	Base rebate	\$3,500
	DAC/LIC	Additional \$500
	MUD	Additional \$2,000

Building Electrification

Building Electrification Reach Codes

What are Reach Codes?

- ⚡ Reach codes are local standards that go beyond state minimum requirements for energy use and EV infrastructure in building design, construction, and upgrades. Benefits of reach codes include lower costs, improved internal air quality, lower risk of fire, reduced GHGs.

Program Overview

- ⚡ Program is currently in design phase
- ⚡ May include: model codes, education on code benefits, education for contractors, financial incentives, and technical and adoption support for new construction, existing buildings and EV infrastructure
- ⚡ Would be open to all CPA members
- ⚡ Budget TBD based on member participation
- ⚡ CPA is tracking upcoming state and IOU funding



Reach Codes Member Survey

4. General Interest in Reach Code Concept

* 3. If CPA pursues a program that provides technical support for creating customized reach codes for your jurisdiction, would your jurisdiction be interested in participating?

Other (please specify)

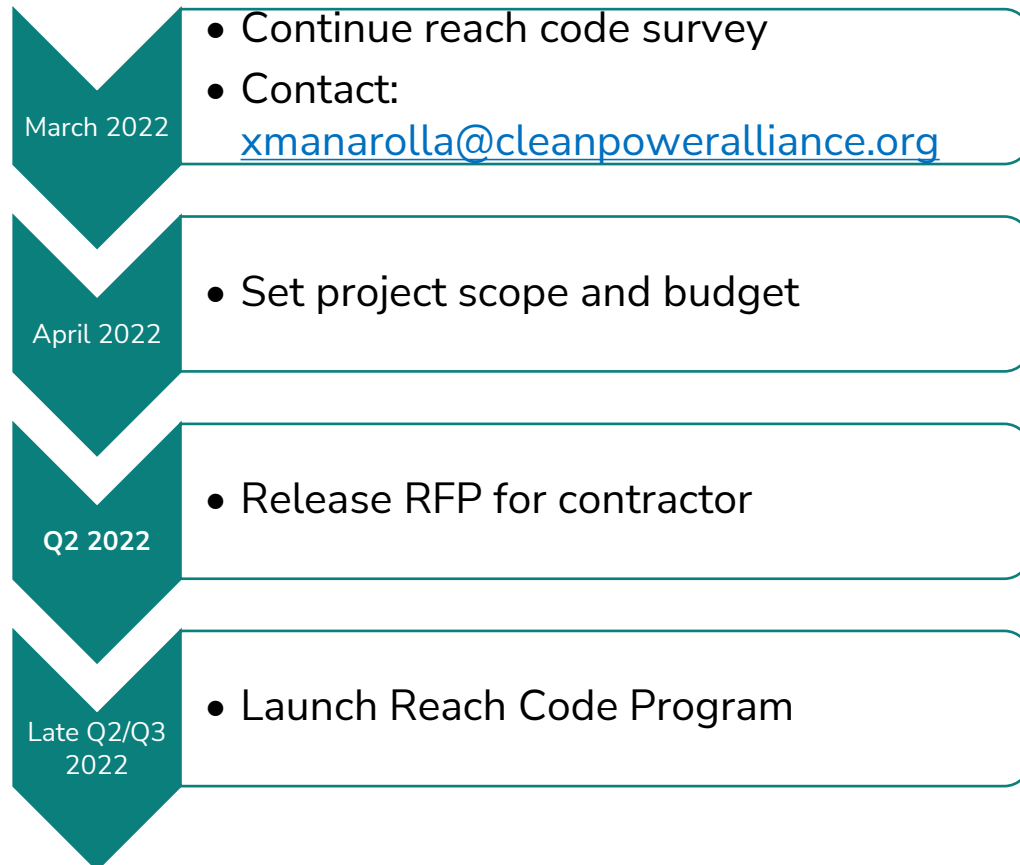
4. If you are not able to determine your jurisdiction's interest in this reach code program at this time, what other information would be helpful?

<https://www.surveymonkey.com/r/FR8FK3H>



Reach Code Survey Respondents and Next Steps

Next Steps



Current Survey Responses

Los Angeles County	
Beverly Hills	Rolling Hills Estates
Calabasas	Santa Monica
Culver City	Sierra Madre
Los Angeles County	South Pasadena
Malibu	Temple City
Manhattan Beach	West Hollywood
Redondo Beach	Whittier
Ventura County	
Moorpark	
Ojai	
Oxnard	
Thousand Oaks	
Simi Valley	
Ventura County	

Power Share

Power Share Overview

- ⚡ Two program components: Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT)
- The Power Share program provides CARE/FERA eligible customers who live in disadvantaged census tracts with 100% clean electricity and a 20% bill discount on top of their CARE/FERA discount
- ⚡ Enrollment is free and does not require any installations or upgrades
- ⚡ California Public Utility Commission funded program - \$8.9M in total funding (2021-2023)
- ⚡ Program started in Feb 2021

DAC-GT Capacity	Community Solar Capacity
12.19 MW	3.37 MW

Power Share – DAC-GT

Agencies with DACs	Eligible	Enrolled
Alhambra	3,148	84
Carson	5,188	236
Culver City	443	2
Downey	5,112	132
Hawaiian Gardens	1,132	24
Hawthorne	6,140	230
Los Angeles County	55,060	1,303
Oxnard	2,317	37
Paramount	5,929	159
Santa Monica	1,375	46
Temple City	6	0
Ventura	1,426	49
Ventura County	515	1
Whittier	2,162	85
Totals	89,953	2,388
Estimated Enrollment Target: 6,800		

Power Share – Community Solar

Overview

- Similar to DAC-GT but prioritizes residents that live within 5 miles of the community solar site with a priority on community engagement
- Community Solar projects require a community sponsor (public agency, non-profit, CBO) to assist with community outreach



Example of project site at Community Sponsor location

Community Solar Status

- RFO for projects currently open
- Proposals due on June 1st, 2022

Power Share – Program Outreach

Next Steps

- Marketing and outreach materials are being sent to eligible customers monthly
 - Testimonials, flyers, press releases, social media posts
- Community based organizations will be conducting outreach and enrollment. Currently engaging 7 CBOs
 - Developing new materials to help target areas with high density of eligible customers
- Created a partner pairing list to share contacts and encourage collaboration for Community Solar proposals

Lessons Learned and Next Steps

Lessons Learned

- ⚡ Program success is a team effort! Internal and external partners contribute greatly
- ⚡ Most programs are in early-stage implementation or development
- ⚡ Program development & launch can take time
- ⚡ Challenges - Pandemic related delays in Outreach & Job Market

Next Steps

- ⚡ Building trusted relationships with customers, and learning about their specific needs
- ⚡ Streamlining and deepening Member Agency engagement
- ⚡ Building out dashboards & program mapping
- ⚡ Mid-term strategic plan review in 2022/23 (2.5 years into 5-year plan)

Questions



Staff Report - Election Item

To: Clean Power Alliance (CPA) Board of Directors

From: Gabby Monzon, Clerk of the Board

Approved by: Ted Bardacke, Chief Executive Officer

Subject: Open Nomination Period for Board Chair for a Two-Year Term Beginning on July 1, 2022

Date: April 7, 2022

DISCUSSION

Per Clean Power Alliance's Bylaws, CPA must elect a Board Chair every two years.¹ The current Board Chair's term ends on June 30, 2022, and the new Chair's term will correspond with CPA's fiscal year beginning on July 1, 2022.

The nomination period for new Board Chair will open at the meeting on April 7 and nominations will be accepted until Friday, April 15, 2022. Nominations following the April 7 meeting should be emailed to clerk@cleanpoweralliance.org.

The Chair may be a Director who meets the eligibility criteria below and is elected by a vote of all Regular Directors.

1. The candidate must be a Regular Director;
2. The candidate must have attended at least 50% of CPA's Regular Meetings in the prior 12 months; and,
3. The candidate must affirm that they intend to serve a full term as Chair.

¹ On March 3, 2022, the Board approved amendments to the Bylaws authorizing the automatic appointment of County Supervisors for each county member agency to serve as Board Vice-Chairs. Therefore, no Vice-Chair election is necessary.

The Clerk of the Board verified that each of the Regular Directors listed below are Regular Directors who have attended 50% of CPA’s Regular Meetings in the prior 12 months.²

Los Angeles County	
Agoura Hills	Deborah Klein Lopez
Alhambra	Jeff Maloney
Arcadia	Sho Tay
Beverly Hills	Julian Gold
Calabasas	Mary Sue Maurer
Claremont	Corey Calaycay
Culver City	Daniel Lee
Hawthorne	Alex Monteiro
Malibu	Mikke Pierson
Manhattan Beach	Hildy Stern
Paramount	Vilma Cuellar Stallings
Sierra Madre	Robert Parkhurst
Temple City	Fernando Vizcarra
West Hollywood	Lindsey Horvath

Ventura County	
Camarillo	Susan Santangelo
Moorpark	Janice Parvin
Ojai	Betsy Stix
Simi Valley	Ruth Luevanos

After the nomination period closes, the Clerk of the Board will seek affirmation of any nominee’s intent to serve the full term and will then distribute ballots by mail with instructions to all Regular Directors. The tallying of votes will take place at the May 11, 2022, Board meeting.

Election Schedule

At the May Board meeting, the newly elected Chair will also announce Committee Chair appointments for the Legislative & Regulatory, Finance, and Energy Planning & Resources Committees.³ The current Board Chair will then open the nomination period

² This list does not include those Regular Directors who may otherwise be eligible but who have previously indicated that they are unable to serve a full term as Chair.

³ Prior to the May meeting, the Clerk of the Board will transmit to nominees for Chair a list of Regular Directors who are eligible to serve as Committee Chairs.

BOARD OF DIRECTORS

for At-Large Executive Committee positions. The election for the At-Large positions will occur at the June 2022 Board meeting. The Executive Committee has two At-Large positions for Directors representing the LA County Members and one At-Large position for a Director representing the Ventura County Members. The eligibility criteria for the At-Large positions are the same as those for Board Chair (described above). The Board Chair and Committee leadership appointments will determine the balance of Directors eligible to serve on the Executive Committee. The Clerk of the Board will distribute an eligibility list to the Board of Directors upon the opening of the nomination period at the May meeting.

May 2022	<ul style="list-style-type: none">• Election of new Board Chair• New Chair names Chairs of the three Standing Committees• Open nomination period for the election of At-Large Executive Committee members
June 2022	<ul style="list-style-type: none">• Election of At-Large Executive Committee members
July 2022	<ul style="list-style-type: none">• First Board and committee meetings with new Board Officer leadership

ATTACHMENT

None.



Management Report

To: Clean Power Alliance (CPA) Board of Directors
From: Ted Bardacke, Chief Executive Officer
Subject: Management Report
Date: April 7, 2022

Scheduled Resumption of Disconnection Activity

Electricity disconnections were suspended in March of 2020 at the onset of the COVID-19 pandemic. CPA has recently been informed by Southern California Edison as to their plan to phase back in disconnection activity with our joint customers over the next several months. CPA has no control over the disconnection process but is a resource for our customers and communities as to how to navigate arrearage issues as they arise.

Over the next several months, commercial customers eligible for disconnection – 90+ days past due and not on a payment plan – will begin receiving late payment notices which indicate that disconnection is a possibility if payment is not made, or the customer does not go on a payment plan. The length of the payment plan is based on the individual customer's needs and ultimately determined by SCE.

SCE plans to resume pre-disconnection activity, including disconnection noticing, for residential customers beginning in May 2022 following a required 90 day waiting period after the distribution of California Arrearage Payment Plan (CAPP) funding to active customers. SCE expects disconnection noticing to steadily ramp up over the summer and fall. The ramping period is intended to allow call centers to timely attend to customers who have questions and need to arrange payment plans. This noticing is not expected to reach “steady state” until October of 2022.

CPA's collections activity, which has yet to commence and is currently contemplated for inactive customers only, is not expected to begin until later this year after CAPP funds for

inactive customers has made its way through the SCE and Calpine billing systems and CPA has selected and onboarded one or more collections agents.

March/April Billing Issue

The Board was sent an email on March 25 regarding a new missing CPA missing charges billing issue affecting approximately 2% of CPA customers in March and April. An oral update will be provided.

Camarillo and Rolling Hills Estates Default Changes

In March the Camarillo City Council voted to change its default rate to 100% Green beginning October 2022. Camarillo is currently on Lean Power and had voted to change its default to Clean Power beginning in October 2021 but put that decision on hold during Covid and then, upon revisiting, decided to switch to 100% Green. The Rolling Hills Estates City Council voted to change its commercial customer default rate to 100% Green, aligning its commercial default rate with its residential default rate, which has been at 100% Green since CPA launched residential service in 2019. Twenty-one of CPA's 32 member agencies are now on, or schedule to be on, the 100% Green default rate. Default rate changes are now complete for 2022. Member agencies exploring future default changes will have until the end of 2022 to implement a default change in October 2023.

April Community Environmental Events

April is typically a busy month for CPA's community outreach staff, who attend Earth Day themed events. After a two-year hiatus due to Covid, this year CPA staff will be at environmental events in Carson, Claremont, Downey, Hawthorne, Ojai, Paramount, Sierra Madre, Thousand Oaks, and Ventura, as well as a pan-San Gabriel Valley event. If Board members would like a CPA representative at a community event, please contact Interim Director of External Affairs Gina Goodhill.

Annual Supplier Diversity Report to the California Public Utilities Commission

Pursuant to SB 255 (Bradford), CPA annually submits a report to the CPUC that details our procurement activities from women, minority, disabled veteran, and LGBT business enterprises (WMDVLGBTBE) in the prior year and our plan going forward for increasing the participation of small, local, and diverse business enterprises in CPA procurement

activities. CPA launched its first comprehensive Diversity Equity and Inclusion (DEI) plan in 2021 with supplier diversity as one of its three key pillars. We are pleased to report that CPA's non-energy purchasing from diverse business enterprises more than doubled in 2021, albeit from a low baseline.

The complete report is provided in Attachment 1. As noted in the report, purchasing energy – which represents over 97% of our annual spending – from small, local and diverse business enterprises is extremely challenging given the lack of energy suppliers who meet that criterion. The report also summarizes our DEI efforts in general, highlights our outreach efforts and plan for increasing the number of bids from these types of businesses and provides a demographic breakdown of the CPA Board, CAC, and staff as voluntarily reported.

Monthly Financial Performance

CPA closed the month of January with net operating income of \$5.2 million, \$1.2 million ahead of budget for the month. CPA repaid \$10 million of its outstanding \$30 million loan from LA County in February and is on track to repay the remaining balance on time by June 2022. The most recent financial dashboard is provided in Attachment 2.

Customer Participation Rate and Opt Actions

As of March 28, 2022, CPA's overall participation rate was 95.6%, unchanged from the previous month. CPA had a total of 998,795 active customers, up 559 customers from the previous month. Opt-out levels – 613 accounts in February – are in line with steady state levels. New accounts ("move-ins") were higher than closed accounts ("move-outs") by 1,812 customers in March. Attachment 3 provides participation rate and active accounts by jurisdiction.

Customer Service Center Performance

Incoming calls to CPA's Customer Service Center returned to normal at 2,499 calls through March 28 after the significant uptick in February due to the missing charges billing issue. In March, 99% of calls were answered within 45 seconds and average wait time was 6 seconds.

Contracts Executed Under Chief Executive Officer's Authority

A list of non-energy contracts executed under the CEO's signing authority is provided in Attachment 4. The list includes all open contracts as well as all contracts, open or completed, executed in the past 12 months.

ATTACHMENTS

- 1) 2022 Supplier Diversity Report
- 2) January Financial Dashboard
- 3) Overall Participation Rates by Jurisdiction
- 4) Non-Energy Contracts Executed under CEO's Authority



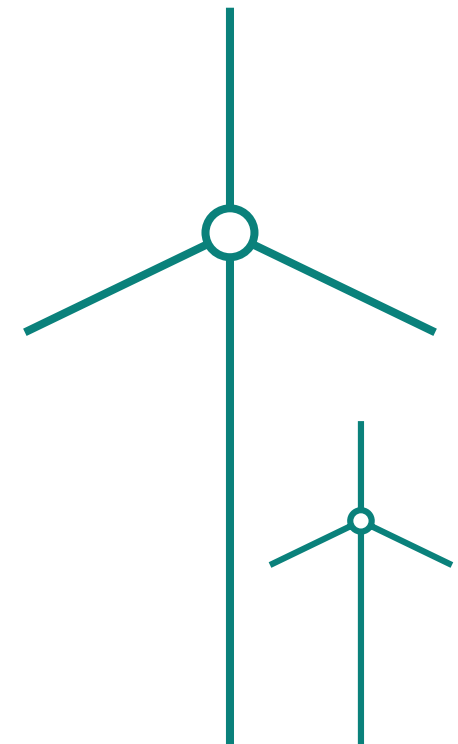
Supplier Diversity

2021 Annual Report and 2022 Annual Plan



Contents

Message from the Chief Executive Officer	3
Introduction	4
2021 Annual Report	5
9.1.1 Program Activities in 2021	5
9.1.2 Summary of Purchases	12
WMDVLGBTBE Annual Results	12
WMDVLGTBE Purchases by Product and Service Categories	13
WMDVLGBTBE Subcontractor Procurement by Product and Service Categories	14
WMDVLGBTBE Procurement by Standard Industrial Categories	15
Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse	16
WMDVLGBTBE Suppliers with California Majority Workforce	17
9.1.3 Program Expenses	17
9.1.5 Prime Contractor Utilization of WMDVLGBTBE Subcontractors	18
9.1.6 Complaints	18
9.1.9 Power Procurement	20
2022 Annual Plan	21
10.1.2 Planned Program Activities for 2022	21
Appendix A: CPA Board of Directors and Community Advisory Committee Self-Identification	23
Appendix B: CPA Voluntary Supplier Diversity Survey	25



Note: Section numbers utilized in this report correspond to the section numbers in General Order 156 of the California Public Utilities Commission.

Message from the Chief Executive Officer



Building a clean and equitable energy system is a core mission of Clean Power Alliance (CPA). Integral to this mission is the incorporation of diversity, equity and inclusion (DEI) values in all aspects of our organization and our work.

CPA launched its first comprehensive DEI plan in 2021 with supplier diversity as one of its three key pillars. We are pleased to report that CPA's non-energy purchasing from diverse business enterprises more than doubled in 2021, albeit from a low baseline. And we are excited to share our plans for expanded efforts in this and in the two other DEI pillar areas—community programs and investments, and internal organizational DEI—that support growth of diverse, small, and local businesses.

As COVID-19 continued its toll on our customers and staff throughout 2021, providing relief for those hit hardest by the pandemic was a top priority. Following our disbursement of \$2 million in bill assistance for small businesses and low-income customers in 2020, CPA worked hard in 2021 to secure over \$15 million in state-funded debt relief for our residential customers who fell behind on their electricity bills during the pandemic, which will be distributed through bill credits this February and March.

Our customer programs experienced robust growth in 2021. Many, such as our incentive program for electric vehicle charging stations, provide direct financial benefits to diverse, small, and local businesses in our service territory. Others, including our Power Ready critical facilities backup energy program and our Community Solar program, contribute indirectly to a thriving small business environment by increasing community resilience, local economic development, and job creation, particularly in disadvantaged and low-income communities.

Supply chain issues presented ongoing challenges for renewable energy development this year. Nevertheless, CPA was able to continue driving market growth, successfully contracting for 510 megawatts (MW) of new renewable generation and 313 MW of battery storage in 2021. As with the majority of our renewable energy procurement to date, these new projects are within California, all benefit from project labor agreements, and many of them include local hire provisions.

We look forward to working with our energy and non-energy suppliers in 2022 on initiatives to expand awareness and strengthen participation in these sectors by diverse, small, and local subcontractors.

We welcome input and feedback from our customers and community stakeholders as we continue striving to live up to our DEI values in all that we do.

Ted Bardacke
CEO, Clean Power Alliance



Introduction

Founded in 2017, Clean Power Alliance of Southern California (CPA) provides clean energy at competitive rates to more than one million residential and commercial customers representing three million people across Los Angeles and Ventura counties. We are the largest Community Choice Aggregator (CCA) and fifth-largest load-serving entity in California. We supply 100% renewable energy to nearly 300,000 customers, more than any other provider in the country. We have secured 1,903 megawatts (MW) of renewable energy resources and 1,027 MW of new battery storage to date, making CPA a top-three purchaser of storage in California and a significant contributor to the development of a clean and reliable grid.

Our 32 member jurisdictions are both geographically and demographically diverse, ranging from the City of Ojai (population 7,470) to unincorporated Los Angeles County (population 1,095,952). Approximately 27% of our customers receive financial assistance on their electricity bills through the statewide California Alternate Rates for Energy (CARE), Family Energy Rates Assistance (FERA), and Medical Baseline programs.

As of February 2022, 20 of our member communities representing nearly two-thirds of our customers have chosen 100% renewable energy as the default energy product for residents and businesses in their jurisdictions. Through CPA Board direction, low-income customers who live in these communities receive this green energy at no added cost.

As a public, not for profit Joint Powers Authority (JPA), CPA is governed by elected officials appointed by each of its 32 member jurisdictions. CPA's Board of Directors sets rates and procurement policies in accordance with state

laws and the core values and goals expressed in its Joint Powers Agreement. These values include promoting supplier and workforce diversity, prioritizing the fair and equitable treatment of employees, equitable economic development, and healthy communities – all of which are integral to our mission of building a clean, equitable, and sustainable energy system.

CPA submits this report annually in accordance with Section 366.2(m) of the California Public

Utilities Code, which requires (1) a report on CCA procurement from women, minority, disabled veteran, and LGBT business enterprises (WMDVLGBTBE) and (2) a plan for procuring from small, local, and diverse business enterprises. For ease of reference, the section numbers utilized in this report correspond to the section numbers in General Order 156 (GO 156) of the California Public Utilities Commission (CPUC), through which investor-owned utilities report their supplier diversity metrics and activities.



2021 Annual Report

9.1.1 Program Activities in 2021

In 2021 CPA pursued multiple initiatives to 1) attract and support diverse businesses to engage in our contracting opportunities; 2) grow the pipeline both of high-road green jobs and of diverse workers equipped to fill those jobs and to become the owners and drivers of tomorrow's green economy; and 3) build a diverse staff and an inclusive and equitable organizational culture that manifests our core values and supports our overall mission.



Internal Activities

Supplier Diversity – Power Procurement

CPA spent \$801,791,016 on electricity purchases in 2021, representing 98% of CPA's total direct spend.

In its most recent Clean Energy Request for Offers (RFO) in 2020, CPA found that 22% of bidders had plans to utilize GO 156 subcontractors, and 65% had initiatives in place to promote workforce diversity. To date, however, none of the suppliers participating in or selected through the CPA RFO process are GO 156 certified and none have reported utilizing GO 156 certified suppliers.

In 2021 CPA continued to communicate to energy suppliers that while, pursuant to Proposition 209,

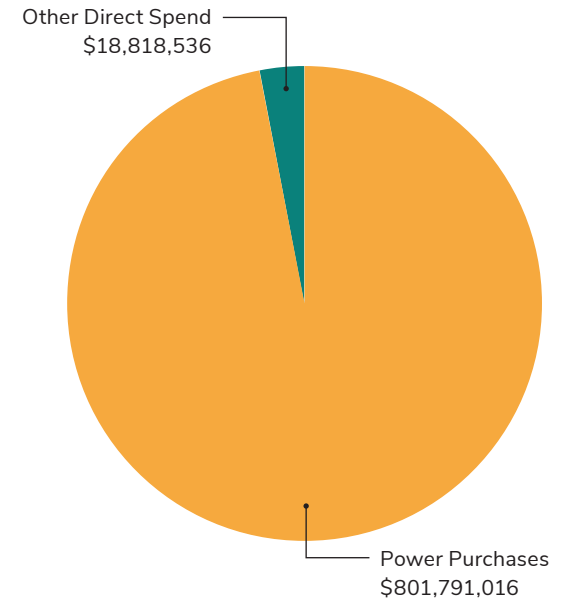
we do not give preferential treatment based on race, sex, color, ethnicity, or national origin, CPA encourages minority-owned, women-owned, veteran-owned, and local businesses to respond to all solicitations. CPA also encourages energy suppliers to expand their own outreach and consideration of diverse subcontractors.

CPA continues to leverage its purchasing power to help create high-quality jobs and careers through a rigorous power procurement selection process. CPA prioritizes projects that utilize project labor agreements, targeted-hire, union labor, or multi-trade labor agreements, including requirements for state-apprenticeship graduates, and requires projects to commit to these hiring practices in its power purchase agreements. All of CPA's new-build contracts since November 2019 have included project labor agreements.



In November 2021, CPA began receiving 100 MW of clean energy storage capacity from Terra-Gen's Edwards Sanborn Solar-plus-Storage facility.

CPA 2021 Direct Spend



CPA also prioritizes projects that would create jobs or spur other economic benefits in disadvantaged communities and prioritizes projects located in California. CPA's long-term contracts have generated approximately 2,500 construction jobs to date, helping to lay a foundation of skills and experience that can help seed a new generation of diverse entrepreneurs and small business owners.

Supplier Diversity – Non-Energy Procurement

CPA more than doubled its WMDVLGBTBE spend in 2021 to \$328,615 in purchasing from seven GO 156-certified suppliers. Our 2021 supplier survey (Appendix B) and a search of publicly available information identified an additional nine suppliers as “qualified” WMDVLGBTBE businesses which are not currently certified via the GO 156 clearinghouse, representing an additional \$339,581 in purchasing in 2021.

The majority (86%) of CPA’s non-energy spend comes from suppliers located in California, with 78% of that spend concentrated in Southern California and 20% within CPA’s service territory in Los Angeles and Ventura counties. Nine suppliers are certified as small businesses by the State of California Department of General Services, and at least 14 more qualify as small businesses although they are not currently certified.

We reached out to 10 qualified but uncertified diverse suppliers to provide them with information and to encourage them to apply for certification through the California Public Utilities Commission (CPUC) Supplier Clearinghouse. As of the writing of this report none of these suppliers have successfully completed the certification. Among the reasons cited by business owners for not pursuing certification are lack of awareness of the certification program and uncertainty about the benefits of certification.

Diverse Business Enterprise Spend			
Category	GO 156 Certified	Not GO 156 Certified*	Total
Minority Male (Hispanic American)		\$7,530	\$7,530
Minority Male (Asian Pacific American)	\$22,191		\$22,191
Minority Female (Hispanic American)		\$13,502	\$13,502
Women Business Enterprise (WBE)	\$240,636	\$313,549	\$554,185
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$65,788		\$65,788
Disabled Veteran Business Enterprise (DVBE)		\$5,000	\$5,000
Total	\$328,615	\$339,581	\$668,196
% of Non-Energy Procurement	1.75%	1.80%	3.55%

*Suppliers self-identified as qualified for GO 156 certification but not currently certified.

Small Business Spend			
Category	Direct	% of Non-Energy Procurement	Number of Suppliers
DGS certified*	\$325,086	1.73%	9
Qualified but not certified**	\$1,258,215	6.69%	14
Total	\$1,583,301	8.41%	23

*Certified as a Small Business by the State of California Department of General Services (DGS).

**Not certified but meets DGS Small Business certification requirements based on publicly available information and/or self-certification.

Local Spend*			
Category	Direct	% of Non-Energy Procurement	Number of Suppliers
Los Angeles and Ventura Counties	\$3,788,140	20.13 %	70
Southern California**	\$14,705,638	78.14%	78
California	\$16,175,798	85.96%	104

*Businesses whose principal offices and workforces are located in the indicated areas.

**Los Angeles, Ventura, Orange, San Bernardino, Riverside, and San Diego Counties.

Additional activities aimed at encouraging diverse supplier participation in CPA contracting opportunities included:

- Incorporating questions about supplier diversity, use of diverse subcontractors, and workforce development policies and practices in solicitation materials (for information only, not as selection criteria).
- Considering contracting terms that reduce barriers for small businesses, such as waiving or reducing insurance requirements or implementing quick pay.
- Incorporating language into solicitation materials and bidder webinars to encourage prime contractors to utilize and support small and diverse subcontractors.
- Developing a fact sheet and a supplier diversity page on the CPA website with information about CPA's contracting process, how to become certified by the CPUC Supplier Clearinghouse, and the benefits of certification.

Additional efforts are described below under External Activities.

Internal Diversity, Equity, and Inclusion

CPA experienced significant staff growth as well as turnover in 2021. Our team's diversity has grown at all levels of the organization. In the fall of 2021 CPA undertook an internal review process that identified both successes and challenges in our efforts to build an inclusive culture and laid the groundwork for deeper staff and leadership engagement in 2022 on learning, action, and measurement of outcomes around our diversity, equity, and inclusion goals.



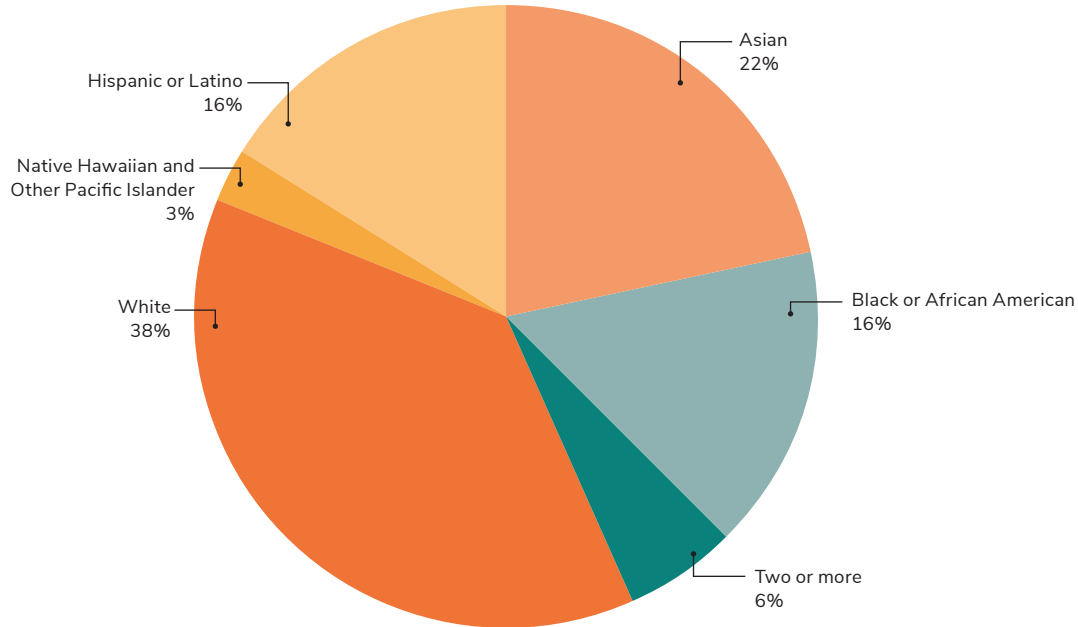
CPA's Board of Directors includes 32 elected officials who are appointed by each member agency's governing body, along with 55 alternate directors who include elected officials, agency staff and public members. The Board-appointed Community Advisory Committee (CAC) is comprised of 15 community leaders representing

customers in each subregion of our service territory. CPA collected voluntary self-identification data from both the Board and the CAC which is summarized in Appendix A.

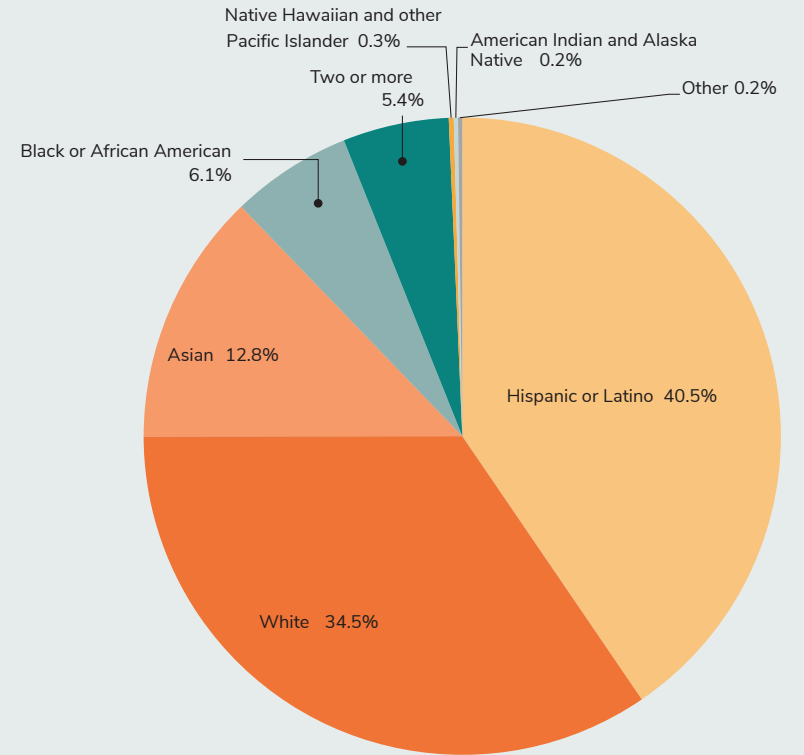
CPA Staff Diversity*

RACE/ETHNICITY

*Based on voluntary self-reporting.

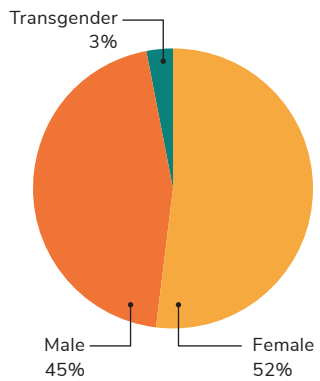


RACE/ETHNICITY IN CPA SERVICE TERRITORY

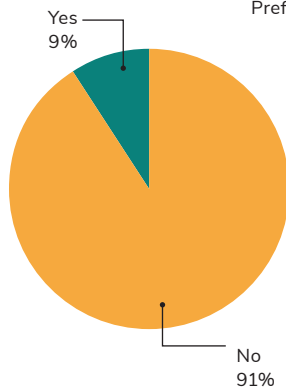


Source: U.S. Census

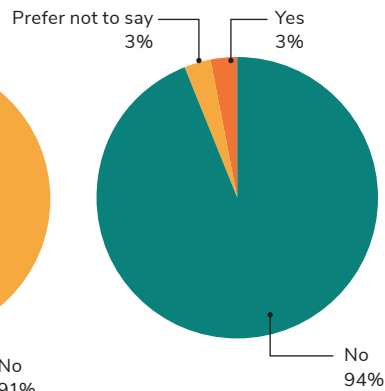
GENDER



LGBTQ



DISABILITY



External Activities

Though constrained by the ongoing pandemic and its impact on internal staffing, CPA continued to expand its engagement with small, local, and diverse businesses, to raise awareness of CPA and CPA contracting opportunities, to invest in workforce development, and to build customer programs that support residents and small businesses, particularly in disadvantaged and low-income communities.

Diverse Supplier Outreach

External activities in 2021 included:

- *CPUC/Joint Utilities Business Expo* – CPA presented on a panel that introduced CCAs to small and diverse businesses and explained our contracting processes and future opportunities. CPA also hosted a virtual booth that allowed us to engage with expo participants and answer questions about our work and supplier outreach efforts.
- *Supplier Diversity En Banc* – CPA was a first-time panelist in the CPUC's Supplier Diversity En Banc in 2021 and shared CPA's experience in establishing its supplier diversity program and its internal diversity, equity, and inclusion efforts.
- *Proactive Outreach* – CPA conducted outreach to diverse chambers and business associations to publicize contracting opportunities, support supplier readiness, and encourage applications from small, local, and diverse suppliers, though activities were limited in 2021 by COVID and staffing constraints.

Workforce Development

In 2021, CPA mapped out a plan for a four-year, \$1 million strategic investment in workforce development, funded in partnership with NextEra Energy Resources, that will equip workers to pursue family-supporting career-track "high road"¹ jobs in the rapidly growing transportation and building electrification sectors. In 2021, three

programs were chosen for the first two years of funding for \$398,500. The first two programs are cybersecurity apprenticeship trainings for smart buildings and smart cities, in partnership with the International Brotherhood of Electrical Workers in Los Angeles and Oxnard. The third program is a microgrid maintenance training program for low-income and unemployed or underemployed youth, in partnership with the Los Angeles Cleantech Incubator (LACI). We also continued our community college scholarship program in partnership with Terra-Gen, developer of our 2018 Voyager Wind project. This year the program distributed scholarships to four students pursuing energy career pathways at community colleges in Los Angeles and Ventura counties. To date, a total of \$52,000 in scholarship funding has been distributed to 48 students, with two additional rounds of funding to come.

Customer Programs and Community Investments

In 2021 CPA launched and expanded offerings in three programmatic areas: 1) resiliency and grid management; 2) electrification; and 3) local energy procurement. Each program includes targeted economic opportunities and benefits for small, local, and diverse businesses, especially ones located in disadvantaged and hard-to-reach communities, thereby increasing the reach and impact of our programs on small, local, and diverse businesses.

CPA launched a solicitation in 2021 for over 15 MW of new, small-scale community renewable energy projects to be developed in disadvantaged communities in Southern California through its Disadvantaged Communities-Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs. As with all of our energy procurement, diverse suppliers are encouraged to submit proposals, suppliers are encouraged

to consider diverse subcontractors and promote workforce diversity, and bidder evaluation criteria include local workforce development, community benefits, and job creation. In 2021, CPA enrolled more than 2,000 low-income residential customers in its DAC-GT program, known as Power Share, providing participants with 100% renewable electricity from local small-scale solar power with a 20% bill discount.

CPA partnered in the launch of the largest electric vehicle installation effort to date in Ventura County with the Ventura County Air Pollution Control District, the Ventura County Regional Energy Alliance, and the California Energy Commission. The program will fund 590 new chargers, including 35 fast chargers, installed at local businesses and multifamily housing developments, with at least 45% of the funds dedicated to low-income and disadvantaged communities.

¹ California Workforce Development Board, "Putting California on the High Road: A Jobs and Climate Action Plan for 2030," Report to the California Legislature, June 2020.



Although COVID-19 continued to place constraints on community engagement, CPA conducted ongoing outreach in 2021 to hard-to-reach and underserved diverse small businesses and residential customers, leveraging our relationships with ethnic chambers, business associations, and community-based organizations across our service territory. CPA memberships and sponsorships of organizations that support small and diverse businesses include:

- Asian Business Association
- Association of Women in Water, Energy & Environment
- Beverly Hills Chamber of Commerce
- Carson Chamber of Commerce
- Climate Reality Project – Los Angeles
- Climate Reality Project – Ventura
- Filipino American Chamber of Commerce
- Greater Conejo Valley Chamber of Commerce
- Greater Conejo Valley Chamber of Commerce – Legislative Roundtable
- Greater Los Angeles African American Chamber of Commerce
- Los Angeles Area Chamber of Commerce
- Los Angeles Business Federation (BIZ FED)
- Los Angeles Business Council
- Los Angeles Cleantech Incubator
- Los Angeles Latino Chamber of Commerce



CPA staff members at the October 2021 ribbon cutting event for the High Desert Solar-plus-Storage facility in Kern County, which provides CPA with 100 MW of generation capacity and 50 MW of energy storage capacity.

- Oxnard Chamber of Commerce
- Santa Monica Chamber of Commerce
- Simi Valley Chamber of Commerce
- Temple City Chamber of Commerce
- Ventura Chamber of Commerce
- Ventura County Regional Energy Alliance
- Ventura County Workforce Development Board – Clean Green Committee
- West Ventura County Business Association
- West Ventura County Business Association – Business Advocacy Committee
- West Ventura County Business Association – Latino Business Leaders
- Whittier Chamber of Commerce

9.1.2 WMDVLGBTBE Annual Results by Ethnicity

		2021			
		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$22,191	\$0	\$22,191	0.12%
	African American	\$0	\$0	\$0	0.00%
	Hispanic American	\$0	\$0	\$0	0.00%
	Native American	\$0	\$0	\$0	0.00%
	Total Minority Male	\$22,191	\$0	\$22,191	0.12%
Minority Female	Asian Pacific American	\$0	\$0	\$0	0.00%
	African American	\$0	\$0	\$0	0.00%
	Hispanic American	\$0	\$0	\$0	0.00%
	Native American	\$0	\$0	\$0	0.00%
	Total Minority Female	\$0	\$0	\$0	0.00%

Total Minority Business Enterprise (MBE)	\$22,191	\$0	\$22,191	0.12%
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Women Business Enterprise (WBE)	\$240,636	\$0	\$240,636	1.28%
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Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	\$65,788	\$0	\$65,788	0.35%
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Disabled Veteran Business Enterprise (DVBE)	\$0	\$0	\$0	0.00%
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Other 8(a)*	\$0	\$0	\$0	0.00%
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TOTAL WMDVLGBTBE	\$328,615	\$0	\$328,615	1.75%
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Net Procurement**	\$18,818,586
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Note:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.

**Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Direct = Direct procurement.

Sub = Subcontractor procurement.

% = Percentage of Net Procurement.

9.1.2 WMDVLGBTBE Direct Procurement by Product and Service Categories

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$0	0.00%	\$22,191	0.12%	\$22,191	0.12%
	African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Male	Direct	\$0	0.00%	\$22,191	0.12%	\$22,191	0.12%
Minority Female	Asian Pacific American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Native American	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%

Total Minority Business Enterprise (MBE)	Direct	\$0	0.00%	\$22,191	0.12%	\$22,191	0.12%
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Women Business Enterprise (WBE)	Direct	\$0	0.00%	\$240,636	1.31%	\$240,636	1.28%
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Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Direct	\$0	0.00%	\$65,788	0.36%	\$65,788	0.035%
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Disabled Veteran Business Enterprise (DVBE)	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
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Other 8(a)*	Direct	\$0	0.00%	\$0	0.00%	\$0	0.00%
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TOTAL WMDVLGBTBE	Direct	\$0	0.00%	\$328,615	1.79%	\$328,615	1.75%
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Total Product Procurement	\$469,874
Total Service Procurement	\$18,348,712
Net Procurement**	\$18,818,586

Note:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.

**Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Direct = Direct procurement.

Sub = Subcontractor procurement.

% = Percentage of Net Procurement.

9.1.2 WMDVLGBTBE Subcontractor Procurement by Product and Service Categories

			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Male	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Minority Female	Asian Pacific American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	African American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Hispanic American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Native American	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Minority Business Enterprise (MBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Women Business Enterprise (WBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Disabled Veteran Business Enterprise (DVBE)		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
Other 8(a)*		Sub	\$0	0.00%	\$0	0.00%	\$0	0.00%
TOTAL WMDVLGBTBE		Sub	\$0	0.00%		0.00%		0.00%

Total Product Procurement	\$469,874
Total Service Procurement	\$18,348,712
Net Procurement**	\$18,818,586

Note:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.

**Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Direct = Direct procurement.

Sub = Subcontractor procurement.

% = Percentage of Net Procurement.

9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)**	Total WMD-VLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
7311 - Advertising Agencies	\$									\$240,636				\$240,636	\$103,375
	%									31.06%				31.06%	
7371 - Computer Programming Services	\$	\$20,074												\$20,074	\$126,823
	%	76.08%												76.08%	
8743 - Public Relations Services	\$										\$65,788			\$65,788	\$34,560
	%										57.50%			57.50%	
5405 - Computer and Computer Peripheral Equipment and Software	\$	\$2,117												\$2,117	
	%	0.70%												0.70%	
TOTAL	\$	\$22,191								\$240,636	\$65,788			\$328,615	\$1,217,554
	%	1.82%								19.76%	5.40%			26.99%	

Total Product Procurement	\$469,874
Total Service Procurement	\$18,348,712

Net Procurement***	\$18,818,586
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Note:

*Firms with multi minority ownership status.

**Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.

***Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Total Dollars = Total procurement dollar amount in the specific SIC category.

% = Percentage of Total Dollars.

9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse

CPA has requested but has not yet received revenue information from our certified suppliers.

# WMDVLGBTBEs	Data on Number of Suppliers										
	Revenue Reported to CHS						Utility-Specific 2020 Summary				
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	Other 8(a)*	Grand Total
Under \$1 million							1	1	1		3
Under \$5 million								3			3
Under \$10 million											
Above \$10 million							1				1
TOTAL	2	4	1			7	2	4	1		7

WMDVLGBTBE \$M	Revenue and Payment Data										
	Revenue Reported to CHS						Utility-Specific 2020 Summary				
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	Other 8(a)*	Grand Total
Under \$1 million							\$20,074	\$50,000	\$65,788		\$136,862
Under \$5 million								\$190,636			\$190,636
Under \$10 million											
Above \$10 million							\$2,117				\$2,117
TOTAL							\$22,191	\$240,636	\$65,788		\$328,615

Note:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.
CHS = Supplier Clearinghouse.

9.1.2 Description of WMDVLGBTBE Suppliers with California Majority Workforce

All of CPA's GO 156 certified suppliers are based in California. In power procurement, CPA prioritizes projects located in California and in CPA's service territory. All long-term contracts CPA entered into in 2021, including 510 MW of new renewable generation and 313 MW of new battery storage across a total of ten projects, are located in California.

9.1.3 Program Expenses

Expense Category	Total \$
Wages	\$35,107
Other Employee Expenses	\$10,532
Program Expenses	\$10,397
Reporting Expenses	\$500
Training	\$0
Consultants	\$16,905
Other	\$0
TOTAL	\$73,441



9.1.5 Prime Contractor Utilization of WMDVLGBTBE Subcontractors

CPA's prime contractors did not report any WMDVLGBTBE subcontractor spend in 2021 though several reported plans to utilize WMDVLGBTBE subcontractors in the future.

Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a)*	TOTAL WMDV-LGBTBE
Direct \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subcontracting \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Direct %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Subcontracting %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Procurement**	\$18,818,586
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Note:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE.

**Net Procurement includes purchase order, non-purchase order, and credit card dollars.

Direct = Direct procurement.

Sub = Subcontractor procurement.

% = Percentage of Net Procurement.

9.1.6 Complaints

CPA has received no WMDVLGBTBE complaints.

9.1.9 Power Procurement

Annual Power Product Results by Ethnicity and WMDVLGBTBE Certification

Product ¹	Unit	Results by Ethnicity & Gender								Results by WMDVLGBTBE Certification						Total Procurement Spend	
		Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Other 8(a) ⁶	Subcontracting Total		Total WMD-VLGBTBE Procurement Spend ³
		Male	Female	Male	Female	Male	Female	Male	Female	Total	Total	Total	Total	Total	Total		
Renewable Power Products Direct	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104,465,581
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$ ²	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104,465,581
	% ²	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Non-Renewable Power Products Direct	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$553,432,273
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	\$ ²	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$553,432,273
	% ²	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Diesel Direct	Not Applicable																
Nuclear Direct																	
Natural Gas Direct																	
SubTotal of Columns ²	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$657,897,854
SubTotal % of Total Procurement Spend	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SubTotal of Columns ⁴	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$657,897,854
SubTotal % of Total Procurement Spend	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

1 Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

2 Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011

3 Total WMDVLGBTBE spend does not include pre-COD subcontracting values

4 Includes all power procurement commitments

5 Firms with multi-minority ownership status

6 Firms classified as 8(a) by the Small Business Administration includes non-WMDVLGBTBE

% - percentages calculated by the Row Category Total Procurement Spend

2022 Annual Plan

Planned Internal and External Activities

CPA's Diversity, Equity, and Inclusion (DEI) plan has three pillars: 1) Supplier Diversity, 2) Customer Programs and Community Investments, and 3) Internal Diversity, Equity, and Inclusion. Our planned 2022 Supplier Diversity activities are described below, along with related and supporting activities from the other two pillar areas.

CPA DIVERSITY, EQUITY, AND INCLUSION PILLARS



10.1.2 Planned Program Activities for 2022

Supplier Diversity and Workforce Development

Supplier diversity outreach activities that were launched in 2021 will be continued and expanded upon in 2022. CPA will expand its efforts to raise awareness of CPA contracting opportunities with small, local, and diverse businesses; to identify and remove barriers for small and diverse business participation in CPA solicitations and contracting;

Contracting with Clean Power Alliance

Who We Are
 Founded in 2017, Clean Power Alliance (CPA) is the locally operated electricity provider for 32 member jurisdictions across Southern California, including 30 cities and the unincorporated areas of Los Angeles and Ventura counties. CPA is the largest Community Choice Aggregator (CCA) in California and the fifth largest electricity provider in the state. We serve approximately 3 million residents and business and supply 100% renewable energy to more customers than any other power provider in the nation.

CPA operates as a public Joint Powers Authority, governed by a Board of Directors comprised of elected leaders from each of our member agencies.

Commitment to Diversity, Equity and Sustainability
 Utilizing our purchasing power, community connections, and industry leadership to advance equity and inclusion is core to CPA's purpose. As a public agency we cannot give preferential treatment based on race, ethnicity, gender or other classes as proscribed by Proposition 209. We are nevertheless committed to do everything in our power to promote supplier and workforce diversity and equitable economic development, and we view these goals as integral to our pursuit of clean energy and urgent climate action.

We encourage diverse suppliers to explore contracting opportunities at CPA, and to reach out to us with questions and suggestions for how we can support you through the contracting process.

Procurement at Clean Power Alliance
 Clean Power Alliance spends approximately \$750 million annually on power purchases and about \$20 million per year on non-energy purchasing. Since 2018, we have entered into 20 long-term power purchase agreements with energy developers, driving over \$1 billion in capital investments in renewable energy facilities, most of which are located in Southern California.

Energy procurement. CPA conducts Requests for Offers (RFO) for long-term renewable energy power purchase agreements on an annual or semi-annual basis. Energy projects are evaluated on criteria that include workforce development and community benefits as well as economic value, risk, environmental stewardship, and location. We strongly encourage energy developers to utilize and support small and diverse subcontractors. See next page for more information about our RFO process and selection criteria.

Non-energy procurement. CPA's small staff collaborates with a wide range of vendors to support all aspects of our operations. Non-energy procurement of goods and services includes office equipment and supplies; event planning; information technology support; cybersecurity services; customer outreach; digital marketing; forecasting and rate design; engineering services; financial services; legal and regulatory compliance services; and staffing and human resources consulting. Individual contracts typically range from \$50,000 up to \$1,000,000.

cleanpoweralliance.org

Fact sheet for small and diverse suppliers

and to promote local, small, and diverse business and workforce development in the clean energy sector. New and ongoing activities in 2022 include:

Procurement Processes

- Consider contracting terms that reduce barriers for small businesses, such as waiving or reducing insurance requirements or quick pay.
- Use solicitation materials and bidder webinars to encourage prime contractors to utilize and

support small and diverse subcontractors, promote subcontractor GO 156 certification, and reduce barriers to small business contracting.

- Use solicitation materials and bidder webinars to raise awareness among suppliers about the GO 156 certification process and benefits.
- Expand communication of contracting opportunities through local and diverse business networks.
- Collect data annually on supplier diversity through solicitation materials and supplier surveys.

Diverse Supplier Outreach

- Continue and expand memberships and event sponsorships with local and ethnic chambers, business associations, and professional associations.
- With support from CPA's Community Advisory Committee, identify and pursue opportunities for deeper engagement with local and ethnic chambers and business associations through participation in economic development and business advocacy committees, and collaboration on outreach and training events aimed at local, small, and diverse businesses that are potential CPA suppliers.
- Collaborate with member agencies on diverse supplier outreach and training events and promotional materials.
- Participate in the CPUC/Joint Utilities Business Expo and support similar regional events in collaboration with member agencies, chambers, CCAs, energy partners, and other entities.
- Continue outreach, advocacy, and support for diverse supplier certification through the CPUC Supplier Clearinghouse.
- Register with and post CPA contracting opportunities on the new City of Los Angeles Regional Alliance Marketplace for Procurement (RAMP), a portal that centralizes both public and private procurement opportunities, making it easier for small and diverse businesses to have access to more procurement opportunities.

Workforce Development

- Continue workforce development initiatives to grow the pipeline of diverse workers on green career pathways that support families and create opportunities for business ownership and wealth accumulation.
- Continue prioritization of labor agreements and workforce development in the selection of renewable energy supply and storage projects, to continue raising the bar for creation of "high road" jobs that support diverse workforces.

Customer Programs and Community Investments

Every CPA program tracks spending and benefits to small, local, and diverse businesses, particularly those that support the local economy and jobs in disadvantaged communities. Metrics include the number of small and diverse businesses reached and enrolled in customer programs and total program spend (e.g., rebates, incentives, bill discounts) going to small and diverse business and residential customers in disadvantaged and low-income communities.

CPA customer programs that will have significant and ongoing impacts on disadvantaged and low-income communities and small and diverse businesses and residential customers within our service territory in 2022 include:

- Power Share, CPA's DAC-GT program. CPA will continue to enroll eligible customers to receive 100% renewable energy along with a 20% bill discount, in addition to continuing efforts to procure new DAC-GT renewable generation resources that provide job creation, workforce development, and other community benefits to disadvantaged communities.
- Community Solar. CPA's Community Solar Green Tariff (CSGT) program is working with member agencies and local community-based organizations to raise awareness of the opportunity to develop and sponsor small-scale community solar projects in disadvantaged communities and enroll low-income residents to receive 100% renewable energy from these projects at a 20% bill discount.
- CALeVIP (California Electric Vehicle Incentive Program). CPA will continue its partnership with the California Energy Commission to fund incentives for publicly accessible electric vehicle charging infrastructure in Ventura County and will co-launch a new CALeVIP incentive project in Los Angeles County. Customer outreach will focus on businesses and multifamily housing in low-income and disadvantaged communities, which are also eligible for higher incentive levels.

- Power Ready Critical Facilities Clean Backup Program. CPA's Power Ready program will support community resilience by installing solar and clean energy storage systems in jurisdictions served by CPA to power critical community facilities during grid outages.
- Power Response, CPA's demand response program, provides residents and businesses with incentives to reduce electricity use during peak hours when grid stress, energy prices, and greenhouse gas emissions are highest. Following a 2020-2021 pilot, CPA is expanding the program in 2022 with the goal of enrolling 10,000 customers and 6 MW of capacity utilizing automated smart thermostats, battery storage, and electric vehicle charging technologies. The program provides added incentives for business and residential participants in disadvantaged low-income communities.



CPUC/ Joint Utilities Virtual Small/ Diverse Business Expo (Fall)

October 27, 2021

Other Customer Programs and Community Investment activities planned for 2022 that support our supplier diversity priorities include:

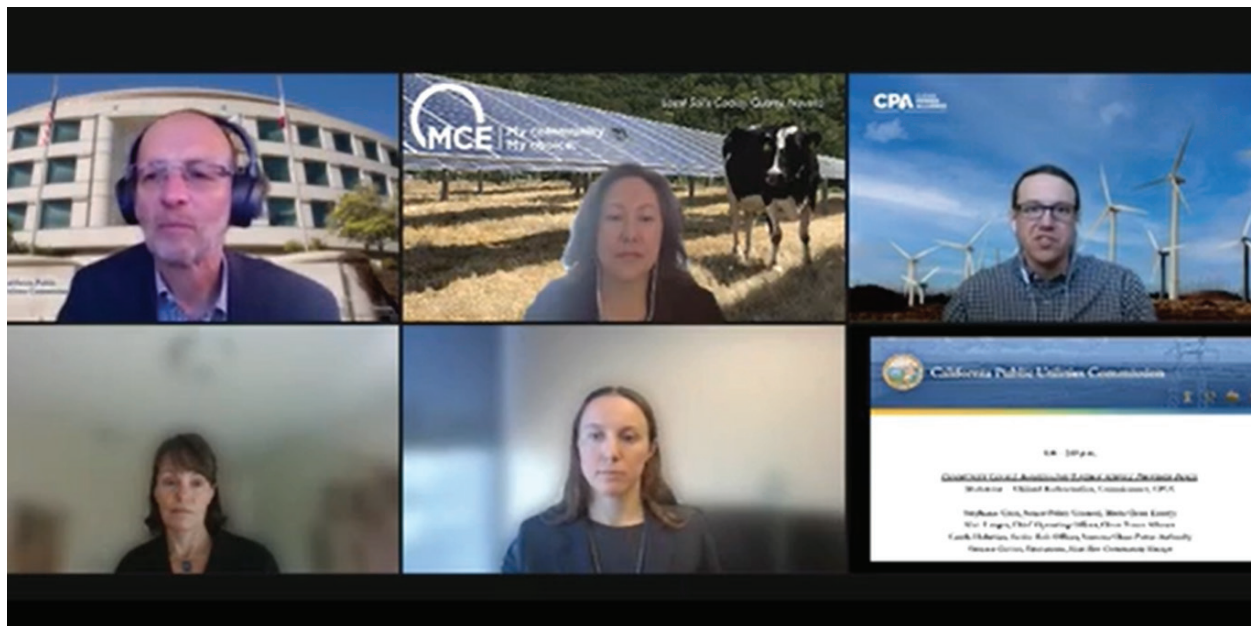
- Expanded membership, sponsorships and engagement with local organizations that help raise awareness of CPA and CPA contracting opportunities among small, local, and diverse businesses, such as the Ventura County Regional Energy Alliance and the Los Angeles Cleantech Incubator.
- Continuation of our Community-based Organization (CBO) grant program in collaboration with our billing and data management partner, Calpine Energy Solutions.
- Active leadership and participation in important local, regional, and statewide forums on diversity, equity, and inclusion.
- Participation in local events with broad community and small business engagement. A sample of upcoming events includes the Climate Resolve Coolest Event in LA on March 17, 2022, City of Carson Earth Day on April 9, 2022, and City of Paramount Eco Friendly Fair on April 16, 2022.

Internal Diversity, Equity and Inclusion

Diversity, equity, and inclusion efforts begin at home, and CPA will continue to pursue its internal DEI plans, from recruiting and staff development to the ongoing cultivation of an inclusive and equitable organizational culture that informs our work and supports the building of a just and sustainable society.

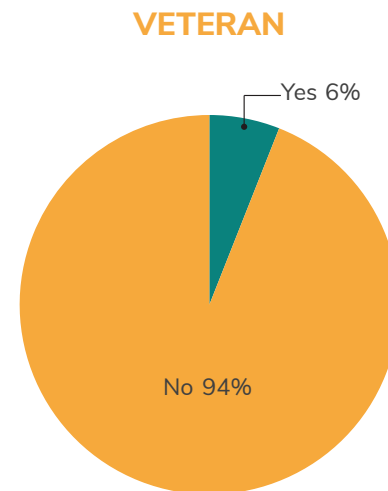
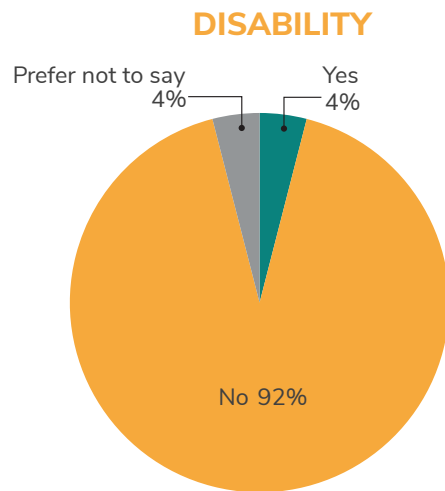
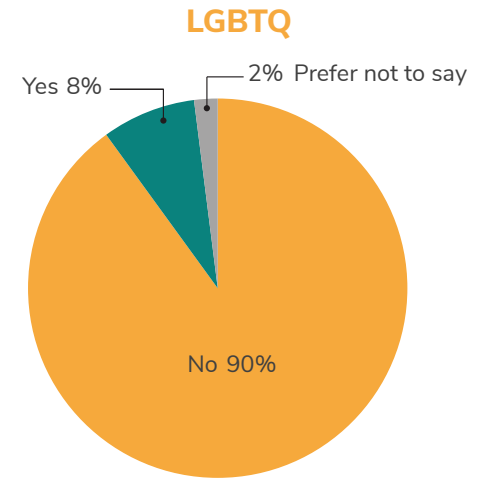
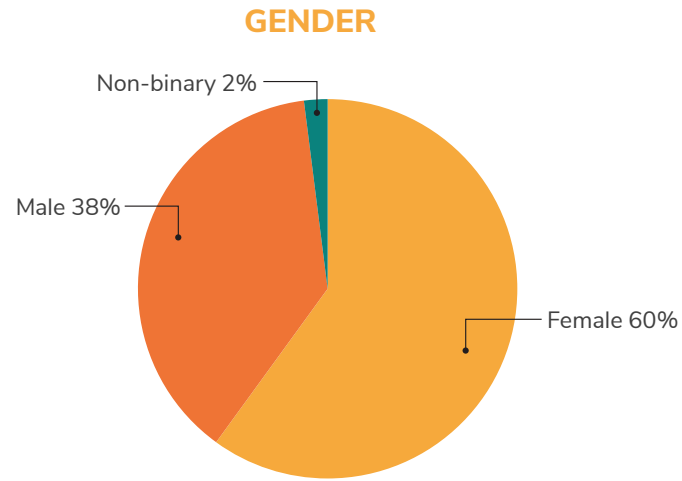
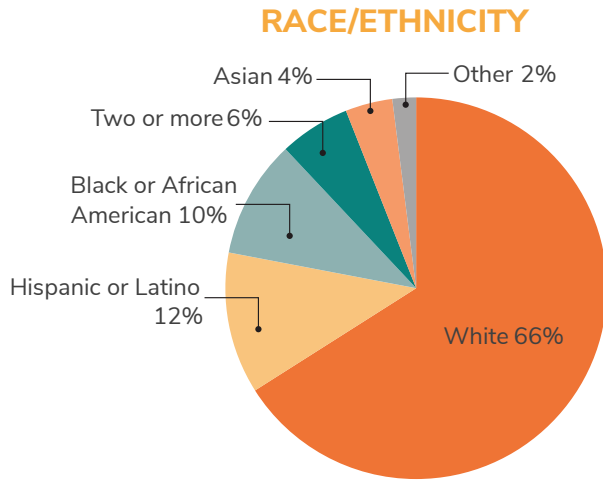
Internal DEI activities in 2022 will include:

- Engagement of a DEI consultant to assess CPA's internal and external DEI outcomes and support implementation of our DEI strategic plan.
- Staff education and professional development on inclusive skills and practices, including in hiring and contracting processes.
- Expansion of CPA's internal DEI team leadership and participation including continued active representation from CPA's energy and non-energy procurement teams.
- Expanded tracking and internal communication of DEI metrics including organizational and departmental metrics on diverse spending.



APPENDIX A: CPA Board of Directors and Community Advisory Committee Self-Identification

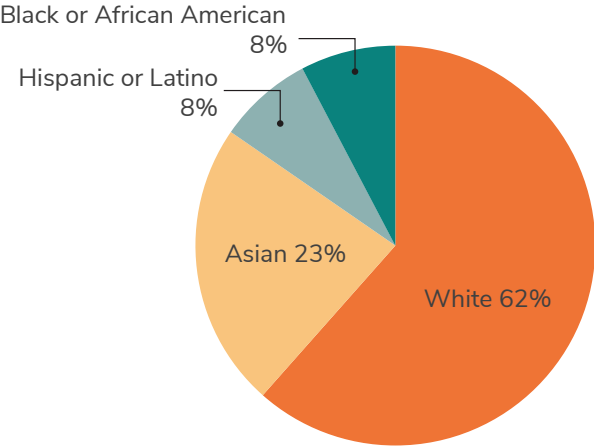
CPA Board of Directors



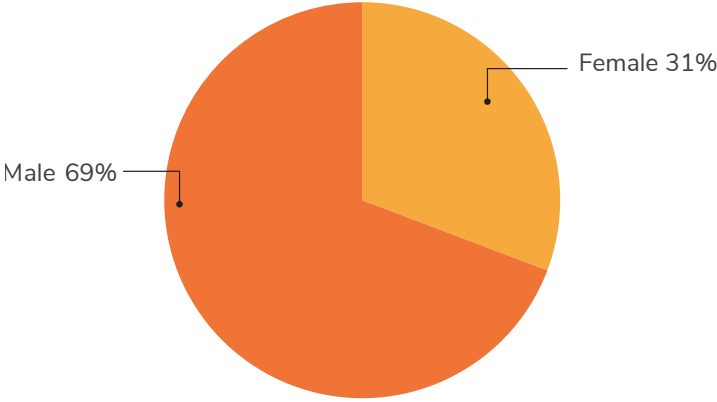
APPENDIX A: CPA Board of Directors and Community Advisory Committee Self-Identification

CPA Community Advisory Committee

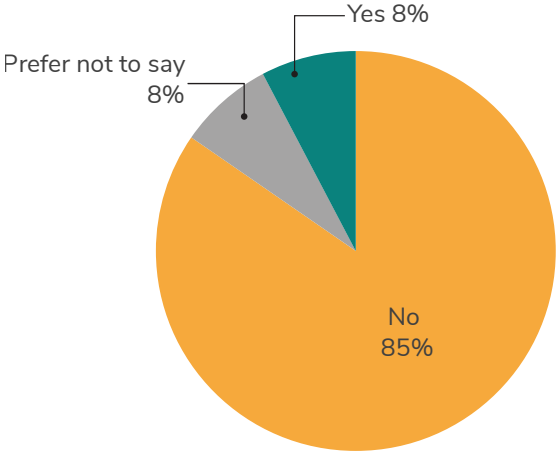
RACE/ETHNICITY



GENDER



LGBTQ



Appendix B – CPA Voluntary Supplier Diversity Survey

CPA Supplier Diversity Survey

Please note that not all questions may apply to your business. For the questions that do not apply, please skip them or answer "Not Applicable" or "Decline to State."

Pursuant to Proposition 209, CPA does not give preferential treatment based on race, sex, color, ethnicity, or national origin. Providing information in these categories is optional and will not impact your participation in any future CPA solicitation selection process. Responses are collected for informational and reporting purposes only pursuant to Senate Bill (SB) 255.

*Required

1. Business Name*

2. Email Address*

3. Where is your business located/headquartered?

4. Is your business certified under General Order 156 (GO 156)? GO 156 is a California Public Utilities Commission ruling that requires utility entities to report annually on their contracts with majority women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises (WMDVLGBTs) in all categories. Qualified businesses become GO 156 Certified through the CPUC and are then added to the GO 156 Clearinghouse database at www.thesupplierclearinghouse.com*

Yes

No

Qualified as a WMDVLGBTBE but not GO 156 certified

5. If you answered "yes" to Question 4, when does your certification expire?

6. If you answered "yes" or "qualified, but not certified" to Question 4, in which categories are you certified or qualified? Please choose all that apply.

Minority Owned

Women Owned

LGBT Owned

Disabled Veteran Owned

Small Business Enterprise, as defined by 8(d) of the Small Business Act

7. If your business is a minority-owned business enterprise, what GO156 certification or qualification does your business fall under?

Black American

Hispanic American

Asian Pacific American

Native American

8. Please list the Standardized Industrial Code (SIC) of the products and services your business offers. Search for your SIC in the "Commodity Codes" search bar, here: <https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp>.

9. If certified under GO 156, please list your annual business revenue as reported to the CPUC Supplier Clearinghouse. You may check your CPUC Supplier Clearinghouse status here: <https://sch.thesupplierclearinghouse.com/FrontEnd/SearchCertifiedDirectory.asp>.

10. If your business is qualified, but not GO 156 certified, please identify the reasons for not completing the certification process?

11. If your business has used GO 156 certified subcontractors for your CPA contract, please include a list of your subcontractor business names, if the subcontract is for products or services, and the anticipated subcontract amount. Example: Electrical Design Technology, Inc.; products (batteries); \$100,000.

12. If applicable, please describe any hiring policies your business has for using small, local, and/or economically disadvantaged subcontractors or for using subcontractors that qualify for the GO 156 Supplier Clearinghouse.

13. Does your business have a history of using apprenticeship programs, local-hires, union labor, or multi-trade project labor agreements? Local hires can be defined as labor-sourced from within CPA's service area.

- Yes, apprenticeship programs in this recent contract with CPA
- Yes, local labor in this recent contract with CPA
- Yes, union labor in this recent contract with CPA
- Yes, multi-trade PLA in this recent contract with CPA
- Yes, apprenticeship programs but not in this contract with CPA
- Yes, history of local hire but not in this contract with CPA
- Yes, history of union labor but not in this contract with CPA
- Yes, history of multi-trade PLA but not in this contract with CPA
- Uses California-based labor, but not local to CPA's service areas
- None of the above
- Not applicable

14. Are you a small business? Please refer to the Small Business Association' Size Standards tool for more information: <https://www.sba.gov/size-standards>.

- Yes
- No

15. If you answered "yes" to Question 14, please describe your history with labor agreements, union labor, multi-trade labor, apprenticeship labor, or how many local workers/businesses you employ for your contract with CPA.

16. Is there any additional feedback that you would like to provide to CPA at this time?

17. Does the bidder have formal initiatives to promote diversity, equity, and inclusion among its workforce?

18. If the answer to question 33 is "Yes", please explain and provide supporting documentation.

19. Has the bidder adopted formal Environmental, Social, and Governance (ESG) goals?

20. If the answer to question 36 is "Yes", please explain and provide supporting documentation.

Financial Dashboard

Summary of Financial Results

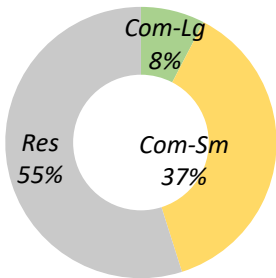
YTD
Jan
2022

Active Accounts
998,945

Participation Rate
95.62%

YTD Sales Volume
6,999 GWh

Jan Sales Volume
935 GWh



in \$000,000's	January				Year-to-Date			
	Actual	Budget	Var	%	Actual	Budget	Var	%
Energy Revenues	63.9	65.4	-1.5	-2%	548.0	565.3	-17.3	-3%
Cost of Energy	58.7	61.4	-2.7	-4%	502.0	572.6	-70.6	-12%
Net Energy Revenue	5.2	4.0	1.2	30%	46.0	-7.3	53.3	731%
Operating Expenses	2.4	2.6	-0.2	-8%	15.9	19.0	-3.1	-17%
Net Operating Income	2.8	1.4	1.4	98%	30.1	-26.3	56.4	214%

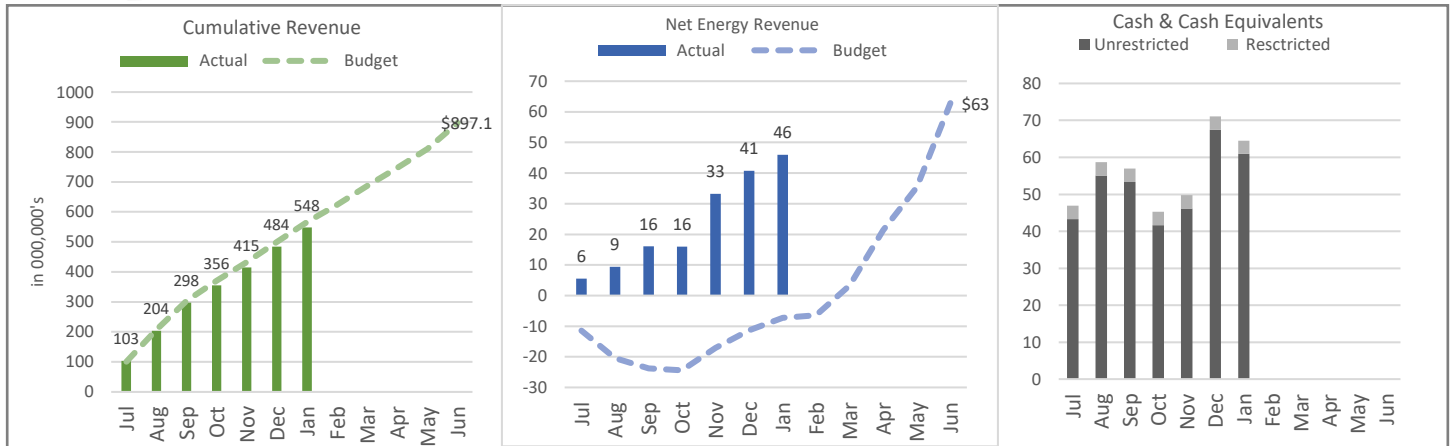
Note: Numbers may not sum up due to rounding.

CPA recorded net operating income of \$2.8 million in January 2022. Net operating income was \$1.4 million more than the budgeted operating income of \$1.4 million. For the year to date, CPA recorded net operating income of \$30.1 million, \$56.4 million more than the budgeted, year-to-date operating loss of \$26.3 million.

Revenue was 2% lower than budgeted in January due to mild temperatures in CPA's service area resulting in lower electricity use by CPA customers. The cost of energy was \$58.7 million or 4% lower than budgeted primarily as a result of mild temperatures, lower energy consumption by CPA customers, and lower wholesale energy prices than budgeted. For the year to date, operating costs were lower than budgeted operating costs primarily because of lower staffing costs resulting from delayed hiring and staff turnover, the performance of services later in the year than budgeted, and the non-utilization of contingencies.

As of January 31, 2022, CPA had \$60.9 million in unrestricted cash and cash equivalents, and \$79.853 million available on its bank line of credit. CPA has a \$30 million loan outstanding from LA County. In February 2022 CPA repaid \$10 million of the LA County loan and received and applied to customer bills approximately \$15 million of funding from the California Arrearage Payment Program (CAPP).

CPA is in sound financial health and compliance with its bank and other credit covenants.



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA per Calpine Invoice.

Participation Rate %: Participation Rate represent active accounts divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenses: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net operating income, also known as earnings before interest, depreciation and amortization (EBIDA), represents the difference between revenues and expenditures before depreciation expense, interest income and expense, and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2021

Participation by City and County

Jurisdiction	Default Option	Active Accounts	Participation Rate	Lean %	Clean %	100% Green %
Agoura Hills	100% Green	8,139	94.0%	1.97%	0.38%	97.65%
Alhambra	Clean	33,839	97.8%	1.49%	98.12%	0.39%
Arcadia	Lean	22,406	97.6%	99.77%	0.10%	0.13%
Beverly Hills	Clean	18,606	99.2%	1.64%	98.21%	0.15%
Calabasas	100% Green	9,722	97.0%	1.35%	0.30%	98.35%
Camarillo	Lean	28,287	95.4%	99.12%	0.27%	0.60%
Carson	Clean	29,160	97.1%	1.31%	97.73%	0.97%
Claremont	Clean	12,615	94.9%	2.31%	97.00%	0.69%
Culver City	100% Green	19,153	97.5%	4.11%	1.15%	94.74%
Downey	Clean	36,650	97.1%	1.50%	98.07%	0.43%
Hawaiian Gardens	Clean	3,626	96.9%	1.21%	97.99%	0.80%
Hawthorne	Lean	28,437	98.9%	98.98%	0.07%	0.95%
Los Angeles County	Clean	297,298	95.7%	1.77%	97.62%	0.61%
Malibu	100% Green	6,898	96.8%	3.00%	0.55%	96.45%
Manhattan Beach	100% Green	15,388	98.1%	2.63%	0.44%	96.93%
Moorpark	Clean	11,409	89.5%	3.07%	96.36%	0.57%
Ojai	100% Green	3,488	93.0%	5.99%	1.35%	92.66%
Oxnard	100% Green	55,175	96.1%	4.07%	0.46%	95.47%
Paramount	Lean	15,590	98.5%	98.88%	0.04%	1.08%
Redondo Beach	Clean	33,187	98.8%	1.94%	97.66%	0.40%
Rolling Hills Estates	100% Green	3,455	96.5%	7.15%	15.02%	77.83%
Santa Monica	100% Green	53,672	98.5%	3.55%	0.71%	95.74%
Sierra Madre	100% Green	4,956	94.1%	5.45%	1.59%	92.96%
Simi Valley	Lean	43,038	93.0%	99.66%	0.13%	0.21%
South Pasadena	100% Green	11,623	97.5%	3.71%	10.96%	85.33%
Temple City	Lean	12,545	97.2%	99.81%	0.06%	0.14%
Thousand Oaks	100% Green	44,097	88.9%	8.32%	1.69%	89.99%
Ventura	100% Green	43,469	93.7%	4.97%	1.28%	93.75%
Ventura County	100% Green	32,245	86.0%	6.44%	1.24%	92.32%
West Hollywood	100% Green	26,231	99.6%	2.41%	0.37%	97.21%
Westlake Village	Lean	3,723	88.1%	99.60%	0.08%	0.32%
Whittier	Clean	30,668	95.8%	1.87%	97.72%	0.42%
Total		998,795	95.6%			

Overall Participation by Default Option

Default Option	Participation Rate	Default Option	Active Accounts	% of Active
100% Green	95.2%	100% Green	337,711	33.81%
Clean	96.3%	Clean	507,058	50.77%
Lean	95.5%	Lean	154,026	15.42%
Total	95.6%	Total	998,795	100.00%

Clean Power Alliance					
Non-energy contracts executed under Chief Executive Officer authority					
Rolling 12 months -- Open contracts shown in Bold					
Vendor	Purpose	Month	NTE Amount	Status	Notes
LinkedIn	Subscription for recruiting tools	March 2022	\$34,306	Active	
MCM	Municipal advisory services	March 2022	\$125,000	Active	
Pinnacle	AV maintenance/service plan	March 2022	\$25,273	Active	
Gridwell	Resource adequacy training	February 2022	\$2,000	Active	
Abbot, Stringham and Lynch	IT compliance reporting for CPUC	February 2022	\$8,500	Active	
California Science Center	Event space rental for Staff Retreat	February 2022	\$6,440	Active	
Orange Grove Consulting	DEI implementation planning services	February 2022	\$105,750	Active	
Zoe Misquez	Filing lobbying compliance forms	January 2022	\$500	Active	
Critical Mention, Inc.	Media monitoring service	January 2022	\$6,000	Active	
Clear Language Company	Minute transcription for board meetings	January 2022	\$0		Original Contract Date: November 2021 NTE \$20,000 Amendment 1 - \$0, to clarify fee structure
PR Web/Cision	Media/PR wire distribution services	January 2022	\$3,060	Active	
Ironclad	Contract lifecycle management platform	January 2022	\$22,000	Active	
Langan	GIS services/web browser tool	December 2021	\$8,000	Active	Original Contract Date: October 2020 NTE \$120,000 Amendment 1 - NTE increased to \$128,000 First Renewal Term extends through 10/20/2022
Maria Shafer	Minute transcription for board meetings	November 2021	\$20,000	Active	
Informal Development	Website repair, development, & as-needed maintenance	November 2021	\$20,500	Active	Original Contract Date: November 2020 NTE \$12,000 Amendment 1 - NTE increased to \$32,500 Extends through 5/29/2022
Clear Language Company	Minute transcription for board meetings	November 2021	\$20,000	Active	
NewGen Strategies and Solutions, LLC	Regulatory Support for 2021 ERRA forecast proceedings	November 2021	\$5,500	Active	Original Contract Date: May 2020 NTE \$71,240 Amendment 1: authorized first renewal term and increased NTE to \$102,560 Amendment 2: increased NTE to \$108,060
Omni Government Relations & Pinnacle Advocacy, LLC	Lobbying Services	November 2021	\$125,000	Active	Original Contract Date: December 2019 NTE \$108,000 Amendment #1 - first renewal term authorized November 2020, NTE \$108,000 Amendment #2 - second (final) renewal authorized, extends through December 5, 2022, new NTE \$125,000
MK Partners	Integration services for Salesforce SW	October 2021	\$7,995	Active	

Clean Power Alliance					
Non-energy contracts executed under Chief Executive Officer authority					
Rolling 12 months -- Open contracts shown in Bold					
Vendor	Purpose	Month	NTE Amount	Status	Notes
Sigma Computing, Inc.	Business intelligence & analytics software tool	October 2021	\$10,000	Active	
MRW & Associates	Extension of ratemaking services contract	October 2021	\$35,000	Active	Original Contract Date: December 2020 NTE \$90,000 Amendment #1 - NTE increased to \$125,000 Extends through 12/2/2022 (renewals authorized)
Ross Associates	Consulting services for leadership training	October 2021	\$50,000	Active	
LLM Consulting	Consulting Sevices for Executive Coaching	September 2021	\$10,000	Completed	
Salesforce	Stakeholder Relationship Management application subscription	September 2021	\$15,300	Active	
Clean Energy Counsel LLP	Extension of legal services agreement	September 2021	\$30,000	Active	Original Contract Date: November 2020 NTE \$355,000 Amendment #1 - NTE increased to \$385,000 in July 2021 Extends through 11/6/2021 (renewals authorized)
Elite Edge Consulting	Extension of consulting agreement for accounting services	September 2021	\$120,000	Active	Original Contract Date: September 2020 NTE \$112,000 Amendment #1 - NTE for renewals increased to \$120,000 in September 2020 Amendment #2 - First renewal authorized July 2021 - Extends through 6/30/2022
CV Resources	Recruiting Services	September 2021	N/A	Active	20% of starting salary upon hiring an exclusively referred candidate
Oscar Associates LLC	Recruiting Services	September 2021	N/A	Active	30% of starting salary upon hiring an exclusively referred candidate
Abbot, Stringham and Lynch	2020 CEC Power Source Disclosure Audit	August 2021	\$16,700	Active	Includes two optional renewals for years 2021 and 2022

Clean Power Alliance					
Non-energy contracts executed under Chief Executive Officer authority					
Rolling 12 months -- Open contracts shown in Bold					
Vendor	Purpose	Month	NTE Amount	Status	Notes
Bradsby Group	Recruiting Services	August 2021	N/A	Active	25% of starting salary upon hiring an exclusively referred candidate
Pickit	Digital Asset Management	August 2021	\$2,400	Active	Annual Subscription
Chapman & Cutler, LLP	2021 Legal Services (CPA's Credit Agreement)	August 2021	\$35,000	Active	Original Contract Date: 3/1/21 NTE \$20,000 Amendment #1 - NTE increased to \$55,000 Extends through 4/30/22, auto-renew
Knowledge City	Employee Training	July 2021	\$7,251	Active	Licenses for employee training Extends through 6/30/2022
Clever Creative Inc.	CPA Brand Audit and Design Refresh	May 2021	\$5,000	Completed	Original Contract Date: January 2021 NTE \$50,000 Amendment #1 - NTE increased to \$55,000 in May 2021 - Extends through 6/30/21
(W)right On Communications, Inc.	On-call External Affairs support services	May 2021	\$8,000	Completed	Original Contract Date: January 2021 NTE \$50,000 Amendment #1 - NTE increased to \$58,000 in May 2021 - Extends through 6/15/21
Polsinelli, LLP	Legal Service Agreement (Employment, Compliance, General Legal Support related to Commercial Liability, Risk, and Mitigation issues)	April 2021	\$75,000	Active	Amendment #2 to original Agreement executed on March 8, 2019
AccuWeather Enterprise Solutions	Professional Forecasting Weather Services	April 2021	\$4,800	Active	Addendum to April 2020 Agreement. Extended through March 2023 at \$400/mo
Shute, Mihaly & Weinberger, LLP	Legal Service Agreement (Regulatory, Administrative, Environmental, Energy Procurement, Public Contracting, Public Entity Governance Laws, Issues and/or Proceedings)	April 2021	\$65,000	Active	
OpenPath	New Office Keycard Access Control System	January 2021	\$1,500	Active	
Prime Government Solutions, Inc.	Board and committee meeting agenda management software	December 2020	\$16,000	Active	

Clean Power Alliance

**Non-energy contracts executed under Chief Executive Officer authority
Rolling 12 months -- Open contracts shown in Bold**

Vendor	Purpose	Month	NTE Amount	Status	Notes
ProComply, Inc.	Energy regulation compliance training	October 2020	\$5,000	Active	
Crown Castle Fiber LLC	New Office Dedicated Internet Access Service	September 2020	\$ 18,600	Active	
NextLevel Internet, Inc.	New Office High Speed Internet Service	September 2020	\$ 6,936	Active	
Windstream Services, LLC	New Office Telephone Service	September 2020	\$ 14,095	Active	
Zero Outages	New Office Security, Firewall, & Wi-Fi Service	September 2020	\$ 7,608	Active	
Burke, Williams, Sorenson, LLP	Legal Services Agreement (Brown Act, public entity governance issues and other legal services)	July 2020	\$ 100,000	Active	
Hall Energy Law PC	Energy Procurement Counsel	July 2020	\$ 125,000	Active	
Adobe Inc.	AdobeSign Secure Electronic Signature Service	June 2020	\$ 3,200	Active	
Davis Wright Tremaine, LLP	Legal Services Agreement (Regulatory Assistance)	April 2020	\$ 90,000	Active	1st Amendment in October 2020 to increase the NTE from \$4,000 to \$35,000. 2nd Amendment in March 2021 to increase the NTE from \$35,000 to \$125,000.
Snowflake Inc.	Cloud-Native Elastic Data Warehouse Service	April 2020	\$ 36,000	Active	
Inventure Recruitment	Ongoing Recruitment Services	October 2019	\$ 120,000	Active	Renewed for 2021 at same amount



Commonly Used Acronyms

BESS	Battery Energy Storage System
CAC	Community Advisory Committee
CAISO	California Independent System Operator
CALCCA	California Community Choice Association
CalEVIP	California Electric Vehicle Incentive Program
CARB	California Air Resources Board
CARE	California Alternate Rates for Energy (Low Income Discount Rate)
CCA	Community Choice Aggregation
CEC	California Energy Commission
CPUC	California Public Utilities Commission
DA	Direct Access (Private Retail Energy Supplier)
DAC	Disadvantaged Community (As Defined by Calenviroscreen 3.0)
DER	Distributed Energy Resources
DR	Demand Response
ERMP	Energy Risk Management Policy
ERRA	Energy Resource Recovery Account (SCE Generation Rate Setting)
ESA	Energy Storage Agreement
EVSE	Electric Vehicle Supply Equipment (EV Charger)
FERA	Family Electric Rate Assistance (Low Income Discount Rate)
GHG	Greenhouse Gas
IOU	Investor Owned Utility
IRP	Integrated Resource Plan
JPA	Joint Powers Authority



Commonly Used Acronyms

Kwh	Kilowatt-Hour (A Measure of Energy Used in A One-Hour Period)
Kw	Kilowatt = 1,000 Watts (Watt = A Measure of Instantaneous Power)
LSE	Load Serving Entity
MB	Medical Baseline (Discount Rate for Medical Equipment Needs)
MW	Megawatt = 1,000 Kilowatts
Mwh	Megawatt-Hour = 1,000 Kilowatt-Hours
NEM	Net Energy Metering (Usually for Customers with Solar)
OAT	Other Applicable Tariffs
PCIA	Power Charge Indifference Adjustment (Can Be Called "Exit Fee")
PCC1	Renewable Energy Generated Inside California
PCC2	Renewable Energy Generated Outside California
PCC3	A REC from A Renewable Resource, Delivered Without Energy
PCL	Power Content Label
POU	Publicly Owned or Municipal Utility
PPA	Power Purchase Agreement
PSPS	Public Safety Power Shutoff
PV	Photovoltaic (Solar) Panels
RA	Resource Adequacy
REC	Renewable Energy Credit
RPS	Renewables Portfolio Standard
T&D	Transmission and Distribution
TOU	Time Of Use (Used to Refer to Rates that Differ by Time Of Day)
WECC	Western Electricity Coordinating Council