

AGENDA

ORANGE COUNTY POWER AUTHORITY MEETING OF THE BOARD OF DIRECTORS

Tuesday, June 22, 2021

10:00 a.m.

Due to the public health orders and guidelines in California and in accordance with the Governor's Executive Orders N-25-20 and N-29-20, there will be no location for in-person attendance. The Orange County Power Authority is providing alternatives to in-person attendance for viewing and participating in the meeting. Further details are below.

Note: Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda item or on a matter not appearing on the agenda, but within the jurisdiction of the Board. Please indicate whether your comment is on a specific agenda item or a non-agenda item when requesting to speak. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in the following manner:

Requests to Speak. In-person public attendance will not be provided. Members of the public who have requested to speak will be recognized at the appropriate time during the Zoom meeting and may speak through Zoom or telephonically. To allow the Chair to call on you, please provide the following minimum information with your request to speak: your name (if attending by videoconference) or telephone number (if attending by phone).

Comments shall be limited to three minutes when speaking. If you have anything that you wish to be distributed to the Board, please provide it via comments@ocpower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

ZOOM MEETING

You are invited to a Zoom webinar.

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Passcode: 251741

Dial-in: 1 (669) 900-6833

Webinar ID: 985 2191 2689

CALL TO ORDER

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL

3. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Board of Directors, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Board of Directors request specific items be removed from the Consent Calendar.

1. MINUTES FOR THE REGULAR BOARD MEETING OF May 11, 2021, AND THE SPECIAL BOARD MEETING OF JUNE 9, 2021

Recommended Action:

Approve as submitted.

4. REGULAR CALENDAR

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

1. AWARD OF CONTRACT FOR DATA AND CUSTOMER CALL CENTER MANAGEMENT

Recommended Action:

1. Approve Staff's recommendation of Calpine Energy Solutions for Data Management and Customer Call Center Services.
2. Authorize the Chief Executive Officer, Chief Operating Officer, and General Counsel to negotiate, finalize, and execute a Professional Services Agreement with Calpine Energy Solutions, LLC not to exceed five years and a total amount of \$14,300,000, consistent with Staff Report as reviewed and approved by the General Counsel.

2. ADOPT RESOLUTION NO. 2021-05 APPROVING CREDIT FACILITY AND CERTAIN BANKING SERVICES AGREEMENTS AND DELEGATING AUTHORITY TO EXECUTE RELATED AGREEMENTS

Recommended Action:

Adopt Resolution regarding a credit facility and certain banking / cash management services agreements and delegate authority to the Chief Executive Officer, Chief Operating Officer and General Counsel to negotiate and execute related agreements.

3. FISCAL YEAR 2021/22 BUDGET ADOPTION

Recommended Action:

Adopt Fiscal Year 2021/22 Budget.

4. **UPDATE ON COMMUNITY ADVISORY COMMITTEE**

Recommended Action:

Report out Member City Direct Appointments to the Community Advisory Committee.

6. **PUBLIC COMMENTS**

Opportunity for members of the public to address the Board on any items not on the agenda but within the jurisdiction of the Board.

7. **DIRECTOR COMMENTS**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events, or activities related to Authority business. There is to be no discussion or action taken on comments made by Board Members unless authorized by law.

8. **REPORT BY CHIEF EXECUTIVE OFFICER**

Chief Executive Officer may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

9. **REPORT BY GENERAL COUNSEL**

General Counsel may briefly provide information to the Board and the public. The Board may engage in discussion if the specific subject matter of the report is identified, but the Board may not take any action other than to place the matter on a future agenda. Otherwise, there is to be no discussion or action taken unless authorized by law.

10. **ADJOURNMENT**

Compliance with the Americans with Disabilities Act

Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact 949-263-2612. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at www.ocpower.org. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Late-arriving documents received during the meeting are available for review by making a verbal request to the Board Secretary in the Zoom meeting room.

**ORANGE COUNTY POWER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

MINUTES

May 11, 2021

This meeting was conducted utilizing teleconference and electronic means consistent with public health orders and guidelines in California and in accordance with the Governor's Executive Orders N-25-20 and N-29-20. There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call.

The Board Minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can and may be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

1. CALL TO ORDER

Chair Carroll called the meeting to order at 10:02 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Director Posey

3. ROLL CALL

Present: 5 Members

Director Khan (Irvine)
Director Posey (Huntington Beach)
Director Sonne (Buena Park)
Vice Chair Jung (Fullerton)
Chair Carroll (Irvine)

Also present: CEO Brian Probolsky
COO Antonia Castro-Graham
Ryan Baron, General Counsel (Best Best and Krieger, LLP)

4. CONSENT CALENDAR

All items listed under the Consent Calendar were considered to be routine and enacted by one motion. Prior to the motion to consider any action by the Board of Directors, any public comments on any of the Consent Items was heard. There was no separate action and no members of the Board of Directors requested specific items be removed from the Consent Calendar.

MOTION: Motioned by Vice Chair Jung, second by Director Posey, to approve the Consent Calendar as submitted.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll

Noes: None

Abstained: None

Absent: None

A. MINUTES FOR REGULAR BOARD MEETING OF FEBRUARY 23, 2021 AND THE SPECIAL BOARD MEETING OF APRIL 13, 2021.

Action: Approved as submitted.

5. REGULAR CALENDAR

The following items called for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board was so inclined.

A. CONSIDERATION OF ADMINISTRATIVE POLICY NUMBER 009: NEW MEMBER POLICY

Chief Operating Officer Castro-Graham (“COO”) presented the report and outlined the proposed policy. She explained the process for notifying the Public Utilities Commission (“PUC”) regarding new members, and stated it was important that new members join timely, so as not to create a rush of filing obligations with the at the new year. Responding to Director comments, she stated creating an October deadline would be helpful in meeting that goal. Further responding to Director comments Ms. Castro-Graham stated the proposed figure of \$100,000 was a not-to-exceed figure, and that a study was needed to determine the actual costs for adding new members to the Authority.

Director discussion ensued, including the importance of creating incentives for cities to join sooner, and the best method of determining an appropriate figure that would motivate agencies to join while membership was still free, but not prohibit or discourage them from joining once the fee became effective.

Responding to Director comments CEO Probolsky confirmed that the proposed fee in the policy was intended to be a cap, not a starting point. He also stated the fee was not intended to be a full cost membership fee, and that the actual cost of joining could be subsidized through the additional rate payers that would be joining. He confirmed that the intent of the policy, and the fee, was to encourage cities to join.

The following members of the public offered comment:

Ayn Cracium, Irvine, Climate Action Campaign, expressed concern that the proposed \$100,000 fee was too high, and suggested the Board conduct a study and link the membership fee to actual costs.

Sue Kempf, Mayor Pro Tem, Laguna Beach, suggested a tiered fee, which would make it easier and more affordable for smaller cities to join.

Kathleen Treseder, Irvine, stated her support for the lowest cost possible to eliminate barriers for cities to join the Authority at any time.

Jose Trinidad Castaneda, Fullerton, stated his concern the policy and fee might be construed as pressure on local agencies, but acknowledged the potential need to incentivize some agencies to take action.

At the conclusion of public comments, Chair Carroll stated the goal was not to charge any agency and expressed hope that they would all join this year. He inquired as to where the money would come from to onboard new agencies if there was not a “joining” fee.

Legal Counsel Ryan Baron responded the funds would be provided by the Authority’s line of credit from its lender and can be recovered through rates once the Authority is launched. He noted, however, that once the Authority is up and running, a study would be needed to determine if larger agencies, with higher numbers of customers, could be absorbed and the costs recovered without a fee. Responding to Board inquiry, Mr. Baron stated that smaller cities, such as Stanton, could be added easier, as there were less accounts to be coordinated with the incumbent utility. Larger cities, he added, can affect procurement strategies and therefore might need to be charged a fee.

MOTION: It was moved by Director Sonne, second by Chair Carroll, amend the proposed policy to read that new members would be added without cost if they joined prior to October 31, 2021, with an appropriate fee charged for agencies that join beyond that date, directly related to the cost of adding the new agency.

Board discussion continued. CEO Probolsky confirmed that new agencies would be allotted ex-officio status on the board until the year in which they receive power, when they would become full voting members.

MOTION CARRIED BY THE FOLLOWING VOTE:

Ayes: Director Khan, Director Posey, Director Sonne, Vice Chair Jung, Chair Carroll

Noes: None

Abstained: None

Absent: None

B. FISCAL YEAR 2021/22 BUDGET PRESENTATION

Authority CEO Probolsky presented the report, stating the final budget would return to the Board for consideration in June.

The following members of the public offered comment:

Ayn Cracium, Irvine, Climate Action Campaign, stated her support for the position of Senior Manager, Power Management, in the budget, noting the importance of that role.

ACTION: The Board received and filed the report.

C. UPDATE ON CALIFORNIA PUBLIC UTILITIES COMMISSION ENERGY EFFICIENCY PROGRAM FUNDING

COO Castro-Graham, along with Laurel Rothschild, The Energy Coalition, presented the report. Ms. Castro-Graham and Ms. Rothschild highlighted the funding programs available, noting that the funding was provided by the PUC and acquired through Public Goods charges on the ratepayers bills. Ms. Castro-Graham stated that only CCAs can apply for this funding and that the program runs on a three year cycle. She stated that educational funding was available for residential, commercial, industrial, agricultural and workforce sectors. She reported the Authority anticipated receiving approximately \$1 million annually through this program. Ms. Rothschild reviewed the proposed application timeline, indicating that the Board of Directors would consider the final application in June, with an August submittal deadline to the PUC. Approval of the application was expected in February, 2022, and program funding would begin in the third quarter of 2022 to allow for implementation.

The following member of the public offered comment:

Sue Kempf, Mayor Pro Tem, Laguna Beach, inquired if the Authority would share this information with prospective City Councils considering joining the CCA. Ms. Castro-Graham confirmed all agencies would receive this information and the programs would be available to all member cities. Ms. Castro-Graham further confirmed there is no sunset to this program funding, as the monies are collected monthly on ratepayers bills.

Director Kham stated her desire to see what kinds of programs were being implemented in other CCAs. Ms. Castro-Graham indicated that when the application was brought back to the Board for consideration, she anticipated having program examples from other CCAs to share with the Directors. She further clarified that any programs created through the PUC Efficiency Program funds would be in addition to what the Authority funded directly from its general fund. She noted staff's goal of creating sustainable business programs.

ACTION: The Board received and filed the report.

6. PUBLIC COMMENTS

The following members of the public offered comment:

Sylvia Walker requested Board Meetings be video recorded and the recordings placed on the Authority's website.

Senait Forthal, Irvine, stated her support for the Authority, requested the Board adopt Community Centered Guiding Principles, and expressed her support for the Energy Efficiency Program funding.

7. DIRECTOR COMMENTS

Director Khan stated she was glad to hear about upcoming website improvements and would like to ultimately see agendas, meeting videos, policies, and information on contract partners in an easy to navigate design on the website. She concurred with Ms. Forthal's comments on Guiding Principles, and stated she would work with staff to bring that forward.

Director Sonne stated the Board may wish to consider returning to a twice monthly meeting schedule, with all of the important decisions scheduled to be heard in the coming months. Legal Counsel Baron noted that while those concerns could be brought to staff, the Board could not vote to amend the meeting schedule at this time because the matter was not agendized.

Vice Chair Jung thanked Laguna Beach Mayor Pro Tem Kempf for attending and stated he looked forward to Laguna Beach joining the Authority. He requested study amending the meeting schedule to include two meetings per month. Vice Chair Jung inquired about the performance review process. Legal Counsel Baron noted the requests and stated employee performance reviews must be conducted in Closed Session and that he would consult the employment agreements of key staff to review timing.

Chair Carroll supported staff review of an amended meeting schedule.

8. REPORT BY CHIEF EXECUTIVE OFFICER

CEO Probolsky reported applications for the Community Advisory Committee were being circulated and the deadline for receipt was June 15th. He stated the applications for at large appointees would be brought to the Board at the earliest convenience.

9. REPORT BY GENERAL COUNSEL

General Counsel Baron had nothing to report.

10. ADJOURNMENT

On a motion by Vice Chair Jung, second by Director Khan, Chair Carroll adjourned the meeting at 11:23 a.m.

Brian Probolsky, Authority Secretary

**ORANGE COUNTY POWER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

MINUTES

June 9, 2021

This meeting was conducted utilizing teleconference and electronic means consistent with public health orders and guidelines in California and in accordance with the Governor's Executive Orders N-25-20 and N-29-20. There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call.

The Board Minutes are prepared and ordered to correspond to the Board Agenda. Agenda Items can and may be taken out of order during the meeting.

The Agenda Items were considered in the order presented.

1. CALL TO ORDER

Chair Carroll called the meeting to order at 9:05 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Carroll

3. ROLL CALL

Present: 5 Members

Director Khan (Irvine)
Director Posey (Huntington Beach)
Director Sonne (Buena Park)
Vice Chair Jung (Fullerton)
Chair Carroll (Irvine)

Also present: CEO Brian Probolsky
COO Antonia Castro-Graham
Ryan Baron, General Counsel (Best Best and Krieger, LLP)

4. REGULAR CALENDAR

The following items called for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board was so inclined.

**4.1 AWARD OF CONTRACT TO THE ENERGY AUTHORITY FOR
SCHEDULE COORDINATION AND DISPATCH SERVICES**

CEO Brian Probolsky introduced the agenda item. Chair Carroll provided background information on the start-up activities of the Authority. COO Antonia Castro-Graham presented the report, reviewing the Request for Proposal (“RFP”) process. She noted that the original proposals solicited by the Authority were rejected, and the RFP re-advertised, in an effort to obtain additional proposals from which to select the contractors. She further noted that the costs for these services were already included in the proposed FY 2021/22 budget, which will be presented to the Board at a future meeting.

Authority Counsel Ryan Baron discussed the services included in the category of “Scheduling and Dispatch” and commented that the services were regulated by Federal Energy Regulatory Commission (“FERC”). He noted scheduling and dispatch services were data intensive, and a highly technical and important function.

Director Posey inquired about the selection process, noting that the recommended consultant, The Energy Authority (“TEA”), had also submitted a proposal for Power Supply Portfolio Management (Agenda Item 4.2) but was not selected. He asked about economies of scale if they were to receive both contracts.

CEO Probolsky explained that the services were very different, utilizing different staff, so there were no economies of scale. He stated that while the first year costs for Scheduling and Dispatch were higher with TEA, they provided much greater staff support than the other proposed consultants and that their remaining years cost was lower.

The following members of the public offered comment:

Kathleen Treseder, Irvine, expressed support for the recommended consultant.

Jose Trinidad Castaneda, Fullerton, expressed support for the recommended consultant.

MOTION: On motion by Director Posey, second by Director Sonne, the Board: 1. Selected TEA to provide schedule coordination and dispatch services; 2. Authorized the Chief Executive Officer, the Chief Operating Officer, and General Counsel to negotiate, finalize, and execute a Professional Services Agreement with TEA in a not-to-exceed amount of \$1,087,693, consistent with the staff report as reviewed and approved by the General Counsel. **MOTION CARRIED BY THE FOLLOWING VOTE:**

AYES: Directors Khan, Posey, and Sonne
Vice Chair Jung
Chair Carroll

NOES: None

ABSTAIN: None

ABSENT: None

4.2 AWARD OF CONTRACT FOR POWER SUPPLY PORTFOLIO MANAGEMENT

CEO Brian Probolsky introduced the agenda item. General Counsel Ryan Baron reviewed the scope of services in detail. CEO Probolsky reviewed the list of proposals received, noting the

extensive California experience of Pacific Energy Advisors (“PEA”) and that the firm provides portfolio management for over ½ of the CCA’s in the state. He reported the firm’s staff operates entirely from California and their offices are adjacent to the California Independent System Operator (“CAISO”) facility. He stated the level of staff support proposed during start-up was almost equivalent to a full time employee and their pricing in the years following start-up was very competitive.

Director Posey inquired as to strength of their staff and the length of time PEA had been in business compared to the other proposers. CEO Probolsky reported that while the consultant had fewer staff members, they were all highly experienced, and that because the firm operates entirely in California, their time in business reflects the nature of community choice aggregation in California. However their team experience and depth in the utility industry is much greater and goes beyond their time with PEA.

Director Posey inquired about the relationship between PEA and TEA, chosen to provide scheduling coordination and dispatch services. Since TEA also proposed for portfolio management and was not selected, would there be any challenges with the two firms working together. CEO Probolsky stated that he had spoken with both firms, and that the number of consultants serving CCA’s is few, almost like a small family, and that the two firms respect each other. He did not anticipate any issues or have concern over their working relationship. CEO Probolsky further noted that while TEA provides both scheduling coordination/dispatch services AND portfolio management, PEA only provides portfolio management services.

The following members of the public offered comment:

Kathleen Treseder, Irvine, expressed appreciation for the Authority taking this important step in hiring a portfolio manager, and stated her support for the proposed consultant.

Jose Trinidad Castaneda, Fullerton, stated his support for the proposed consultant.

Ayn Cracium, Irvine, Climate Action Campaign, expressed her support for the proposed consultant, noting that PEA provides portfolio management for Marin Power, the first CCA in California.

MOTION: On motion by Director Posey, second by Director Sonne, the Board:

1. Selected PEA to provide power supply portfolio management services; 2. Authorized the Chief Executive Officer, the Chief Operating Officer, and General Counsel to negotiate, finalize, and execute a Professional Services Agreement with PEA in a not-to-exceed amount of \$2,388,000, consistent with the staff report as reviewed and approved by the General Counsel. MOTION CARRIED BY THE FOLLOWING VOTE:

AYES: Directors Khan, Posey, and Sonne
Vice Chair Jung
Chair Carroll

NOES: None

ABSTAIN: None

ABSENT: None

5. PUBLIC COMMENTS

The following members of the public offered comment:

Kathleen Treseder, Irvine, thanked the Board for initiating recording of their meetings, stating she was in favor of increased transparency. She requested as much notice as possible in advance of special meetings. She further commented her concern over Question #4 on the application for Community Advisory Committee members, which suggests the members were to be “mouth pieces” for the Board, rather than providing advice. She concluded by stating she was excited for the data center, citing her positive experience in other areas.

Ayn Cracium, Irvine, echoed the comments of Dr. Treseder regarding the application, which could give committee members the idea they could not disagree with the Board. She further commented that special meetings should be kept to a minimum.

Sylvia Walker expressed appreciation for recording the meetings.

Linda Kramer, Climate Reality OC, announced an upcoming webinar on Clean Energy to be held June 23rd and invited anyone who was interested in attending to contact her at lkteamtalk@gmail.com. She also commented that there is a lot of misinformation and false rate information being circulated in the communities.

Jose Trinidad Castaneda, Fullerton, stated he had recently reviewed the implementing timeline as presented at the January 12, 2021 Board Meeting, and noted that things will be moving very quickly in the third quarter of 2021.

6. ADJOURNMENT

Chair Carroll thanked everyone for their participation and comments. He noted recordings of the Board Meetings was another resource the community can use to access information on CCA and the Authority. He also noted there may be a need for more frequent meetings in the future.

On a motion by Vice Chair Jung, second by Director Posey, Chair Carroll adjourned the meeting at 9:56 a.m.

Brian Probolsky, Authority Secretary

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.1

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Ryan Baron, General Counsel

Subject: AGREEMENT FOR DATA MANAGEMENT AND CUSTOMER CALL
CENTER SERVICES

Date: June 22, 2021

RECOMMENDED ACTION

1. Approve Staff's recommendation of Calpine Energy Solutions for Data Management and Customer Call Center Services.
2. Authorize the Chief Executive Officer, Chief Operating Officer, and General Counsel to negotiate, finalize, and execute a Professional Services Agreement with Calpine Energy Solutions, LLC not to exceed five years and a total amount of \$14,300,000, consistent with this Staff Report, as reviewed and approved by the General Counsel.

BACKGROUND

On January 26, 2021, Staff released a Request for Proposal for Multiple Services: Power Supply Portfolio Management, Scheduling and Dispatch Services, and Data Management and Customer Call Center Services (Solicitation Number: 21-001), with a due date of February 26, 2021. After review of the proposals, Staff ultimately decided to reissue Request for Proposal for Multiple Services: Power Supply Portfolio Management, Scheduling and Dispatch, and Data Management and Customer Call Center Services (Solicitation Number: 21-003), with a due date of May 24, 2021. The reissuance of the RFP was done so that more firms could submit proposals. Interviews were conducted the week of May 31, 2021.

The following information provides information on the review process, as well as information on each of the Firms that were interviewed.

Three (3) firms submitted proposals for the Data Management and Customer Call Center Services:

1. Calpine Energy Solutions

For over ten years, Calpine has helped more than 140 local governments bring energy choice to their communities. Headquartered in San Diego, Calpine Energy Solutions has more than 295 full-time employees. Their CCA business unit has over ten years of direct experience providing CCA data management and customer contact center services, and more than 20 years of experience exchanging customer data with all three investor-owned electric utilities in California. The team has completed 20 successful CCA launches and 30 additional mass enrollments due to CCA service expansion. They provide data management and contact center services to all but four of the operating CCAs in California, totaling over 3.5 million service accounts.

2. Energy Data Management Services (EDMS)

Part of the Pilot Power Group family of companies who currently works with the King City Community Power. Headquartered in San Diego, EDMS entered the CCA space in 2016 with a full-service turnkey solution for King City. Their parent company Pilot Power has been an energy service provider for more than twenty years. EDMS currently provides data management, operational services, and contact center for King City Community Power, which launched in July 2018. They also process more than 1.2-billion-meter transactions annually for non-CCA customer types.

3. GridX

Founded in May 2010 by former mission driven developers of the Oracle Billing Revenue Management System. Headquartered in Milpitas, California has more than 150 employees worldwide with offices in Oakland, Monterey, and San Diego. Since 2016, their revenue and the number of employees has doubled every year. The CCA business unit consists of a team dedicated to support the CCA operations including billing operations, data operations, business analyses, and call center operations. Currently GridX works for one CCA, Central Coast Community Energy. They also provide an extensive set of technology services directly to several investor owned utilities including SCE, and PG&E.

The review committee, comprised of Authority Staff, General Counsel, and the Director of Data Analytics and Account Services from San Diego Community Power interviewed the respondents. Each firm was graded on the following categories:

1. Response, Capability, and Experience
2. Management, Personnel, and Qualifications
3. References
4. Cost to OCPA - Clarity and Cost for Pre- and Post-Launch

The following provides a high-level cost comparison of each firm based on a 60-month term:

Firm	Monthly Fixed Fee	Start-Up Costs	Per Meter Charge	Estimated Monthly Fee Total (285,000 meters)
Calpine Energy Solutions	\$25,000	\$0	\$0.74*	\$235,900*
EDMS	\$1,000	\$10,000	\$0.61	\$174,850
GridX	\$0	\$0	\$0.63	\$179,550

*Rate adjusted to reflect negotiated discounts.

Calpine was ultimately selected on the merits of their extensive experience providing data management and customer service to 20 CCAs in California, as well as on the value-added services which they were able to tailor to the Authority's anticipated needs during startup and during continued operations.

The proposed scope of work includes the following:

1. Receive and process CCA service requests from SCE

2. Maintain customer usage data from SCE servers, including hourly interval usage data at billing level quality.
3. Communicate and store the amount to be billed by SCE for services provided by the Authority.
4. Receive and store payment transactions toward Authority charges from SCE after payment is received by the SCE from customers.
5. Provide a portal for all authorized Authority Staff and consultants with continuous real time access to all raw IOU data inputs and post processing data outputs.
6. Provide a collaborative customer call center with specific performance measures.
7. Reporting
 - a. Develop a web-based rate comparison tool for OCPA and IOU rates.
 - b. Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on the Authority's behalf.
 - c. Weekly and monthly reports
 - d. Other reports as needed

Calpine has also offered the Authority the following: 1. A waiver of \$1.75 million in fees over 36 months. 2. Ability for Authority Staff to collocate a new call-center location; this includes roughly \$600,000 of value towards office space and tenant improvements. 3. Program Funds of \$500,000. 4. Recurve FlexMarket Credit of \$1,000,000. 5. 3% community benefit dollars.

FISCAL IMPACT

Initial services will be funded from Fiscal Year 2021/2022 Budget. Upon launch rate revenue will cover ongoing costs in Spring 2022. The estimated fiscal impact over the five-year contract period is a not-to-exceed amount of \$14,300,000.

ATTACHMENT

None

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.2

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Ryan Baron, General Counsel
Michael Berwanger, Managing Director, PFM Financial Advisors, LLC

Subject: ADOPT RESOLUTION 2021-05 APPROVING A CREDIT FACILITY AND
BANKING SERVICES AGREEMENTS AND DELEGATING AUTHORITY TO
EXECUTE RELATED AGREEMENTS

Date: June 22, 2021

RECOMMENDED ACTION

Adopt Resolution Approving a Credit Facility with J. P. Morgan Chase Bank (JP Morgan), in an Amount Not to Exceed \$50 Million, and Banking Services with River City Bank, and Delegating Authority to the Chief Executive Officer, Chief Operating Officer and General Counsel to Negotiate, Finalize and Execute Related Agreements.

BACKGROUND

The Authority retained PFM Financial Advisors, LLC (PFM) on January 19, 2021, to provide financial advisory services regarding a proposed credit facility and banking services for the Authority. PFM issued a *Request for Proposals for Credit and Banking Services* on April 5, 2021 (RFP). The RFP included background information about the Authority, program specifics, estimated start-up costs, pro-forma cash flows and overall scope of services being requested to meet the needs of the program.

Credit proposals would provide financing and credit support for Authority operations and power procurement (Credit Facility). The request for credit included a line of credit and letter of credit feature for a total facility of \$29 million to cover Authority start-up costs, which include operations and power procurement. Power procurement costs include resource adequacy and initial energy contracts as well as long-term power purchase agreements for renewable energy as required by Senate Bill 350 (de Leon, 2015).

Banking services proposals would provide for the deposit and disbursement of Authority funds as well as administration of a lockbox/secured account that would be established for the benefit of energy providers (Banking Services). The request for Banking Services included comprehensive management of the Authority's bank accounts, lockbox/secured account and related depository and cash operations.

The Authority received four competitive proposals overall, including four Credit Facility proposals in amounts equal to and exceeding the Authority's initial Credit Facility request of \$29 million, and three Banking Services proposals. The proposals received are as follows:

1. Bank of the West (Credit Facility and Banking Services)
2. JP Morgan Chase Bank (Credit Facility)
3. MUFG Union Bank N. A. (Credit Facility and Banking Services)

4. River City Bank (Credit Facility and Banking Services)

DISCUSSION

PFM reviewed and discussed the proposals with Authority Staff, and proposal details were shared with the Authority Board of Directors. Proposal review and interviews focused on experience, cost and the ability to meet the Authority's desired terms. PFM has noted that the Authority received very competitive proposals, more proposals than recent community choice aggregators (CCA) to date, and interest from lenders that have not historically participated in California CCA implementation.

Authority Staff, in conjunction with PFM, determined that J.P. Morgan Chase Bank (JP Morgan) offered the most cost effective and suitable terms for a Credit Facility. JP Morgan offered a revolving line of credit up to \$29 million and a tenor up to five years as well as issuance of letters of credit. JP Morgan has a strong investment credit rating (Aa2/A+/AA) that would help further power purchase agreement negotiations where letters of credit are required, and which would help the Authority obtain its own external ratings, should that be Board direction. JP Morgan also has the size and flexibility to grow with the Authority over time. The bank has been involved in significant loans with CCAs, including the Clean Energy Alliance (Carlsbad/Del Mar/Solana Beach), Marin Clean Energy and Clean Power San Francisco. Lastly, JP Morgan has a strong environmental track record, having adopted a financing commitment aligned with the goals of the Paris Agreement.

Based on this review, Authority Staff is recommending that the Authority negotiate a Credit Facility with JP Morgan of up to \$50 million. The additional facility is requested due to increasing short-term prices in energy markets, the potential for counter-party credit or collateral requests due to the current market, and the likelihood that the Authority may approve additional member agencies and expand into SDG&E service territory in the near future.

Authority Staff, in conjunction with PFM, determined that River City Bank offered the most cost effective and suitable terms for Banking Services. River City Bank is one of California's premier business banks and has serviced most of the CCAs in California. River City Bank also has extensive experience administering a lockbox/secured account on behalf of energy providers, which account would operate in lieu of the Authority posting collateral to assure energy providers of payment. River City Bank has proposed competitive fees for its deposit and disbursement services, including deferral of certain fees through launch.

It is recommended that the Board of Directors delegate authority to the Chief Executive Officer, Chief Operating Officer and General Counsel to negotiate, finalize and execute a Credit Facility agreement with JP Morgan and Banking Services agreements with River City Bank, consistent with the terms and conditions set forth in the proposals, together with such changes as may be deemed necessary or appropriate upon advice from the General Counsel and the Authority's banking advisers. This delegation is requested due to the time sensitive nature of negotiations and the need to begin procurement. Contract negotiations are anticipated to be 2-4 weeks. Should Authority Staff be unable to negotiate an agreement with either bank, Staff will immediately return to the Board for additional recommendations and direction.

FISCAL IMPACT

Credit Facility debt service payments and Banking Services fees are programmed into the Fiscal Year 2021/2022 Budget.

ATTACHMENT

Resolution No. 2021-05 a Resolution of the Board of Directors of the Orange County Power Authority Approving a Credit Facility and Banking Services and Delegating Authority to Approve Related Agreements.

RESOLUTION No. 2021-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ORANGE COUNTY POWER AUTHORITY APPROVING A
CREDIT FACILITY AND BANKING SERVICES AND
DELEGATING AUTHORITY TO APPROVE RELATED AGREEMENTS**

A. On April 5, 2021, the Orange County Power Authority (“Authority”) issued a *Request for Proposals for Credit and Banking Services* to finance and support implementation of its community choice aggregation program.

B. The Authority received credit proposals that would provide financing and credit support for Authority operations and power procurement (“Credit Facility”) and banking services proposals for the deposit and disbursement of Authority funds as well as administration of a lockbox/secured account that would be established for the benefit of energy providers (“Banking Services”).

C. Authority staff has proposed entering into a Credit Facility of up to \$50 million with J.P. Morgan Chase Bank (“JP Morgan”) in initial total commitment, and has briefed the Board of Directors on the lender’s terms and conditions.

D. Authority staff has proposed entering into certain Banking Services agreements with River City Bank, and has briefed the Board of Directors on the bank’s terms and conditions.

E. The Authority Board of Directors desires to delegate authority to the Chief Executive Officer, Chief Operating Officer and General Counsel to negotiate, finalize and execute a Credit Facility agreement with JP Morgan in satisfaction of Authority’s credit needs, consistent with the terms and conditions set forth in JP Morgan’s credit proposal, together with such changes as may be deemed necessary or appropriate upon advice from the General Counsel and the Authority’s banking advisers.

F. In addition, the Authority Board of Directors desires to delegate authority to the Chief Executive Officer, Chief Operating Officer and General Counsel to negotiate, finalize and execute Banking Services agreements with River City Bank in satisfaction of Authority’s banking services’ needs, consistent with the terms and conditions set forth in River City Bank’s banking services proposal, together with such changes as may be deemed necessary or appropriate upon advice from the General Counsel and the Authority’s banking advisers.

G. The Board has determined that entering into a Credit Facility agreement with JP Morgan and Banking Services agreements with River City Bank on the terms and conditions proposed, together with any and all ancillary documents related thereto to which the Authority is a party, the performance of Authority’s obligations thereunder and the consummation of the transactions contemplated thereby are advisable and in the best interests of the Authority.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
ORANGE COUNTY POWER AUTHORITY AS FOLLOWS:**

1. The Credit Facility as proposed by JP Morgan, consistent with the terms and conditions therein, is hereby approved, together with such changes and additions as the Chief Executive Officer, Chief Operating Officer and General Counsel may deem necessary, appropriate or advisable, for the performance of the Authority's obligations thereunder and the consummation of the transactions contemplated thereby, and are hereby, approved.

2. Banking Services as described by Authority staff with River City Bank, consistent with the terms and conditions contained in the banking services proposal, is hereby approved, together with such changes and additions as the Chief Executive Officer, Chief Operating Officer and General Counsel may deem necessary, appropriate or advisable, for the performance of the Authority's obligations thereunder and the consummation of the transactions contemplated thereby, and are hereby, approved.

3. The Chief Executive Officer, Chief Operating Officer and General Counsel are authorized and directed to negotiate, finalize and execute a Credit Facility agreement with JP Morgan, in an amount not to exceed \$50 million, and consistent with the terms and conditions set forth in the credit proposal, and definitive documentation of the Credit Facility, and prepare and finalize for execution all documents ancillary thereto.

3. The Chief Executive Officer, Chief Operating Officer and General Counsel are authorized and directed to negotiate, finalize and execute Banking Services agreements with River City Bank, consistent with the terms and conditions set forth in the banking services proposal, and definitive documentation of Banking Services, and prepare and finalize for execution all documents ancillary thereto.

4. This Resolution shall be effective immediately upon approval by the Board of Directors.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Orange County Power Authority held on June 22, 2021.

Michael Carroll, Chair

Brian Probolsky, Secretary

Approved as to form:

Ryan M. F. Baron
General Counsel

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.3

To: Orange County Power Authority Board of Directors

From: Brian Probolsky, Chief Executive Officer
Mike Maher, Authority Contract Treasurer

Subject: FISCAL YEAR 2021-22 BUDGET ADOPTION

Date: June 22, 2021

RECOMMENDED ACTION

Approve the proposed FY 2021-22 budget.

BACKGROUND

OCPA is currently in a startup phase as we plan and prepare for the Phase 1 customer launch anticipated for Spring 2022, the final fiscal quarter of the 2021-22 budget year. Accordingly, most of the expenses and all the customer revenues are going to occur during the final months of the year. OCPA is preparing this budget with certain assumptions about future market prices and customer rates scenarios. These assumptions will be discussed in further detail in subsequent sections of this report.

BUDGET OVERVIEW

The Fiscal Year 2021-22 proposed budget presented in this item seek to:

- Allow for revenues from sales of electricity to customers included in Phase 1
- Procure a supply portfolio of electricity generation in accordance with our renewable targets
- Provide for costs relating to community outreach and notification
- Provide for other operational costs of the organization

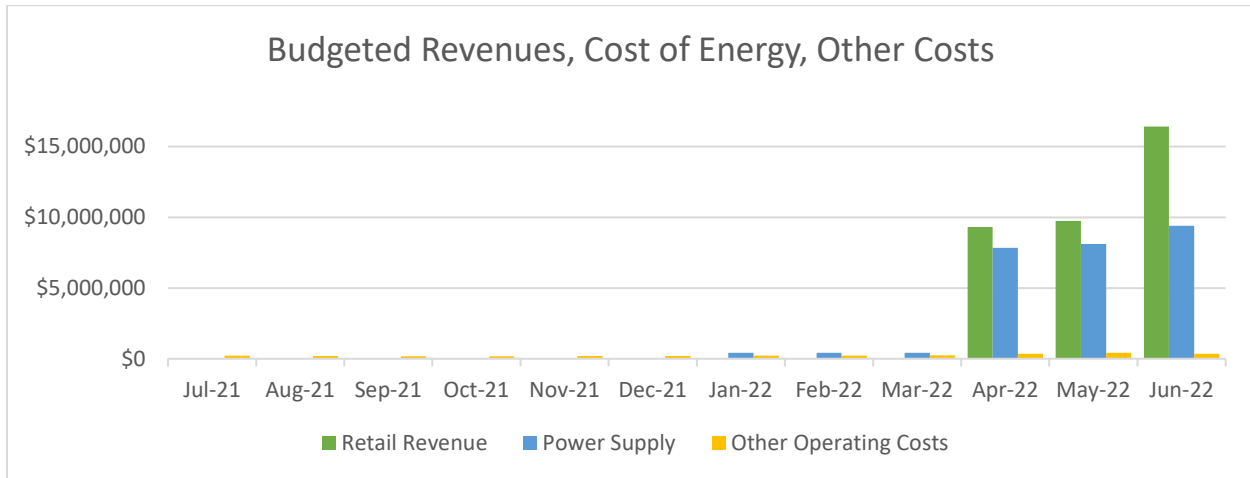
The draft budget is presented first in the form that will be used for adoption, and then is followed by supplemental information. The budget categories are intentionally general to allow some measure of Staff discretion, without requiring frequent budget adjustments.

**ORANGE COUNTY POWER AUTHORITY
OPERATING FUND
PROPOSED BUDGET
July 1, 2021 through June 30, 2022**

	FY 2021 Adopted Budget	FY 2022 Proposed Annual Budget	Change from Prior Year
OPERATING REVENUES			
Electricity Sales, net	\$ -	\$ 35,475,000	\$ 35,475,000
OPERATING EXPENSES			
Cost of Electricity	\$ -	\$ 26,632,000	\$ 26,632,000
Data Manager	-	96,000	96,000
Service Fees - SCE	1,200	10,000	8,800
Personnel	268,515	1,262,000	993,485
Professional Services	505,000	903,000	398,000
Legal	150,000	354,000	204,000
Communications & Outreach	200,000	458,000	258,000
General and Administration	100,000	402,000	302,000
Total Operating Expenses	<u>\$ 1,224,715</u>	<u>\$ 30,117,000</u>	<u>\$ 28,892,285</u>
Operating Income (Loss)	<u>\$ (1,224,715)</u>	<u>\$ 5,358,000</u>	<u>\$ 6,582,715</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and Related Expenses	<u>(25,000)</u>	<u>(858,000)</u>	<u>(833,000)</u>
Total Non-Operating Revenues (Expenses)	<u>\$ (25,000)</u>	<u>\$ (858,000)</u>	<u>\$ (833,000)</u>
CHANGE IN NET POSITION	<u>\$ (1,249,715)</u>	<u>\$ 4,500,000</u>	<u>\$ 5,749,715</u>
Beginning Net Position	\$ -	\$ (800,000)	
Change in Net Position (projected actual for 20/21)	<u>(800,000)</u>	<u>4,500,000</u>	
Projected Ending Net Position	<u>\$ (800,000)</u>	<u>\$ 3,700,000</u>	
NON-BUDGETED CASH OUTFLOWS/INFLOWS			
Cash from Financing	\$ 2,500,000	\$ 26,000,000	\$ 23,500,000
Deposits (CAISO, SCE)	\$ (100,000)	\$ (647,000)	\$ (547,000)

MAJOR POINTS

- Revenues begin in April 2022
- Approximately 90% of budgeted costs are cost of energy
- Anticipated increase in net position of \$4,500,000
- Anticipated accumulated ending net position of \$3,725,000



REVENUES

OCPA's sole source of revenue is from the retail sale of electricity to its customers. While the customer base will eventually include residential, commercial, and industrial rate categories, the 2021-22 fiscal year will only include commercial and industrial categories. This is due to the planned staggered phasing of customer launch dates. OCPA has not set specific rates for its customers at this point, as there is uncertainty surrounding CPUC decisions, SCE rates, and our own power supply costs. Staff has used reasonable estimates to account for these variables. Retail rate revenue is calculated based on a 4% discount off forecast SCE generation rates inclusive of the exit fee (PCIA) that will be charged to CCA customers. Rate levels or specific rate structure decisions have not been made. It was also assumed that 90% of commercial and industrial customers would participate in the CCA program.

EXPENDITURES

POWER SUPPLY

Cost of Energy includes all the various services purchased from the power market through our suppliers. This includes approximately 2,160,000 MWh of energy, capacity, green attributes, CAISO fees and other miscellaneous power market expenses. The volume of purchased energy is approximately 6-7% greater than the volume sold because of normal system losses.

DATA MANAGER

Data Management is a broad scope of services that includes billing data validation, bill coordination with SCE, call center services and billing technical support, customer enrollment database management, move-in/move-out services, and many support functions related to data reporting. OCPA is in the process of selecting their Data Manager.

SERVICE FEES – SCE

Service Fees to SCE consist of a charge of a fixed fee per account per month. The fees cover SCE's costs associated with additional data processing and bill coordination and are mandatory and regulated by the California Public Utilities Commission (CPUC). There are also numerous small fees associated with data requests.

PERSONNEL

Personnel costs include salaries, payroll taxes and benefits for Authority Board and Staff. OCPA has filled two full-time executive positions in the current fiscal year and expects to add two senior managers in power management and finance roles as well as three to five administrative and customer facing Staff in the upcoming budget year.

PROFESSIONAL SERVICES

Technical Consultants – OCPA has or plans to engage with consultants to assist with rate setting, policies, joint rate comparison with SCE, program research and design, load analysis, and Integrated Resource Plan design.

Portfolio Manager & Scheduling Coordinator – After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true-up occurs through the settlement process. Settlements also entail addressing a number of other market and regulatory requirements. Staff are currently considering options for Scheduling Coordinator Service.

Other Miscellaneous - OCPA plans to contract for IT Services, Audit and Accounting, Human Resource, and several other tasks. As OCPA matures they will monitor these services to determine whether there is a need to bring some of this work in-house.

LEGAL

OCPA retains legal counsel to assist with the aspects of the regulatory, compliance, power supply contract negotiations as well as its general legal needs.

COMMUNICATION AND OUTREACH

An important focus of the agency is ensuring the community is informed about OCPA. There are certain required notifications that must be sent out to customers, informing them of their enrollment in OCPA, Opt-out procedures, rate comparisons, as well as other notices. OCPA is monitoring the requirements to make sure they are in compliance.

In addition to required noticing, OCPA intends to perform further outreach that educates the community of the benefits of OCPA and to encourage awareness of its mission. This will come in the form of media advertising, sponsorships of community events and organizations, mailers, as well as targeted customer communications.

GENERAL AND ADMINISTRATION

General and Administration costs include office space, industry memberships (e.x. CalCCA), equipment and software, as well as other general operational costs.

NON-OPERATING REVENUES

INTEREST AND RELATED EXPENSES

OCPA is financing its operations through debt until it receives sufficient cash inflows from customers. This category includes interest costs as well as potential renewal fees on debt or letters of credit.

NON-BUDGETED CASH OUTFLOWS/INFLOWS

OCPA has designed their budget following the accrual basis of accounting. This is the same basis OCPA's main financial states will use and is required by Generally Accepted Accounting Principles (GAAP) for governmental enterprise fund accounting. This basis omits certain cash inflows and outflows that are not determined to be a revenue or and expense under GAAP. However, Staff acknowledges that these are not insignificant and have chosen to display major items as an information only item at the bottom of the budget.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.4

To: Orange County Power Authority Board of Directors

From: Antonia Graham, Chief Operating Officer

Subject: COMMUNITY ADVISORY COMMITTEE UPDATE AND MEMBER SELECTION

Date: June 22, 2021

RECOMMENDED ACTION

Receive and File Member City Direct Appointments to the Community Advisory Committee.

BACKGROUND

The Authority’s Joint Powers Agreement (JPA) gives the Board the authority to “establish committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the purposes of this Agreement (JPA).” The JPA also provides that Committees that include or consist of non-Board members shall be advisory only.

At previous Board meetings, the Directors have requested that Staff bring forward more information on the development of a Community Advisory Committee (CAC) for the Authority. At the April 13, 2021, Board Meeting, the Board voted to approve the creation of the CAC and approved the membership criteria, terms, and meetings of the CAC.

DISCUSSION

The CAC intends to promote membership throughout the communities of Orange County Power Authority’s (Authority) four-member cities and meet the goal of representing a diverse cross-section of interests, skills set, and geographic regions.

The CAC is made up of ten (10) members, with two (2) direct appointments from each Board Member; but no member agency shall have more than two members to the CAC. In addition to the direct appointments, there are two at-large appointments selected by the Board via an application process.

CAC members shall be residents (either property owners or renters), business owners, and/or employees or representatives of a community-based organization within one of the Authority’s four member cities: Buena Park, Fullerton, Huntington Beach, and Irvine. When reviewing CAC applicants for membership, Authority Staff and the Board of Directors are to prioritize residents, when feasible, from diverse social, economic, and racial backgrounds that are representative of all residents within the service territory of the Authority. Finally, applicants must be committed to serving on the CAC and regularly attending CAC meetings and occasional Authority Board meetings.

Staff received seven applications to serve on the CAC as an at-large member. In order to cast a wider net, Staff will extend the at-large application period to July 31, 2021. These applications will be brought to the Board at the August Board meeting.

The first meeting for the CAC is tentatively scheduled for July 8, 2021, for the direct appointments.

Community Advisory Committee Purpose and Scope

The purpose of the CAC shall be to advise the Board of Directors and provide for a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of Authority. The Committee shall be advisory only and is subject to the Brown Act. The Purpose and Scope can be found attached to this Agenda Report as Attachment 1.

FISCAL IMPACT

Costs associated with CAC meetings are unknown; however, they may include Staff time to manage the meetings, costs for lunch or refreshments, and possible meeting space charges if public facilities aren't available.

ATTACHMENT

1. Purpose and Scope

Community Advisory Committee Purpose and Scope

The purpose of the Orange County Power Authority (Authority) Community Advisory Committee (CAC) is to advise the Authority Board of Directors on the operation of its Community Choice Energy program. This Scope will be adopted by the Board of Directors and may be updated or changed at the Board's discretion.

The Community Advisory Committee will, under the direction of the Authority Board of Directors and authorized Authority staff:

1. Elect officers (Chair, Vice Chair, and Secretary) and define priorities and duties to ensure the Committee can operate independently and collaboratively, with limited support from Authority staff, but in keeping with the priorities of the Board.
2. From time to time the Board may ask the CAC to work on defined objectives and produce materials or advice that will assist the Board in decision-making.
3. Help the Board to identify issues of concern and opportunities to educate community members about the Authority.
4. Draft reports to the Board with findings and recommendations as may be needed.
5. Represent the views of the Committee constituencies in comments and recommendations.
6. Plan for and engage in community events and special projects, as appropriate.
7. Serve as an information-channel back to their colleagues and communities.
8. Other duties or tasks, as deemed appropriate by the CAC and Board, that meet the purpose of providing a venue for ongoing citizen support and engagement in the strategic direction, goals, and programs of the Authority.