



OC POWER AUTHORITY

September 14, 2021

10:00 AM

Board of Directors Meeting



**Meeting
Agenda
Tuesday
September
14, 2021
10:00 AM**

ORANGE COUNTY POWER AUTHORITY BOARD OF DIRECTORS MEETING

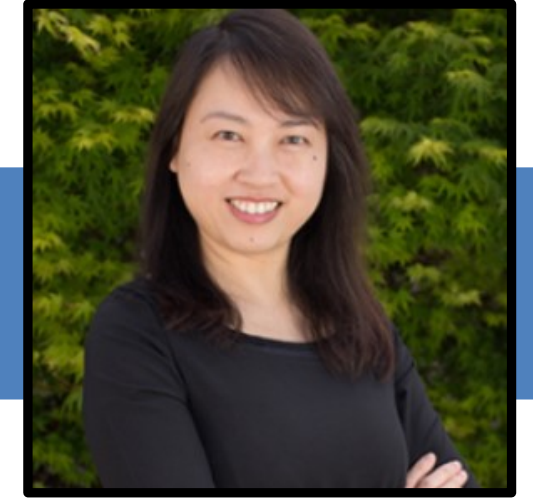
1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. PRESENTATION BY INCOMING CHIEF FINANCIAL OFFICER
5. CONSENT CALENDAR
 - 5.1 MINUTES FOR JULY 13, 2021
6. REGULAR CALENDAR
 - 6.1 ADOPT RESOLUTION 2021-08 APPROVING A CREDIT FACILITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL TO FINALIZE AND EXECUTE A CREDIT AGREEMENT AND RELATED DOCUMENT
 - 6.2 PRESENTATION ON THE COMMUNITY PROGRAMS SUBMITTAL TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION FOR ENERGY EFFICIENCY FUNDING
 - 6.3 AWARD OF CONTRACT FOR DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES
 - 6.4 APPROVAL OF MASTER POWER PURCHASE AND SALE AGREEMENTS WITH PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND MORGAN STANLEY CAPITAL GROUP
 - 6.5 AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES
7. PUBLIC COMMENTS
8. DIRECTOR COMMENTS
9. STAFF REPORT
10. ADJOURNMENT





Presentation by Incoming Chief Financial Officer

Introducing Tiffany Law



- Ms. Law was most recently the Chief Financial Officer and Chief Technology Officer of Central Coast Community Energy, now known as 3CE. Previously she served in the private sector in finance, accounting, and compliance roles of increasing responsibility. She is a Certified Public Accountant.
- Hired as their first employee, 3CE is now the fifth largest Community Choice Aggregator in the State of California
- 3CE has a net position balance of \$185 million and has grown revenue to \$239 million over the last three years
- Under Ms. Law's leadership, 3CE was the first Community Choice Aggregator to achieve an "A" Credit Rating by S&P



Presentation by Incoming Chief Financial Officer

Experience as Chief Financial Officer

- As a Chief Financial Officer for the last four years, Ms. Law has overseen critical functional areas of a Community Choice Aggregator, demonstrating leadership that will serve the Orange County Power Authority well:

Accounting	Auditing	Finance
Budgeting	Treasury	Payroll
Rate-making	Data Analytics Management	Information Technology



**Presentation
by Incoming
Chief
Financial
Officer**

OCPA's Chief Financial Officer

- Brief introductory remarks by Tiffany Law
- Chair and Board of Directors comments



CONSENT CALENDAR

5.1 MINUTES FOR THE REGULAR BOARD MEETING OF AUGUST 10, 2021

Recommended Action:
Approve as submitted.



6.1

RESOLUTION APPROVING A CREDIT FACILITY

Background

- The Authority retained PFM Financial Advisors (PFM) in January to provide financial advisory services for a proposed credit facility and banking services
- PFM issued a Request for Proposals for Credit and Banking Services in April
- Credit and Banking Services proposals are to provide financing and credit support for OCPA operations and power procurement
- The Authority received four competitive proposals, 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 were 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)



6.1

RESOLUTION APPROVING A CREDIT FACILITY

Discussion

- PFM reviewed and discussed the proposals with Authority staff, and proposal details were shared with the Authority Board of Directors.
- Staff and PFM initially determined that J.P. Morgan offered the most suitable terms for a Credit Facility and that River City Bank should provide the Authority's Banking Services, as J.P. Morgan did not offer Banking Services
- The Board of Directors provided Staff the authority to negotiate and finalize the Credit Facility and Banking Services agreements and bring same back to the Board for approval.
- During late negotiations with J.P. Morgan, J.P. Morgan began to modify the commitments made in its initial proposal, including the requirement of \$10 million in cash from the Authority. Upon recommendation from PFM, Staff opened discussions with MUFG/Union Bank (the bank with the next highest ranked proposal during evaluation, and MUFG was willing to hold discussions and undertake expedited review of a \$35 million credit facility.
- MUFG agreed to move forward with a credit facility for OCPA on substantially the same terms as its original offer, which included administration of the lockbox portion of the Banking Services.



6.1

RESOLUTION APPROVING A CREDIT FACILITY

Discussion (continued)



- As with other CCA credit facilities, the proposed MUFG credit facility is secured by a pledge of the net revenues of OCPA, following payment to energy providers and Authority operating expenses, as well as a cash collateral account in the amount of \$5 million dollars. The City of Irvine has previously agreed to provide pursuant to the Capital Loan Agreement between OCPA and the City of Irvine.
- The negotiation of the definitive terms of the Credit Agreement and Fee Agreement is complete and prepared for execution if approved by the Board of Directors.
- Staff seeks Board of Directors approval of the Credit Facility and the authority for the CEO, and General Counsel to execute such documents, together with lockbox and ancillary documents and certificates related to the Credit Facility.

Fiscal Impact

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



**6.1
RESOLUTION
APPROVING
A CREDIT
FACILITY**

6.1 RECOMMENDED ACTION

Adopt Resolution approving a Credit Facility with MUFG Union Bank N.A. (MUFG), in an amount not to exceed \$35,000,000, and authorizing the CEO and General Counsel to take such action necessary and appropriate to finalize and execute the Credit Facility documents and related lockbox agreements, including any exhibits, schedules, certificates, and ancillary documents necessary to close the Credit Facility and obtain access to funding.



REGULAR CALENDAR

6.2 PRESENTATION ON THE COMMUNITY PROGRAMS SUBMITTAL TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION FOR ENERGY EFFICIENCY FUNDING





**REGULAR
CALENDAR**

6.3 AWARD OF CONTRACT FOR DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES





6.3

**CONTRACT
FOR DATA AND
CUSTOMER
CALL CENTER
MANAGEMENT**

**Contract Procurement Process
Solicitation #21-003**

- Request for Proposals issued January 26, 2021
- Request for Proposals re-issued on May 10, 2021
- Responses due May 24, 2021

- Three Firms submitted responses

- Review Committee conducted interviews week of June 14, 2020
- Presented to Board in June and returning with finalized agreement



6.3

CONTRACT FOR DATA AND CUSTOMER CALL CENTER MANAGEMENT

SCOPE OF WORK

1. Receive and process CCA service requests from IOUs
2. Obtain customer usage data from the IOUs, including hourly interval usage data at billing level quality
3. Communicate and store the amount to be billed by the IOU for services provided by OCPA
4. Receive and store payment transactions toward OCPA charges from SCE after payment is received by the IOU from customers
5. Provide a portal for all authorized OCPA Staff and consultants with continuous real-time access to all raw IOU data and post processing data outputs
6. Provide customer call center with specific performance measures
7. Daily, weekly and monthly reporting

Additional services

1. Establish operational customer relationship management system
2. Access to an online database to add customer interactions and other account notes
3. Database of all OCPA customers and their enrollment status, rate tariff election, payment history, collection status, on-site generation capacity, and customer correspondence
4. Historical usage on all customers for up to five years
5. Maintain accessible archives of billing records
6. Storage of historical SmartMeter usage data



6.3

CONTRACT FOR DATA AND CUSTOMER CALL CENTER MANAGEMENT

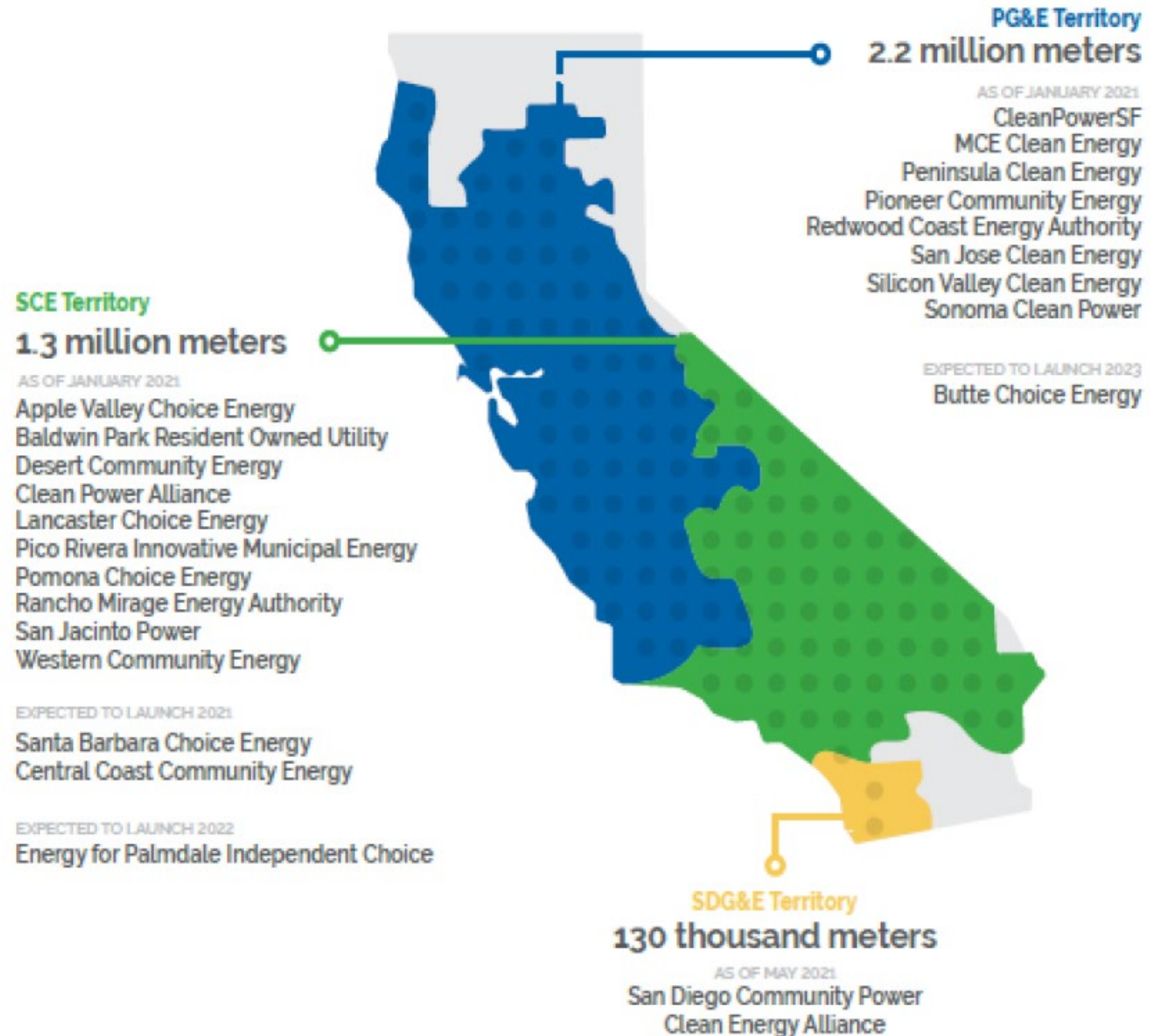
- Calpine Energy Solutions earned first position in review process
- Headquartered in San Diego, CA
- 10 years of experience delivering CCA Data and Customer Call Center Management Services
- Completed 20 California CCA launches
- Currently provides requested scope of services to 19 of 23 CCAs
- Only vendor to have launched service in SCE and SDG&E territory
- Included over \$2MM in value added services
- Positive reference checks confirmed



6.3

CONTRACT FOR DATA AND CUSTOMER CALL CENTER MANAGEMENT

CALPINE CUSTOMER MAP





6.3

**CONTRACT
FOR DATA AND
CUSTOMER
CALL CENTER
MANAGEMENT**

Recommended Action:

Approve Data Management Agreement with Calpine Energy Solutions, LLC for a term of five years and a total amount of \$12,900,000



REGULAR CALENDAR

6.4 APPROVAL OF MASTER POWER PURCHASE AND SALE AGREEMENTS WITH PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON, AND MORGAN STANLEY CAPITAL GROUP





6.4 ENABLING AGREEMENTS

6.4 ENABLING AGREEMENTS

The Orange County Power Authority (“Authority”) is in the process of negotiating and finalizing Master Power Purchase and Sale Agreements (“Master Agreements”) with Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), and Morgan Stanley Capital Group (“MSCG”) for the purchase of renewable energy.

A Master Agreement is an “evergreen” agreement that allows the Authority to enter into future transactions with the party to the Agreement.

The Master Agreement will govern individual transactions between the parties, including buyer and seller obligations, defaults, collateral requirements, indemnities and other legal provisions.

The Master Agreement will govern purchases for renewable energy, system power, and resource adequacy.



6.4 ENABLING AGREEMENTS

6.4 ENABLING AGREEMENTS

- **Confirmation Agreements** - Actual purchases by the Authority will be executed through a Confirmation Agreement that will contain the price, resource, quantity, term and other commercial terms of the transaction. Confirmation agreements are typically one-to-two-page contracts governed by the Master Agreement
- **Time is of the Essence** - With some cases with RFOs, a winning offer is subject to a 1- to 2-hour window for acceptance and finalization of all documents, such as to accept a counter-party's pricing by 1 p.m. CST when trading markets close, and to execute all agreements, which cannot be done in the time-frame of an Authority Board meeting.



6.4 ENABLING AGREEMENTS

6.4 RECOMMENDED ACTION

1. Adopt Resolution No. 2021-05, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement and Collateral Annex with Pacific Gas and Electric Company, and Authorizing the Chief Executive Officer to Execute the Agreement.
2. Resolution No. 2021-06, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement and Collateral Annex with Southern California Edison Company, and Authorizing the Chief Executive Officer to Execute the Agreement.
3. Adopt Resolution No. 2021-07, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement with Morgan Stanley Capital Group, and Authorizing the Chief Executive Officer to Execute the Agreement.



REGULAR CALENDAR

6.5 AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES





6.5 FINANCIAL AUDIT SERVICES

6.5 AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES

- In July, Staff released a Request for Proposals for Financial Audit Services from qualified consultants or firms to provide auditing services of our financial statements for the period from November 20, 2020 (OCPA's inception date) through June 30, 2021.
- On August 13, 2021, Staff received one qualified proposal from Pimenti & Brinker, LLP to conduct these services.
- Pimenti & Brinker currently provides audit services for 3CE, San Diego Community Power, Redwood Coast Energy, Silicon Valley Clean Energy Authority, East Bay Community Energy Authority, in addition to municipalities and special districts.

The following reports will be prepared as part of their Scope of Work:

- Report on the fair presentation of the financial statements of the Authority.
- Management letter of comments.
- Report on significant deficiencies or material weaknesses in internal control, if identified.
- Other communications to those charged with governance as required by professional standards.



6.5 FINANCIAL AUDIT SERVICES

Recommended Action:

Approve the Professional Services Agreement with auditor Pimenti & Brinker, LLP for \$7,500 and authorize the Chief Executive Officer to execute the agreement.



OC POWER
AUTHORITY