

## AGENDA

### ORANGE COUNTY POWER AUTHORITY MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 12, 2021

10:00 a.m.

This meeting will proceed as a teleconference meeting in compliance with waivers to certain provisions of the Ralph M. Brown Act provided for under California Government Code section 54953(e)(1)(A) in relation to the Covid-19 state of emergency and recommended social distancing measures. 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. To provide comments during the meeting, join the Zoom meeting by computer, mobile phone, or dial-in number. 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 video conference or telephonically. On Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. This will notify the Clerk that you wish to speak during a specific item on the agenda or during non-agenda Public Comment. If joining the meeting using the Zoom dial-in number, you can raise your hand by pressing \*9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall be limited to three minutes when speaking. If you have a document that you wish to be distributed to the Board, please provide it via [comments@ocpower.org](mailto:comments@ocpower.org) and it will be distributed to Board 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:

[Webinar Registration - Zoom](#)

Passcode: 077637

Dial-in: 1 (669) 900 - 6833

Webinar ID: 878 9783 6657

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **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 SEPTEMBER 14, 2021**

**Recommended Action:**

Approve as submitted.

2. **RESOLUTION NO. 2021-08 APPOINTING THE CHIEF FINANCIAL OFFICER OF THE ORANGE COUNTY POWER AUTHORITY AS ITS TREASURER AND AUDITOR**

**Recommended Action:**

Adopt Resolution No. 2021-08 Appointing the Chief Financial Officer of the Orange County Power Authority As Its Treasurer and Auditor

3. **FINANCIAL RESULTS – QUARTER ENDED SEPTEMBER 30, 2021**

**Recommended Action:**

Receive and File.

5. **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. **PRESENTATION ON MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY ON BEHALF OF THE SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK TO COLLABORATE AND PARTNER ON THE CREATION AND IMPLEMENTATION OF ENERGY EFFICIENCY PROGRAMS**

**Recommended Action:**

Receive and File.

2. **ENERGY REGULATORY UPDATE**

**Recommended Action:**

Receive and File.

6. **DIRECTOR COMMENTS**

*Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, 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.*

7. **STAFF REPORT**

*Staff 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.*

8. **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.*

9. **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](http://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.



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

**September 14, 2021**

**1. CALL TO ORDER**

Chair Carroll called to order the regular meeting of the Orange County Power Authority Board of Directors at 10:04 a.m. on September 14, 2021.

The 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. The board and staff assembled in the Pico Conference Room at Irvine City Hall. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health there was no location for in-person audience attendance. Members of the public were able to provide live comments on agenda items using Zoom. The agenda items were considered in the order presented.

**2. PLEDGE OF ALLEGIANCE**

Director Posey led the Pledge of Allegiance

**3. ROLL CALL**

Present:	Director Farrah N. Khan	City of Irvine
	Director Mike Posey	City of Huntington Beach
	Director Susan Sonne	City of Buena Park
	Vice Chair Fred Jung	City of Fullerton
	Chair Mike Carroll	City of Irvine
Also Present:	Brian Probolsky	Chief Executive Officer
	Antonia Castro-Graham	Chief Operating Officer
	Ryan Baron	General Counsel, Best Best and Krieger

**4. PRESENTATION**

Chair Carroll introduced Tiffany Law, the OCPA's newly-appointed Chief Financial Officer, and shared her previous experience, especially at 3CE, Central Coast Community Energy. He listed Ms. Law's duties with OCPA.

Ms. Law summarized her qualifications and expertise in financial controllership, compliance, data analytics and information management. She will focus on building a high-quality finance team, increasing the number of energy provider contracts, and reducing transaction costs.

## 5. CONSENT CALENDAR

### MINUTES OF THE REGULAR OCPA BOARD MEETING HELD AUGUST 10, 2021

**ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried,**

To approve the Minutes of August 10, 2021, as submitted.

## 6. REGULAR CALENDAR ITEMS 1 – 5

### 1. RESOLUTION 2021-08 APPROVING A CREDIT FACILITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND GENERAL COUNSEL TO FINALIZE AND EXECUTE A CREDIT AGREEMENT AND RELATED DOCUMENTS. (MUFG, Union Bank)

Chief Executive Probolsky presented a staff report recommending that OCPA enter into an agreement with MUFG (Union Bank) for a \$35 million credit line and a lockbox arrangement. MUFG was one of four firms that responded to an April 5, 2021, RFP prepared by PFM Financial Advisors. At a previous meeting, the Authority directed staff to negotiate an agreement with JP Morgan for the credit facility and an agreement with River City Bank for banking services.

Ryan Baron, OCPA General Counsel, and Glen Price, Counsel, Best Best and Krieger, reported that during the due diligence process, the credit and risk managers at JP Morgan changed their initial proposal by asking for a \$10,000,000 cash infusion and to delay advancing credit until OCPA had additional staff. Due to JP Morgan's demands, the negotiating team called the next in line, MUFG Union Bank. MUFG offered lower fees than JP Morgan and asked for cash collateral of \$5 million instead of \$10 million. MUFG also asked for the lockbox contract.

Glen Price explained the lockbox agreement and added that OCPA's banking contract will remain with River City.

Glen Price responded to Director Sonne's questions about MUFG's experience.

Director Khan requested that the CFO review the credit agreement and asked questions about rate setting, reserves, and termination provisions.

Glen Price responded, stating MUFG will not be able to influence rate setting, He explained the reserve requirement of \$17 million by 2025, and the termination

provisions, also in the joint powers agreement, that prevent a city from withdrawing from the Authority without paying their fair share of current obligations,

Director Jung clarified that JP Morgan's change in position was not the fault of OCPA. During negotiations, things change; markets change, and the process is fluid.

Chair Carroll opened the floor to public comments.

Ayn Craciun, Climate Action Campaign spoke about rates, reserves and financial documents.

Kathleen Treseder, UCI, shared her opinion on financial regulations and suggested the vote be delayed.

Glen Price, Counsel, stated the MUFUG agreement does not determine how OCPA sets rates, reserve requirements are common to all CCAs, MUFUG received current financial data, and there was no violation of the law.

CEO Probolsky said that directors were briefed individually by the banking team so as not to violate the Brown Act.

General Counsel Baron spoke about JP Morgan's funding relationship with the Los Angeles CCE and reminded the Board that J P Morgan's offer to OCPA is still on the table.

**ACTION: Director Khan made a motion, seconded by Director Posey, and unanimously carried to:**

Adopt the resolution approving a Credit Facility with MUFUG Union Bank N.A.(MUFUG) in an amount not to exceed \$35,000,000, and approving MUFUG to administer a lockbox collateral account for OCPA power providers, and authorizing the Chief Executive Officer and General Counsel to finalize and execute a credit agreement and related documents.

## **2. PRESENTATION ON COMMUNITY PROGRAM SUBMITTAL FOR THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)**

Chief Operations Officer Castro-Graham presented a detailed staff report recommending submittal of Energy Efficiency program proposals to the California Public Utilities Commission for the Elect to Administer (ETA) and Apply to Administer (ATA) funding pathways. She introduced Laurel Rothschild, Vice President, and Julie Castro, Program Manager of The Energy Coalition who joined her in holding several community workshops and other outreach efforts to gain feedback on the proposed programs.

Laurel Rothschild outlined the four criteria for selecting programs: help lower customer bills, spur local economic development, choose programs designed for member communities, and meet CPUC requirements. She explained the CPUC requirements including cost-benefit effectiveness.

Julie Castro summarized each of the program offerings proposed during the outreach process and the community feedback received.

Laurel Rothschild explained which programs would be submitted under the two pathways and why. She informed the Board of programs being administered by other CCAs. As a next step, staff will develop the one to three programs for the Elect to Administer pathways and begin on the seven applications that may be submitted under the Apply to Administer funding pathway.

The Chief Operating Officer explained that staff will bring all programs back to the Board for review, continue to explore funding opportunities, and seek additional community input.

Shannin Ziemer of the Community Advisory Committee said she appreciated the community events and was glad to be moving forward with the funding applications.

**ACTION: Chair Carroll made a motion, seconded by Director Posey, and unanimously carried to:**

Approve staff's recommendation on the submittal of seven Energy Efficiency Customer Programs to the California Public Utilities Commission for the Elect to Administer and Apply to Administer funding pathways.

**3. AWARD OF CONTRACT FOR DATA MANAGEMENT AND CUSTOMER CALL CENTER SERVICES (Calpine Energy Solutions)**

Chief Executive Officer Antonia Castro-Graham reported that at their June 22, 2021, meeting the Board authorized staff to negotiate a contract with Calpine Energy Solutions for data management and customer call center services and reiterated why Calpine had earned first position in the RFP review process.

**ACTION: Director Posey made a motion, seconded by Director Khan, and unanimously carried to:**

Approve the data management agreement with Calpine Energy Solutions, LLC for a term of five years and a total amount of \$12,900,000.

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

Ryan Baron, General Counsel, presented a series of master power purchase and sale agreements for the purchase of renewable energy, system power and resource adequacy. The agreements govern the individual transactions between the parties, including buyer and seller obligations, defaults, collateral requirements, indemnities and other legal provisions. Ultimately, OCPA will have about ten to twenty of these agreements.

Kirby Dusel, Vice President of Pacific Energy Advisors (PEA) updated the Board on the transactions that OCPA has been selected for. He explained the mandated minimum purchase requirements imposed by the State of California and how these transactions would partially fulfill those requirements. These agreements represent the purchase of the highest value, highest cost renewable energy products as well as addressing state requirements for resource adequacy.

General Counsel Baron explained why the agreements were partially redacted.

Ayn Craciun, Climate Action Campaign, spoke to the complexity of the agreements and complimented the board on involving Pacific Energy Advisors.

Ryan Baron, Glen Price and Kirby Dusel answered questions about their experience in negotiating these types of agreement.

**ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried to:**

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. Adopt Resolution No. 2021-06, a Resolution of the Board of Directors of Orange County Power Authority Approving a Master Power Purchase and Sale Agreement, Collateral Annex, and Certificate of Authority 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 in Substantially Similar Form, with approval to form by the General Counsel.



## **5. AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES**

Chief Operating Officer Antonia Castro-Graham reported on the RFP process for selecting a firm to perform the annual independent audit. The only proposer, Piseni and Brinker, LLP, will provide general audit services for the period November 20, 2020, through July 30, 2021. They expect a ninety-day completion.

**ACTION: Director Posey made a motion, seconded by Director Sonne, and unanimously carried to**

Approve a professional service agreement with Piseni and Brinker, LLP, for audit services in the amount of \$7500.

## **7. PUBLIC COMMENTS**

Dave (no last name given) spoke regarding blogs and CEO Brian Probolsky.

Ayn Craciun, Climate Action Campaign, commented on the impacts of Board decisions.

Shannin Zeimer of the Community Advisory Committee (CAC) requested that the CAC appear on each agenda and that the Board fill the at-large committee seats.

Kelly Peters commented on hiring the new CFO, and CEO Brian Probolsky.

Ashton Gilbert, CSUF student and Tustin resident, complimented staff and Pacific Energy Advisors, and asked the Board to exceed minimum requirements.

Branda Lin, Irvine resident, read a response letter from the OCPA regarding public records requests.

General Counsel Baron confirmed that OCPA is in compliance with the California Public Records Act.

## **8. DIRECTOR COMMENTS**

Director Sonne asked for copies of the applications for the vacant at-large CAC positions, supported placing the CAC on the agenda, and requested the Board to change to an evening meeting time.

## **9. STAFF REPORTS**

CEO Probolsky spoke about the progress made at this meeting and said that additional master power agreements will be forthcoming.

COO Castro-Graham gave an update on the CAC and stated the new OCPA website will be complete by October 18.

## **10. ADJOURNMENT**

At 12:10 p.m. Director Posey made a motion, seconded by Director Sonne, and unanimously carried, to adjourn the regular meeting of the OCPA to Tuesday, October 12, 2021, at 10:00 a.m.

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**Brian S. Probolsky, Authority Secretary**

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 4.2**

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To: Orange County Power Authority Board of Directors

From: Ryan Baron, General Counsel

Subject: RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY  
POWER AUTHORITY APPOINTING THE CHIEF FINANCIAL OFFICER OF THE  
ORANGE COUNTY POWER AUTHORITY AS ITS TREASURER AND AUDITOR

Date: October 12, 2021

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**RECOMMENDED ACTION**

Adopt Resolution No. 2021-08 A Resolution of the Board of Directors of the Orange County Power Authority Appointing the Chief Financial Officer of the Orange County Power Authority as its Treasurer and Auditor.

**BACKGROUND**

The Authority is a joint powers authority formed and existing pursuant to the provisions of the Joint Exercise of Powers Act and the Authority’s own Joint Powers Agreement. Government Code section 6505.5 requires the appointment of a treasurer and auditor. Government Code section 6505.6 further provides that an agency established by a joint powers agreement may appoint one of its officers or employees to either or both of such positions.

This Board Action would appoint Tiffany Law, the Authority’s newly installed Chief Financial Officer as its Treasurer and Auditor. In this capacity, Ms. Law will perform the duties of Treasurer and Auditor pursuant to the Joint Powers Agreement and applicable law.

**FISCAL IMPACT**

There is no fiscal impact.

**ATTACHMENT**

1. Resolution No. 2021-08, “A Resolution of the Board of Directors of the Orange County Power Authority Appointing the Chief Financial Officer of the Orange County Power Authority as Its Treasurer and Auditor.”

**RESOLUTION NO. 2021-08**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE ORANGE COUNTY POWER AUTHORITY  
APPOINTING THE CHIEF FINANCIAL OFFICER OF THE  
ORANGE COUNTY POWER AUTHORITY AS ITS  
TREASURER AND AUDITOR**

A. The Orange County Power Authority (“OCPA”) is a joint powers authority formed and existing pursuant to the provisions of the Joint Exercise of Powers Act (Chapter 5, Division 7, Title 1 of the California Government Code) and OCPA’s Joint Powers Agreement (“JPA Agreement”).

B. Government Code section 6505.5 provides that there shall be a treasurer that shall be the depository for the joint powers authority and perform certain other functions, which is further contemplated in Section 5.1 of the Joint Powers Agreement.

C. Government Code section 6505.5 further provides that there shall be an auditor who shall, among other things, draw warrants to pay demands against the agency.

D. Government Code section 6505.6 provides that an agency established by a joint powers agreement may appoint one of its officers or employees to the positions of treasurer and/or auditor.

E. The Board of Directors of OCPA desires to appoint Tiffany Law, OCPA’s Chief Financial Officer, as its Treasurer and Auditor, and who shall perform the duties of Treasurer and Auditor pursuant to the JPA Agreement and applicable law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Orange County Power Authority as follows:

1. Tiffany Law, the Chief Financial Officer of OCPA, is hereby appointed as the Treasurer and Auditor of OCPA. The Treasurer and Auditor shall strictly comply with the statutes related to the duties and responsibilities specified in Government Code section 6505 *et seq.*, and the duties and responsibilities set forth in the JPA Agreement. The Treasurer and Auditor shall serve under such rules as may be established by OCPA and shall perform such duties and have such powers as OCPA may determine from time to time. Except as otherwise provided by the Board in a separate action, Ms. Law will serve as Treasurer and Auditor during the term of her employment as Chief Financial Officer.

2. Pursuant to Government Code section 6505.1, the officer or person who has charge of, handles or has access to the property of the agency, *i.e.*, Treasurer, is required to execute an official bond in an amount fixed by the contracting parties of the agency. The amount of said bond is hereby fixed and shall be \$100,000. The bond shall be obtained from any good and reliable surety company authorized to do business in the State of California, subject to the approval of the Chief Executive Officer. OCPA shall pay or reimburse the Treasurer for the premium(s) of the bond.

3. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Orange County Power Authority held on October 12, 2021.

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Chair  
Orange County Power Authority

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Secretary  
Orange County Power Authority



## ACCOUNTANTS' COMPILATION REPORT

Management  
Orange County Power Authority

Management is responsible for the accompanying financial statements of Orange County Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 2021, and the related statement of revenues, expenses, and changes in net position for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures and statement of cash flows required by accounting principles generally accepted in the United States of America in these interim financial statements. If the omitted disclosures and statement of cash flows were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
October 4, 2021

**ORANGE COUNTY POWER AUTHORITY**  
**STATEMENT OF NET POSITION**  
**As of September 30, 2021**

**ASSETS**

Current assets		
Cash and cash equivalents		\$ 1,315,705
Investments		147,213
Deposits		4,815
Total current assets		1,467,733

**LIABILITIES**

Current liabilities		
Accounts payable		126,784
Other accrued liabilities		189,521
Total current liabilities		316,305
Noncurrent liabilities		
Loan payable		2,652,380
Total noncurrent liabilities		2,652,380
Total liabilities		2,968,685

**NET POSITION**

Unrestricted (deficit)		(1,500,952)
Total net position		\$ (1,500,952)

**ORANGE COUNTY POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2021 through September 30, 2021**

<b>OPERATING REVENUES</b>	
Total operating revenues	\$ -
<b>OPERATING EXPENSES</b>	
Contract services	436,686
Staff compensation	140,296
General and administration	31,612
Total operating expenses	608,594
Operating income (loss)	(608,594)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	130
Interest and financing expense	(11,972)
Nonoperating revenues (expenses), net	(11,842)
<b>CHANGE IN NET POSITION</b>	
Net position at beginning of period	(880,516)
Net position at end of period	\$ (1,500,952)





## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Orange County Power Authority

Management is responsible for the accompanying special purpose statement of Orange County Power Authority (OCPA), a California Joint Powers Authority, which comprise the budgetary comparison schedule for the period ended September 30, 2021, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of OCPA.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. OCPA's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to OCPA because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
October 4, 2021

**ORANGE COUNTY POWER AUTHORITY**  
**BUDGETARY COMPARISON REPORT**  
**July 1, 2021 through September 30, 2021**

	YTD Actual	YTD Budget	YTD Budget Variance (under) Over	YTD Budget Variance (under) Over %	Annual Budget	Budget Remaining
<b>OPERATING REVENUES</b>						
Electricity Sales, net	\$ -	\$ -	\$ -		\$ 35,475,000	\$ 35,475,000
<b>OPERATING EXPENSES</b>						
Cost of Electricity	-	-	-		26,632,000	26,632,000
Data Manager	-	-	-		96,000	96,000
Service Fees - SCE	-	-	-		10,000	10,000
Personnel	140,296	180,000	(39,704)	77.9%	1,262,000	1,121,704
Professional Services	204,339	225,750	(21,411)	90.5%	903,000	698,661
Legal	192,988	88,500	104,488	218.1%	354,000	161,012
Communications & Outreach	39,359	114,500	(75,141)	34.4%	458,000	418,641
General and administration	31,612	45,000	(13,388)	70.2%	402,000	370,388
Total operating expenses	<u>608,594</u>	<u>653,750</u>	<u>(45,156)</u>		<u>30,117,000</u>	<u>29,508,406</u>
Operating income (loss)	<u>(608,594)</u>	<u>(653,750)</u>	<u>45,156</u>		<u>5,358,000</u>	<u>5,966,594</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	130	-	130	na	-	(130)
Interest and financing expense	<u>(11,972)</u>	<u>(12,000)</u>	<u>(28)</u>	99.8%	<u>(858,000)</u>	<u>(846,028)</u>
Nonoperating revenues (expenses), net	<u>(11,842)</u>	<u>(12,000)</u>	<u>102</u>		<u>(858,000)</u>	<u>(846,158)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (620,436)</u>	<u>\$ (665,750)</u>	<u>\$ 45,258</u>		<u>\$ 4,500,000</u>	<u>\$ 5,120,436</u>

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 4.3**

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To: Orange County Power Authority Board of Directors

From: Tiffany Law, Chief Financial Officer  
Mike Maher, CPA

Subject: FINANCIAL RESULTS – QUARTER ENDED SEPTEMBER 30, 2021

Date: October 12, 2021

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**RECOMMENDED ACTION**

Receive and file.

**BACKGROUND**

Orange County Power Authority prepares its financial statements in accordance with Generally Accepted Accounting Principles. Accordingly, OCPA's financial statements are presented as a governmental enterprise fund and are reported using the full accrual basis of accounting – like a business enterprise.

OCPA has prepared financial statements for the year-to-date July 1, 2021, through September 30, 2021 (omitting note disclosures and cash flow statement) as well as a year-to-date Budget to Actual report for the same period.

There were no unusual transactions of note during this period of reporting.

**FISCAL IMPACT**

There is no fiscal impact associated with approving this item. It is presented for informational purposes only.

**ATTACHMENT**

1. Financial Statements (Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position)
2. Budget to Actual Comparison Report

**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 5.1**

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To: Orange County Power Authority Board of Directors

From: Antonia Graham, Chief Operating Officer

Subject: MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES COUNTY ON BEHALF OF THE SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK TO COLLABORATE AND PARTNER ON THE CREATION AND IMPLEMENTATION OF ENERGY EFFICIENCY PROGRAMS

Date: October 12, 2021

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**RECOMMENDED ACTION**

Received and File.

**BACKGROUND**

The Chief Operating Officer has been working closely with the Energy Coalition to create and ultimately submit for funding to the CPUC a suite of energy efficiency programs for Authority customers. These programs will launch in mid-2022 through 2024. As part of ongoing efforts to seek outside funding sources to fund innovative customer programs, staff began discussions with the SoCalREN to explore collaborative partnerships that would enable the Authority to expand its program offerings and increase our total resource cost (TRC) effectiveness in the eyes of the CPUC.

The SoCalREN was authorized by the California Public Utilities Commission (CPUC) in 2012 and is administered by the County of Los Angeles. The main goal is to bring together a wide variety of services with one common goal – achieving unprecedented levels of energy savings throughout Southern California. The SoCalREN provides services to each of the Authority’s member cities in addition to residents, businesses, and public agencies in the areas serviced by Southern California Edison (SCE) and Southern California Gas Company (SCGC).

The Regional Energy Network helps cities and public agencies design and implement energy efficiency programs that impact homes, businesses, and public facilities; additionally, the SoCalREN helps cities track energy efficiency. Some notable successes of the REN are:

- More than \$4 million in rebates paid to homeowners who made energy efficiency upgrades
- Energy efficiency upgrades installed in 7,330 multifamily units throughout Southern California
- Lighting and mechanical upgrades at schools, libraries, and other public buildings
- More than 12.5 million kWh in energy savings

Entering into a MOU with the SoCalREN would enable the Authority the ability to collaborate with the SoCalREN to fund the following programs (this would be in addition to the funds we receive on our own from the CPUC):

- Municipal Incentives
- Green Business Cert program

- Multifamily energy audits and rebates

The Authority would be the first Community Choice Energy provider to partner with a Regional Energy Network in Southern California.

### **FISCAL IMPACT**

There is no fiscal impact associated with this MOU. Should funding be awarded a formal funding agreement will be brought to the Board for approval.

### **ATTACHMENT**

1. Memorandum of Understanding

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is by and between the County of Los Angeles, a political subdivision of the State of California ("**County**"), through its County Office of Sustainability ("**COS**"), individually and on behalf of the Southern California Regional Energy Network ("**SoCalREN**"), and the Orange County Power Authority ("**Authority**"), a California Joint Powers Authority, to collaborate and partner on the implementation of an Energy Efficiency programs within residential, public, workforce development and training, and commercial programs. The County and Authority are jointly referred to herein as the "**Parties**," and individually as "**Party**."

### RECITALS

- R1. The County is administrator of, and the contracting agent for, the SoCalREN;
- R2. The California Public Utilities Commission ("**CPUC**") authorized a portfolio of energy efficiency programs and budgets for implementation by SoCalREN in 2018-2025. Those programs and budgets are reflected in the *Energy Efficiency Programs and Budgets Agreement* (the "**Programs Agreement**");
- R3. The SoCalREN seeks to implement energy efficiency programs and initiatives that will lead to long-term, sustainable benefits to participating public agencies throughout the Orange County Power Authority territory, which currently includes the Cities of Buena Park, Fullerton, Huntington Beach, and Irvine; and
- R4. As authorized by the CPUC, the County has the independent authority to design, manage, and deliver SoCalREN programs and initiatives; and
- R5. As authorized by the County's Board of Supervisors on January 15, 2013, the Director of the County's Internal Services Department, or designee, has delegated to enter into memoranda of understanding with other public entities as may be necessary or desirable to support implementation and administration of any of the energy efficiency programs under the Programs Agreement; and
- R6. The County and the Authority desire to leverage the project management and technical service capabilities of the SoCalREN to assist in designing and implementing energy efficiency programs in within the four city jurisdiction of the Orange County Power Authority.

### AGREEMENT

NOW THEREFORE, The Parties further agree as followings:

#### I. General Provisions

- A. The Parties agree that all work contemplated under this MOU related to energy efficiency programs must be consistent with the applicable terms and conditions in the Programs Agreement.

- B. This MOU shall commence on the earliest date of approval by all Parties, and shall continue to the end of the SoCalREN program defined under CPUC Decision (D.) 18-05-041 and D. 20-02-029, and applicable successor decisions. The ending date of the SoCALREN may be impacted by other relevant CPUC decisions.
- C. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
- D. Either Party may terminate this MOU for cause or convenience by providing the other Party with thirty (30) days prior written notice.

## II. Responsibilities of each of the Parties

### A. County of Los Angeles – Southern California Regional Energy Network

- 1. The County, through SoCalREN, will endeavor to collaborate with the Authority on a current and potential energy efficiency programs which are funded through the California Public Utilities Commission.
- 2. The County, through SoCalREN, will endeavor to coordinate with the Authority on future strategies that can strengthen the offerings available to communities, including but not limited to other sustainability or resiliency programs.

### B. Orange County Power Authority

- 1. The Authority will designate staff to work in collaboration with the County and the SoCalREN on the implementation of new, existing or potential energy efficiency programs and or strategies which are funded through the California Public Utilities Commission.

## III. Indemnification and Resolution

- 1. By the County. The County shall indemnify, defend and hold harmless the Authority , and their respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys’ fees (collectively, “Claims”), to the extent that such Claims arise from or are caused by the County’s act(s) and/or omissions(s) related to or in connection with its obligations under this Agreement, or by the act(s) and/or omission of the County’s employees, Subcontractors, or agents related to or in connection with this Agreement.
- 2. By the Authority. Authority shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and

agents, from and against any and all third-party liability (including expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys' fees) to the extent caused by Authority's act(s) and/or omissions(s) related to or in connection with its obligations under this Agreement.

- 3. The obligations of each Party under this Section shall survive the termination of this Agreement.
- 4. If a dispute arises out of, or in connection with this Agreement, the parties agree to meet to pursue resolution through negotiation or other appropriate alternative dispute resolution process before resorting to litigation.
- 5. All information exchanged during this meeting or any subsequent dispute resolution process, shall be regarded as "without prejudice" communications for the purpose of settlement negotiations and shall be treated as confidential by the parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the dispute resolution process.

**IN WITNESS WHEREOF**, the Parties have executed this Memorandum of Understanding, effective on the last date specified below.

For the County of Los Angeles

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

For the Orange County Power Authority

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



**ORANGE COUNTY POWER AUTHORITY**  
**Staff Report – Item 5.2**

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To: Orange County Power Authority Board of Directors

From: Ryan Baron, General Counsel  
Ben Bodell, Regulatory Counsel

Subject: ENERGY REGULATORY UPDATE

Date: October 12, 2021

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**RECOMMENDATION**

Receive and file energy regulatory update.

**BACKGROUND**

This report discusses recent developments in key regulatory proceedings before the California Public Utilities Commission (“CPUC”) and considers any action items that may be warranted by the Orange County Power Authority’s (“Authority”) Board of Directors and staff. Community choice aggregators are required to participate in certain CPUC planning proceedings to ensure that they are achieving state renewable energy and greenhouse gas reduction targets as well as resource adequacy procurement planning goals. Thus, CCAs are regulated by the CPUC and follow certain key CPUC proceedings. There are several proceedings the Authority should follow. The primary CPUC proceedings are integrated resource planning, renewables portfolio standard, and resource adequacy.

**SUMMARY AND ANALYSIS OF RECENT REGULATORY DEVELOPMENTS**

Integrated Resource Planning (IRP) Proceeding – Rulemaking (R.) 20-05-003

The IRP proceeding is an ongoing CPUC proceeding that runs on a two-year cycle. It is a planning proceeding required by the California Public Utilities Code to consider state electric procurement policies and programs to ensure safe, reliable, and cost-effective electricity supply. It is also the primary venue for the CPUC to monitor and track progress towards all load serving entities meeting the state’s greenhouse gas emissions reductions goals. The CPUC takes a look at the state’s needs on a 10-year basis regarding statewide reliability needs, specific areas with transmission limitations, and resources needed to integrate renewables. The CPUC has the discretion to order certain procurement based on the outcome of the data submitted by load serving entities

*Preferring System Planning:* On August 17, Administrative Law Judge Fitch issued a ruling providing an update on elements of the preferred system plan (“PSP”). The PSP is a suggested resource portfolio for load serving entities (“LSEs”) to procure over the next ten years through 2032. The PSP describes why LSE IRPs submitted in September 2020 are expected to fall short of meeting the state’s greenhouse gas (GHG) and reliability targets, due to a collective

insufficiency of planned new generation capacity. Commission staff analysis and modeling, however, utilized updated assumptions for long term planning, and determined that over the last two years of the ten-year planning horizon, that LSEs should largely achieve the CPUC's reliability and GHG goals for 2030.

*Analysis:* One of the key purposes behind the CPUC's IRP process is to take the individual IRPs, aggregate them, and evaluate the aggregated portfolio against the overall electric system needs of California, and particularly the CAISO system. The aggregated portfolio is compared against system reliability and GHG constraints, while seeking to meet those constraints at the lowest reasonable cost to ratepayers. The aggregation of the individual LSE portfolios also serves to determine if there are gaps in the collective LSE portfolio that will require action by the CPUC. The Authority should continue to monitor future developments based on the CPUC's long term reliability and preferred system planning process and stay apprised of any procurement requirements that result from this process.

*IRP LSE Update:* On September 23, Administrative Law Judge Fitch ruled that all LSEs are required to re-file certain updated information related to their individual IRPs that have already been provided to CPUC staff informally by re-filing the information formally in this proceeding. The updated information related to the individual LSE IRPs must be filed in this proceeding by no later than October 15, 2021.

*Analysis:* The Authority is not currently required to file an updated IRP; however, as the Authority commences serving load next year it will be required to file a biennial IRP, beginning on September 1, 2022, and closely follow the developments of this proceeding.

#### Renewables Portfolio Standard (RPS) Proceeding – R. 18-07-003

The RPS proceeding implements state laws mandating that LSEs meet certain RPS compliance targets. The CPUC then enforces RPS compliance through annual compliance and enforcement. CCAs are required to file annual procurement plans and compliance reports demonstrating achievement of state renewable goals.

*Update to RPS Confidentiality Rules:* On September 16, 2021, a CPUC Administrative Law Judge proposed new rules regarding the confidentiality of market sensitive information issued a Proposed Decision Clarifying and Improving Confidentiality Rules for the RPS Program. Commissioner Rechtschaffen also issued an alternate Proposed Decision for the Commission's consideration.

1. For contracts requiring CPUC approval, the Proposed Decision orders that renewables portfolio standard (RPS)-eligible procurement contracts (price and terms) become public 30 days after the commercial operation date/energy delivery start date or three years from the date of Commission approval, whichever comes first. Under the Alternate Proposed Decision (APD), these RPS-eligible procurement contracts (price and terms) will become public six months after Commission approval.
2. For contracts that do not require Commission approval, the Proposed Decision orders that RPS-eligible contracts (price and terms) shall be public 30 days after the commercial operation date/energy delivery start date or three years after the contract execution date, whichever comes

first. Under the APD, these RPS-eligible contracts (price and terms) will become public six months after contract execution.

3. Renewable Energy Credits (RECs) – Under the Proposed Decision, contract prices for REC only contracts from an existing facility will become public 30 days after contract execution, and prices for REC only contracts from new facilities yet to be built will become public 30 days after the commercial operation date. The APD requires that the contract price for REC only contracts from either existing or new facilities become public six months after Commission approval, or six months after contract execution if Commission approval is not required.

4. Competitive Bid Solicitation Information - The Proposed Decision authorizes the release of information on bids that do not result in contracts and RPS-eligible bids that do not reach the shortlisting stage in an investor-owned utility's solicitation. The data in the aggregated form on these bids will be publicly accessible after the final contracts are submitted for CPUC approval when at least three bidders are in the resource category. The Proposed Decision also authorizes three years of confidentiality period for specific bids and/or individual bidder's bid information and bid evaluation and scoring information after the close of the related solicitation, after which they will be publicly accessible. While the PD and APD agree on aggregating bid data for public disclosure after the final contracts are submitted for CPUC approval when at least three bidders are in the resource category, the APD is different in that it requires individual bidders' bid information and bid evaluation and scoring information to be public one year after the final contracts are submitted to the CPUC for approval (or one year after the solicitation is closed if no contracts are executed)

*Analysis:* No action is required by the Authority at this time. Parties may issue opening and reply comments on the Proposed and Alternate Proposed Decisions during the month of October, and we expect the Commission will adopt a Final Decision in November regarding the new confidentiality rules to be applied by the Authority in future RPS filings.

#### Resource Adequacy Proceeding – R.19-11-009

There have been no recent Decisions in the RA proceeding since the CPUC issued a June 25, 2021 decision adopting local capacity obligations for 2022-2024 and flexible capacity obligations for 2022, and D.21-07-014 that adopted a Restructure of the Resource Adequacy Program. However, we expect that the CPUC will issue a new scoping memo that outlines the Commission's future consideration of system, flexible, and local RA capacity requirements for future years, as well as other time-sensitive refinements to the RA program.

*Analysis:* The Authority is required to make its year ahead RA filing to the Commission by November 1, 2021. The Authority must demonstrate procurement of 90% of System RA obligation for the five summer months of the coming compliance year, and 90% of Flexible RA obligation for each month of coming compliance year. Each LSE must demonstrate procurement of 100% of its Local RA obligation for each month of compliance for 2022. The Commission will consider and may grant local year ahead RA waiver requests, due by November 1, 2021, but will not consider waivers for system and flexible RA obligations at this time.