



**MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY
Wednesday, March 15, 2023**

1. CALL TO ORDER

Chair Jung called to order the Regular Meeting of the Orange County Power Authority Board of Directors at 10:05 a.m. on Wednesday, March 15, 2023.

2. PLEDGE OF ALLEGIANCE

Director Castañeda led the Pledge of Allegiance.

3. ROLL CALL

Present:	Director Donald P. Wagner	County of Orange
	Director Jose T. Castañeda	City of Buena Park
	Director Tammy Kim	City of Irvine
	Director Casey McKeon	City of Huntington Beach
	Vice Chair Kathleen Treseder	City of Irvine
	Chair Fred Jung	City of Fullerton

4. PUBLIC COMMENTS ON AGENDA ITEMS

The following spoke in public comments regarding March 15, 2023, agenda items:

Ayn Craciun
Doug Elliott

5. PUBLIC COMMENTS ON NON-AGENDA ITEMS

The following spoke in public comments regarding March 15, 2023, non-agenda items:

Doug Elliott
Walter Norbrega
Ayn Craciun

6. DIRECTOR ANNOUNCEMENTS

Director Castañeda announced that at the Tuesday, March 14, Buena Park Council meeting Mayor Brown had requested for the withdrawal of their City from OCPA. He further requested to have on the April agenda the following items: the creation of an ad hoc committee of members of the Board to discuss the potential to hire an interim executive manager to help

implement the solutions from the audit items, an employee evaluation, the RFP's for general counsel services, and a discussion on changes to the CAC's scope, rules, and operating procedures.

Director Castañeda further requested to add to the public record the following: "In order to address and draw down conspiracy theories circulating amongst members of the City of Irvine community, we must first place the CPUC fines levied on all load serving entities during 2022 within the proper context. That is to say that when we transitioned from our normal mode, routine, to primarily work from home, that change had a dramatic impact on the energy sector. Because of that no load serving entity was prepared to deal with the resource adequacy adjustments that were necessary to comply with the regulations that have not kept up with the COVID-19 pandemic changes. Therefore, all load serving entities were fined equally and rightly by CPUC for not complying with resource adequacy summer requirements, which more energy used at home versus the commercial sector, and industrial warehouse services that subsequently led to the bankruptcy filing of Western Riverside and the draw down of Desert Community Energy in which Ryan Baron our previous general counsel, from BBK, had been serving as their general counsel. He is no longer serving as general counsel at OCPA. I wanted to add this to the public record so we can clarify whether or not there are any personal attacks ad hominem against any members of this Board rather than significant very substantive points that I was trying to make. Should members of this Board not come properly prepared with the full context of why we are doing what we are doing, in working to transform the energy sector and accelerate our transition to clean renewable energy, then I question our participation on this Board."

Vice Chair Treseder requested an update on the general counsel RFP process for the general counsel from the CEO.

CEO Probolsky stated that there was a written update on his report. The RFP had been circulated and responses were due on Friday and several questions had been answered for potential candidates. Staff expected to bring back the proposals at the next Board meeting.

Director McKeon requested to agendaize at the next meeting a detailed explanation as to the calculus that was used in the decision to pay the fine instead of providing the required resource adequacy that put the grid at risk.

7. STAFF REPORT

CEO Probolsky submitted a written report. There has been a lot of discussion about the SCE green rate program and the accessibility or availability of that program. Every time that there is a rate change by SCE or OCPA we are required to create a comparison, a joint rate comparison document that happens in conjunction with SCE and gets published on both websites. SCE has taken down the links on their website for signups of the green rate program and they have added language to the JRC that the program is not available. Moving forward they will remove the green rate from the JRC to eliminate confusion for the public.

He announced that great progress had been made on staff recruitment. There were over 2,600 legislative bills in Sacramento, nearly 100 had a CCA or energy issue, these bills were being

tracked through CalCCA. He announced a new contract tracker that will be presented to the Board on a quarterly basis which contains all OCPA contracts. The new CAC tried to meet last night; however, they did not have a quorum. The members present had an informal discussion.

Chair Treseder thanked CEO Probolsky for the contract tracker, requested all documents on the Zodiac Solutions contract including any documentation on the award process including other responsive entities.

8. CONSENT CALENDAR

Vice Chair Treseder removed item 8.1 for separate discussion.

Director Castañeda removed item 8.4 for separate discussion.

ACTION

Director Kim made the motion, seconded by Director Castañeda to:

Approve consent calendar items 8.2 and 8.3.

The motion carried unanimously by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Wagner, Director Kim,
Director McKeon, Director Castañeda
Noes: None
Absent: None

1. MINUTES FOR THE SPECIAL BOARD MEETING OF FEBRUARY 10, 2023

Vice Chair Treseder apologized for the confusion, she did not want to pull this item.

Action Taken:

Vice Chair Treseder made the motion, seconded by Chair Jung to:

Approve the Minutes as submitted.

The motion carried unanimously by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Kim, and Director McKeon
Noes: None
Absent: Director Wagner, and Director Castañeda

2. MINUTES FOR THE REGULAR BOARD MEETING OF FEBRUARY 15, 2023

Action Taken:

Approved as submitted.

3. TREASURER’S REPORT – FISCAL YEAR ENDED DECEMBER 31, 2022

Action Taken:

Received and filed the Treasurer’s Report ending December 31, 2022.

4. APPROVE ORANGE COUNTY POWER AUTHORITY’S FINANCIAL POLICIES

Action Taken:

Item was continued to the April 19, 2023, Board Meeting.

9. REGULAR CALENDAR

1. CONSIDER DRAFT BYLAWS AND THIRD AMENDMENT TO JOINT POWERS AGREEMENT (Chair Jung)

Interim General Counsel Norvell provided a brief summary of this item and included the various changes.

Director Wagner clarified the two-year term and the ability to change the appointee.

Director Castañeda requested that serving Board members be OCPA customers. He further requested that Board Member initiated items be placed on the agenda five calendar days in advance and not ten business days, and the elimination of the Chair’s approval of agenda items for Board members.

Chair Treseder requested clarification from Director Castañeda on the candidates going around with I-pads while canvassing.

Director Castañeda responded it was her and not subject to discussion at this time.

Chair Jung recapped Director Castañeda’s requests for the bylaws. He stated that mandating Board Members be OCPA customers should be a given and did not fit within the bylaws. He was ok with the five-day period, and he did not need to greenlight the item as the Chair.

Director Castañeda would like the elimination of the second board director from the City of Irvine upon the start of the repayment of the initial loan.

Director McKeon requested an example of when the OCPA would need to exercise eminent domain.

Director Wagner warned the Board against not allowing new members to vote until they received power.

Vice Chair Treseder agreed with Director Wagner that any entity that OCPA had purchased power whether or not they were receiving this power, should have voting rights. She was ok amending the JPA to allow for entities to have voting right upon OCPA having purchased power for those entities.

Director Castañeda concurs with Director Wagner and Chair Treseder on the voting rights.

Interim General Counsel Norvell stated the proposed amendments were as follows:

1. Chair and Vice Chair needed to be OCPA customers.
2. Revising the 10 business day requirement for agenda items by Board Members to 5 calendar days.
3. Closing the second Irvine seat upon any repayment of the loan.

Action Taken:

Chair Jung made the motion, seconded by Director Kim to:

1. Review draft Bylaws and Third Amendment to Joint Powers Agreement.
2. Direct staff to provide Member Agencies with a copy of the proposed Bylaws and Third Amendment and place the Bylaws and Third Amendment on a future agenda for final approval.
3. Amend to revise to a five-calendar day period for Board Member initiated agenda items.

The motion carried unanimously by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Wagner, Director Kim,
Director McKeon, Director Castañeda
Noes: None
Absent: None

2. OCPA DRAFT IMPROVEMENT PLAN

Director of Communications & External Affairs Mosca provided a summary of the presentation on this item.

Former State Auditor and current Principal Chief Strategist for Balance Public Relations, Elaine Howle also provided additional information and best practices on this item.

Chair Jung asked why the Risk Oversight Committee (ROC) had not come to the Board for implementation.

Director Wagner stated the drivers of all these audits were the various competing views and until the dismissal of the CEO was attained the audits would not stop. He was not advocating for the dismissal, just stated a fact.

Director Kim stated the information provided to them before the fact sheet came out was different and the fact sheet was very scathing.

Chair Jung thanked Ms. Howle and staff for their work on this item. He suggested that the public use this plan as a measurement tool for the Board Members and the Agency.

Vice Chair Treseder stated that she appreciated this presentation and the accountability factors. She requested to have the Risk Oversight Committee (ROC) item moved up to April instead of May.

Director Castañeda thanked staff for the depth of their work on this item. He further thanked Ms. Howle and stated that this implementation plan cemented the integrity of OCPA and lauded the draft improvement plan. He appreciated the ability to memorialize what the agency would do to help improve itself and build public trust. He provided directions to staff on the website, there needed to be realistic timelines and suggested that a disclaimer needed to be added to the website. For the public records act requests, there needed to be information on the legal requirement for the number of days staff had to respond. For the budget and forecasting, projections vs. actuals, there needed to be a disclaimer that the gap between when the load serving entities or investor-owned utilities provided data to a new CCA did impact everything else that followed. As for the director of power, it was not the Agency's fault that there was a lack of talent available. All CCA's were experiencing the same issue when recruiting for their positions. The market needed assistance with a certification program that would help to create the talent for these specialized positions.

Chair Jung would like to have the Risk Oversight Committee (ROC) item be placed on the April agenda.

Director Wagner left the meeting at 11:45 a.m.

Action Taken:

Discussed OCPA Draft Improvement Plan and provided staff direction.

3. APPROVE FISCAL YEAR 2022-2023 MID YEAR OPERATING BUDGET

Chief Financial Officer (CFO) Law provided the summary for the presentation on this item.

Chair Jung asked if the unreliable data sets due to COVID-19 from Edison had gotten better for the Agency to be able to utilize that data for analysis.

CFO Law confirmed that the data was better; however, since mid-year, the Agency had been using its own customer data.

Chair Jung stated that a \$41 million reserve was not an easy thing to do and that the Agency's rate was two percent lower than Edison both items needed to be publicized.

Director Castañeda was happy to see that the Agency was fiscally viable and financially responsible.

Director McKeon stated the difference—the increase of \$41 million was due to the sale of the Agency's procured energy at a higher rate than the purchased rate.

CFO Law confirmed it was one of the factors along with the lower cost to procure power.

Action Taken:

Director Castañeda made the motion, seconded by Director Kim to:

Approve Fiscal Year 2022-2023 Mid-Year Operating Budget.

The motion carried unanimously by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Kim, Director McKeon,
Director Castañeda
Noes: None
Absent: Director Wagner

4. ENERGY MARKETS UPDATE

Pacific Energy Advisors, Consultant, Kirby Dusel provided a brief summary of the presentation on this item.

Director Castañeda requested Mr. Dusel bring back at a future meeting how long it takes for a new Agency like OCPA to move toward expanding its capacity to help provide energy during the summer months. He would also like to know if there are any funding sources for agencies to acquire the necessary resources to expand their staff to help generate energy services. Director Castañeda requested the resource adequacy graphic, and information be placed on the website to inform consumers of these market prices. He would like to have the Director of Power as soon as possible. Director Castañeda requested to have consent calendar item four and regular calendar item five continued to the next meeting. He left the meeting at 12:49 p.m.

Director McKeon asked if the procured contracts were good for additional years. Mr. Dusel confirmed that the future was secure with the acquired contracts. The management of the portfolio also assisted in this process.

Director McKeon requested a copy of this presentation.

CEO Probolsky stated that it would be added to the website. He also requested Mr. Dusel clarify the RPS compliance report information.

Mr. Dusel clarified that the timing of the reports created confusion regarding the current status of the Authority. These reports are done annually.

Vice Chair Treseder asked if there was any information that could be provided to address the current power purchases to reflect an accurate report.

Mr. Dusel stated he would provide a high-level aggregated summary that may assist with providing this information.

Action Taken:

Received and filed.

5. APPOINTMENT OF TWO AT-LARGE MEMBERS TO THE COMMUNITY ADVISORY COMMITTEE

Chair Jung nominated Mr. Valadez.

Director Kim would like to give the opportunity to those who have not served.

Vice Chair Treseder stated that Ms. Forthal's personal statement was well done.

Action Taken:

Chair Jung made the motion, seconded by Director Kim to:

Appoint Oscar Valadez and Senait Forthal as the two at-large members of the CAC.

The motion carried unanimously by the following vote:

Ayes: Chair Jung, Vice Chair Treseder, Director Kim, and Director McKeon

Noes: None

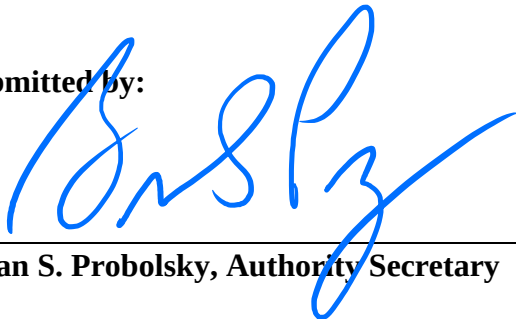
Absent: Director Wagner, and Director Castañeda

CAC Member Shanin Ziemer provided a brief update on the CAC and requested that the Board use the expertise of the CAC members to help them.

12. ADJOURNMENT

There being no further business to come before the Board, Chair Jung adjourned the meeting at 1:27 p.m. The next OCPA Board of Directors Regular meeting will be on April 19, 2023.

Submitted by:



Brian S. Probolsky, Authority Secretary