



DESERT COMMUNITY ENERGY BOARD AGENDA

**Monday, June 17, 2019
2:30 PM**

**Coachella Valley Association of Governments
73-710 Fred Waring Drive, Room 115
Palm Desert, CA
760-346-1127**

THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.

1. **CALL TO ORDER**
2. **ROLL CALL**
 - A. **Member Roster** [P3](#)
3. **PUBLIC COMMENTS**

Any person wishing to address the Desert Community Energy Board on items not appearing on the agenda may do so at this time.
4. **BOARD MEMBER / DIRECTOR COMMENTS**
5. **CONSENT CALENDAR**
 - A. **Approve April 15, 2019 Meeting Minutes** [P4](#)
6. **DISCUSSION / ACTION**
 - A. **CARE / FERA Program Update** – Benjamin Druyon [P7](#)

Recommendation: Approve proposal and budget from Lift To Rise for CARE/FERA outreach efforts and authorize the Executive Director to execute a two year agreement for an amount not to exceed \$356,000
 - B. **Community Advisory Committee Update** – Benjamin Druyon [P12](#)

Recommendation: Review recommended candidates and timeline, and appoint members to the Community Advisory Committee
 - C. **Desert Community Energy Fiscal Year 2019/2020 Budget** – Don Dame [P27](#)

Recommendation: Approve Desert Community Energy FY 2019/2020 Budget

- D. Proposed Amendment to Joint Powers Agreement – Tom Kirk** [P35](#)
Recommendation: Consider an amendment to the Joint Powers Agreement and authorize the Executive Director to proceed with actions necessary to effect this change

7. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4)

Number of Cases: One

Recommendation: Conduct closed session

8. INFORMATION

A. Attendance Record [P38](#)

B. Unaudited Balance Sheet & Financial Statement, April 2018 – May 2019 [P39](#)

9. ANNOUNCEMENTS

The next DCE Board meeting is scheduled for Monday, July 15, 2019 at 2:30 pm.

10. ADJOURN

ITEM 2A

**Desert Community Energy Board
Member Roster
2018-2019**



VOTING MEMBERS	
City of Cathedral City	Mayor Pro Tem John Aguilar <i>Alternate: Councilmember Raymond Gregory</i>
City of Palm Desert	Councilmember Sabby Jonathan, Chair <i>Alternate: Councilmember Kathleen Kelly</i>
City of Palm Springs	Mayor Pro Tem Geoff Kors, Vice Chair <i>Alternate: Councilmember Lisa Middleton</i>

NON-VOTING MEMBER	
City of Desert Hot Springs	Vacant

STAFF	
Tom Kirk, Executive Director	
Katie Barrows, Director of Energy & Environmental Resources	
Benjamin Druyon, Management Analyst	
Libby Carlson, Program Assistant	

ITEM 5A

Desert Community Energy Board DRAFT Meeting Minutes April 15, 2019



1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Jonathan at 2:30 pm.

2. ROLL CALL

Roll call was taken and a quorum was present.

Members Present

Mayor Pro Tem John Aguilar
Councilmember Sabby Jonathan, Chair
Mayor Pro Tem Geoff Kors, Vice Chair

Agency

City of Cathedral City
City of Palm Desert
City of Palm Springs

Others

Councilmember Raymond Gregory
Charlie McClendon
Ryan Stendell
Rosario Avila
Kim Floyd
Elmer Diaz

City of Cathedral City
City of Cathedral City
City of Palm Desert
Cathedral City Resident
Sierra Club/Palm Desert Resident
IBEW 440

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Benjamin Druyon
Eric Felci
Jeff Fuller (via phone)
Colin Cameron (via phone)
Don Dame (via phone)
Mike Jenkins (via phone)

The Energy Authority/TEA
The Energy Authority/TEA
DCE Consultant
General Counsel

3. PUBLIC COMMENTS

Kim Floyd, Palm Desert resident, addressed the Board in support of proceeding with program launch.

4. BOARD MEMBER / DIRECTOR COMMENTS - None.

5. CONSENT CALENDAR

A. Approve March 18, 2019 DCE Board Meeting Minutes.

IT WAS MOVED BY VICE CHAIR KORS AND SECONDED BY MAYOR PRO TEM AGUILAR TO APPROVE THE MARCH 18, 2019 DCE BOARD MEETING MINUTES.

THE MOTION CARRIED UNANIMOUSLY.

Mayor Pro Tem John Aguilar	Aye
Councilmember Sabby Jonathan, Chair	Aye
Mayor Pro Tem Geoff Kors, Vice Chair	Aye

6. DISCUSSION / ACTION

A. DCE Program Launch

Katie Barrows gave a status update on possible launch in 2020 and overview of DCE goals and objectives.

IT WAS MOVED BY VICE CHAIR KORS AND SECONDED BY MAYOR PRO TEM AGUILAR TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SUBMIT A LOAD FORECAST FOR PALM SPRINGS TO THE CPUC BASED ON PROGRAM LAUNCH IN EARLY 2020; RECOMMEND THAT CATHEDRAL CITY AND PALM DESERT CONSIDER LAUNCHING MUNICIPAL ACCOUNTS IN 2020; AND DIRECT STAFF TO UPDATE THE IMPLEMENTATION PLAN AND PROVIDE MUNICIPAL LOADS FOR EACH CITY.

THE MOTION CARRIED UNANIMOUSLY.

Mayor Pro Tem John Aguilar	Aye
Councilmember Sabby Jonathan, Chair	Aye
Mayor Pro Tem Geoff Kors, Vice Chair	Aye

Item 6C was addressed before Item 6B.

C. Consider Proposed Change to Joint Powers Agreement

Tom Kirk gave an overview of proposed amendment to the JPA.

IT WAS MOVED BY VICE CHAIR KORS AND SECONDED BY MAYOR PRO TEM AGUILAR TO APPROVE THE AMENDMENT IN CONCEPT AND AUTHORIZE THE EXECUTIVE DIRECTOR TO WORK WITH LEGAL COUNSEL TO REVISE THE JPA TO ADDRESS UNANIMOUS OR VETO POWER FOR FUTURE AMENDMENTS.

THE MOTION CARRIED UNANIMOUSLY.

Mayor Pro Tem John Aguilar	Aye
Councilmember Sabby Jonathan, Chair	Aye
Mayor Pro Tem Geoff Kors, Vice Chair	Aye

Item 7 was addressed before Item 6B.

7. CLOSED SESSION

No reportable action.

Item 6 Discussion / Action resumed following closed session.

6. B. DCE Pro Forma and Financial Model Scenario Analysis

Jeff Fuller and Colin Cameron, TEA, gave an update on the pro forma and financial projections.

D. Community Advisory Committee Update

The Board provided input on membership requirements for the Community Advisory Committee.

E. CARE & FERA Low Income Program Analysis

Don Dame gave an overview of the CARE and FERA financial assistance programs for low income households, including outreach strategies to increase rate of participation.

8. INFORMATION

The following items were submitted for information only.

A. Attendance Record

B. Unaudited Balance Sheet & Financial Statements, April 2018 – March 2019

C. Legislative Update

9. ANNOUNCEMENTS

The next DCE Board meeting is scheduled for Monday, June 17, 2019, at 2:30 pm.

10. ADJOURN - The meeting adjourned at 4:07 pm.

Respectfully submitted,

Benjamin Druyon
Management Analyst

**Desert Community Energy Board
June 17, 2019**



STAFF REPORT

Subject: CARE/FERA Program Update

Contact: Benjamin Druyon, Management Analyst, Energy & Environmental Resources
(bdruyon@cvaq.org)

Recommendation: Approve proposal and budget from Lift To Rise for CARE/FERA outreach efforts and authorize the Executive Director to execute a two-year agreement for an amount not to exceed \$356,000

Background: A significant motivator to establish DCE was to look for savings to electric ratepayers, particularly lower income households. One way to pursue this goal is to actively encourage greater participation in financial assistance programs like CARE (California Alternate Rates for Energy), and FERA (Family Electric Rate Assistance). Through CARE and FERA, qualifying low-income households receive approximately 30% and 18% discounts, respectively, off their electric bills. These programs are authorized by the CPUC and funded through local distribution surcharges to non-low-income customers.

As previously reported to the Board, DCE staff analyzed recent SCE reports to the Low Income Oversight Board (LIOB) and SCE customer data previously provided to DCE and identified a combined total of about 18,500 customers currently enrolled in CARE in Cathedral City, Palm Desert and Palm Springs. DCE estimates that up to 5,000 additional eligible accounts are not enrolled. SCE reports currently about 300 enrolled FERA accounts within DCE member communities and about 3,000 to 4,000 likely qualified additional accounts that are not enrolled. Based on SoCalGas's recent LIOB monthly reporting, there are likely between 500 to 2,500 eligible residential gas accounts that are not enrolled as well.

At both the March 18 and April 15 DCE Board meetings, the Board discussed the possibility for DCE to find ways to increase awareness and participation in the CARE and FERA programs, and staff was directed to move forward with these efforts, including working with the Community Advisory Committee, once formed, and as well as agencies and organizations that could maximize enrollment rates among potential DCE qualified customers.

Recently, DCE staff met with Lift To Rise, a collective action partnership that is focused on improving quality of life and the availability of affordable housing across the Coachella Valley. Lift To Rise is interested in working with DCE staff to improve CARE and FERA participation and has provided a proposal (attached) for increasing enrollment rates in DCE's service territory. Lift To Rise's model has already shown some success in the Imperial Irrigation District territory and DCE staff is recommending a contract with Lift To Rise to build on this experience.

Community Benefits: CCAs and utilities have varied approaches to increasing participation in CARE/FERA programs. Currently in the Coachella Valley, SCE & SoCal Gas both use agencies which are paid a capitation fee based on the number of successful enrollments. The capitation

fee program is geared toward non-profit and community organizations which must fill out a one-page application to qualify to receive capitation payments (\$20 from SCE and up to \$12 from SoCalGas). According to SCE, the Coachella Valley has only one active capitation contractor, Desert Arc. Desert Arc, which is based in Palm Desert, displays hard copies of low-income assistance program application materials on site and assists customers in determining eligibility. Desert Arc staff indicated they do not do any additional outreach to promote these programs for SCE and have only signed up a few participants since becoming a capitation contractor.

Enrolling additional qualified residential CARE (gas and electric) and FERA (electric) accounts will reduce monthly energy bills. Such customer savings will not only ease utility cost burdens but allow such savings to be used to meet other needs. On average, a newly enrolled CARE electric account, CARE gas account, and FERA electric account is estimated to save \$744, \$120 and \$318 per year, respectively.

TABLE 1
Estimated Aggregated Savings from Increased CARE/FERA Enrollment

City	Max New CARE Electric Accts	Max New CARE Gas Accts	Max New FERA Electric	Annual Combined Incremental Benefit if Enroll Given % of New CARE and FERA Customers			
				25%	50%	75%	100%
Cathedral City	1163	582	1353	\$341,370	\$682,741	\$1,024,111	\$1,365,482
Palm Springs	805	402	936	\$236,164	\$472,329	\$708,493	\$944,657
Palm Desert	1005	502	1169	\$294,931	\$589,861	\$884,792	\$1,179,723
Total	2973	1486	3458	\$872,465	\$1,744,931	\$2,617,396	\$3,489,861

The estimates in Table 1 suggest total annual customers savings between approximately \$875,000 and \$3,500,000 given incremental enrollment of 25% up to 100% of eligible accounts that are currently not enrolled. These savings reflect midline existing CARE/FERA participation rates. If existing local participation rates are higher than average, combined customer savings could reduce to between \$500,000 to \$2,000,000 annually; or, if existing local participation rates are lower than average, combined customer savings could increase to between \$1,300,000 to \$5,400,000 annually.

There are a number of ways to improve the participation in CARE/ FERA, including utilizing the new Community Advisory Committee (CAC) to assist with outreach. Another way element that the Board has identified as important for successful outreach is to partner with community based and faith-based organizations which have already established a trusted relationship with potential participants. DCE staff has met with Lift to Rise to gauge interest in establishing a partnership for this effort. One of Lift to Rise's focus is on housing issues and their data shows residents have consistently identified high utility costs as a significant contributor to housing instability. Scaling and increasing the saturation of subsidies, including utility subsidies, is identified as part of their current action plan. Based on their proposal, Lift to Rise will leverage existing staff support to launch pilot programs in DCE territory and identify the most effective approaches for reaching lower income customers. DCE and Lift will also use various outreach methods, including social media, email and community events, to reach as many potential customers as possible. The intent is that, through this partnership, DCE and Lift to Rise will encourage other community organizations and agencies to become capitation contractors, thereby increasing overall enrollment in CARE/ FERA.

With the Board's approval of Lift to Rise's proposal, DCE staff will negotiate a two-year contract. DCE will also continue to explore other ways to reach lower income customers, including working with the CAC and considering other partnerships. The contract finalization may include modifications from the DCE Executive Director and/or Legal Counsel.

Fiscal Analysis: If the board approves Staff's recommendation, costs to DCE for this agreement would not exceed \$356,000 for a 2-year period. DCE costs will be covered through staff time.

With this up-front investment, DCE staff anticipates longer, and much larger, return of investment to the community in terms of cost-savings on customers' individual bills. Monitoring effectiveness will be key and DCE can gauge effectiveness during and at the end of this engagement.

Attachments: Lift To Rise proposal and budget

Lift To Rise Proposed DCE CARE and FERA Utility Subsidy Pilot

Background

Lift To Rise works to both scale and increase the saturation of immediately stabilizing supports for low income residents while simultaneously advancing a bold systems change agenda in the areas of Housing Stability, Health, and Social Connection. In over three years of deep quantitative and qualitative analysis (extensive community listening) residents have consistently identified high utility costs as a significant contributor to housing instability. Scaling and increasing the saturation of subsidies, including utility subsidies, is a strategy area of Lift's current action plan. Lift and partners have piloted various subsidy interventions including a utility subsidy intervention with IID in 2017/2018.

Proposal

Lift To Rise employs a "Plan- Do-Study-Act" framework of implementing test interventions. Lift recognizes the significant population level impact reduced utility costs might have for low income families in Palm Springs, Cathedral City and Palm Desert. We propose working in partnership with DCE and CVAG to implement a series of PDSA pilot interventions to identify a clear pathway to dramatically increasing enrollment in these subsidies by low-income residents. We implement tests of change in 6-week cycles to constantly measure progress and make rapid improvements the efficacy of our implementation. We develop performance measures around 3 central questions:

- How much are we doing?
- How well are we doing it?
- What is the difference made?

For the purpose of this potential partner subsidy intervention we would propose working together with CVAG, DCE and other interested partners to develop a PDSA framework with and aim of increasing the saturation to qualifying families in qualifying geographies by 80% over a year long period. A very draft worksheet outlining a rough framework is attached.

Costs

The following costs would need to be determined and covered to implement this pilot:

- **1 FT Community coordinator**
- **Community Workshops**
- **Partial FTE to cover partner staff**
- **Communications and travel**

Budget

Coordinator Position Salary (1 FTE):	\$55,000
Coordination Position Benefits (@ 30%):	\$17,000
Implementation Manager (.2 FTE):	\$16,000

Coordinator and Partner Travel:	\$10,000
Meetings, Workshops, & Stipends:	\$20,000
Community Interventions and Pilots:	\$20,000
Communications and Marketing:	\$20,000
Data Collection and Analysis:	\$20,000
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Total Staffing (1.2 FTE + benefits):	\$88,000
Total Community Support and Investment:	\$90,000
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Total per year:	\$178,000
Total for 2 year term:	\$356,000

Lift to Rise will also leverage our staff time (Director of Research, Director of Collective Impact, Director of Community Engagement, Implementation Managers, and CEO) and our internal and external resources to support the DCE program's CARE/FERA outreach.

Next Steps

In order to determine the costs of this potential pilot, Lift staff would like to work with CVAG/ DCE staff to determine the intended scope and timeline of the project.

Item 6B

Desert Community Energy Board June 17, 2019



STAFF REPORT

Subject: Community Advisory Committee Update

Contact: Benjamin Druyon, Management Analyst (bdruyon@cvaq.org)

Recommendation: Review recommended candidates and timeline, and appoint members to the Community Advisory Committee

Background: On March 18, the Board established a Community Advisory Committee in order to provide a structured opportunity for community members to participate in DCE and help ensure that efforts to educate and inform member communities about Community Choice Energy are broad and inclusive. On April 15, the Board approved the *Background, Scope, and Structure* and application for the Committee. The Board also approved the selection criteria, including a stipulation that eligible candidates must live or work in DCE's service territory and members must enroll as a DCE customer when service becomes available.

The application was open from April 29 – May 29, with outreach conducted directly by DCE staff and through DCE member cities. Seventeen applications were received from a highly qualified pool of candidates.

Recommended Committee Candidates: Applications were reviewed based on qualifications and personal commitment. The following recommendations reflect an interest in maximizing inclusivity and balancing diverse perspectives. Based on the number of applications received, staff recommends that the Board appoint 5 members from each city for the inaugural Committee membership, including 1 vacant seat in Cathedral City and Palm Desert. Staff also recommends that membership for this first cohort be reviewed and evaluated in six months.

Cathedral City	Palm Desert	Palm Springs
<ul style="list-style-type: none">• Jeremy Roos• Kathleen DeRosa• Patric Dixon• Theresa (Terry) Applegate• Vacant	<ul style="list-style-type: none">• Berlinda Blackburn• Daniel Paris• Kim Floyd• Paul Murphy• Vacant	<ul style="list-style-type: none">• Bruce Hatrak• Carl Baker• David Freedman• Lani Miller• Noel Loughrin

Next Steps: Although advisory in nature, staff anticipates that this Committee will be an actively engaged group of doers working to educate and promote Desert Community Energy in their communities. If the Board approves the recommendations, staff will proceed with the following steps:

- **Orientation.** An orientation packet will be developed and include an overview of the DCE mission, vision, and program; overview of Community Choice Aggregation; and further clarification of Committee procedures and roles. In addition, staff will hold a required

orientation session to help Committee members get up to speed on issues and topics facing Desert Community Energy. Recognizing that the Committee members bring a broad range of understanding of CCAs, Desert Community Energy, and technical expertise, orientation material will be inclusive and accessible to meet the needs of each Committee member regardless of background or expertise. Staff anticipates conducting orientation activities in July or August, depending on member availability.

- **Initial Priorities.** Staff will draft initial priorities and potential projects for the Committee to review and establish upon formation. This may include (1) establishing roles and procedures for the Committee; (2) identifying stakeholders and outreach opportunities; (3) providing input on a strategic plan for community reinvestment; (4) providing input and support for community outreach and education activities, including targeted outreach for hard to reach populations and low income customers. Staff will also work with the Committee to establish a protocol for the Committee and Board to communicate and share information.
- **Workplan.** Staff will work with the committee to draft an initial workplan for the Committee based on staff needs, DCE priorities, and Board input. This workplan will identify short and longer-term goals and priorities.

Fiscal Impact: Staff support for the Community Advisory Committee will be provided by CVAG as part of its contract with Desert Community Energy.

Attachments:

1. Candidate Summaries

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Jeremy T Roos

City: Cathedral City

Section 1: Contact Information

Home Address: Cathedral City

Work Address: Palm Desert

Employer: FreeVolt USA

Occupation: Chief Revenue Officer – Solar Manufacturer

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- In addition to being in the solar field for 4 years, I served on the board of directors for the Desert Sands Educational Foundation, working with the schools and community in the cities of Palm Desert, La Quinta, Indio, and Indian Wells. I have marched with farm workers in Coachella as well as worked with the Coachella Valley Housing Coalition to help build a playground for disadvantaged children in Coachella. I formerly founded and ran a business that brought businesses and the community together to help raise money for schools and nonprofit organizations.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- My most extensive experience in advocacy was work with the Desert Sands Educational Foundation. In particular, I wrote the script and helped produce a video that they used to raise money to help implement Common Core curriculum into their district. I was also part of the delegation from SolarCity that traveled to El Centro for an Imperial Irrigation District board meeting to try to reinstate net metering for homeowners that wanted to go solar in the Eastern Coachella Valley.

Energy. *Experience / expertise in energy field:*

- I am the Chief Revenue Officer for FreeVolt USA, the United States headquarters for FreeVolt, an International solar manufacturer. We are about to launch a new program for homeowners in which they can engage with wholesale energy markets and send their excess energy to the points on the grid where it is most needed. I have been in solar for four years and have seen many changes. What we are about to do will be the most revolutionary change in the history of energy in the United States.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- Between my work for the Educational Foundation, as well as my experience in solar, I would bring a lot to the table. My only concern would be whether or not the community would feel that it was a conflict of interest for a solar executive to be on the board.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I would like to protect the community's access to fair solar net metering terms. The majority of my clients over the years have been working class families that have benefited greatly from solar. I want to make sure that they can continue to do so.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest?

- As previously mentioned, I am the Chief Revenue Officer for a solar manufacturer. Some might feel that is a conflict of interest. I feel I can represent the industry as well as the community and make a positive impact.

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Kathleen DeRosa

City: Cathedral City

Section 1: Contact Information

Home Address: Cathedral City

Work Address: n/a

Employer: Retired

Occupation: Former Mayor of Cathedral City

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- Elected Positions: 1998-2004 Council member, City of Cathedral City
- Elected Mayor of Cathedral City, 2004 (Retired 2014)
- Boards/Commissions: CVAG Energy and Environment Committee, 16 years
- President of past president CVEP
- Past board member Southern California Association of Governments Energy and Environment
- Currently volunteer project manager Northgate Community Church

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- Having had the opportunity to chair many local and regional organizations as well as being an elected official provided me the opportunity to advocate for many people and many issues.

Energy. *Experience / expertise in energy field:*

- After I retired from my business I was recruited by Southern California Edison in the Coachella Valley as their local public affairs manager. As public affairs manager, I had the opportunity to work with all levels of utility customers from elected officials, city staff, to low income customers including seniors helping them understand energy efficiency programs and services available to them. Worked closely with CVAG staff when they were awarded a multimillion dollar energy efficiency contract here in the Coachella Valley thru the PD energy initiative.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- Having worked in the utility industry, I believe my insight will offer an opportunity for all parties to make the best decision. Its a well known fact I study the agendas and tend to ask many questions.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- My goal as a member of this committee would be to make sure all parties, cities and residents are never in harm's way by contracting with a 3rd party to purchase power, lending my voice to this matter and advocating good and services for those most in need.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? I have no conflict as I receive no pension from Edison.

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Patric Dixon

City: Cathedral City

Section 1: Personal Information

Home Address: Cathedral City

Work Address: n/a

Employer: Retired

Occupation: n/a

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- Volunteer and teacher at the Dharmachakra Buddhist Center in Palm Springs

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- Former board member of the Tulsa Girls Art school. Tulsa Oklahoma

Energy. *Experience / expertise in energy field:*

- 30 years experience with various energy companies including oil and gas production and utilities.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- The last 5+ years of my career was spent in business development with Oneok energy, Primarily a natural gas pipeline and processing company. Focus on expansion and optimization of regulated and non-regulated assets.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I would like to use my expertise to help the organization achieve its goals while maintaining the lowest possible rate is for the valley.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Theresa (Terry) Applegate

City: Cathedral City

Section 1: Contact Information

Home Address: Cathedral City

Work Address: Cathedral City

Employer: Self-employed

Occupation: Occupational Therapist/Aquatic Therapist

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- I spent the majority of my adult life in the San Francisco Bay Area, primarily residing and working in San Jose. I was a Disability Rights Advocate. From 2002 - 2006, I served as a Steering Committee Member on the Santa Clara County Collaborative on Affordable Housing and Homelessness, primarily advocating for universal housing design and for an increase in affordable, accessible housing for people with disabilities.
- I was a member of the City of San Jose Disability Advisory Commission from 2004 - 2006 and served on the Evergreen Valley College Disability Advisory Board from 2002 -2005.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- In 2003, Valley Transit Authority proposed severe changes to their Paratransit Eligibility and Transportation Program. In response, I formed a community coalition, comprised of people with disabilities, community agencies, and service providers. We held meetings throughout Santa Clara County VTA service area. The coalition developed a Community Plan, to lessen the burden that people with disabilities faced in order to become eligible or renew their certification for paratransit services. Coalition members met with elected officials that comprised the VTA Board and was able to get the Community Plan adopted in 2006.

Energy. *Experience / expertise in energy field:*

- The impact of global climate change is enormous and must be addressed by cities, energy companies, the federal government, etc. The cost is catastrophic - affecting health, food and water shortages, and changing weather patterns causing floods, drought, fires, etc. Each person needs to play a role in reducing his/her carbon footprint. We need to adopt 100 % renewable energy sources.
- My wife and I purchased solar panels on our home in 2007. We spent considerable time researching solar companies , weighed leasing vs ownership and determining what size system we needed.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- In 2017, I worked on a coalition to have Cathedral City become a Sanctuary City.
- I will also work to make sure educational materials are in other languages.
- In 2009 I worked in a coalition locally to support Single Payer Health Care.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- There is a lot of confusion regarding Community Choice Aggregates. I would like to serve on the committee to address questions that have been raised in city council meetings, etc. I support CCAs and would like to work to promote them.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Berlinda Blackburn

City: Palm Desert

Section 1: Contact Information

Home Address: Palm Desert

Work Address: Coachella

Employer: City of Coachella

Occupation: Environmental/Regulatory Program Manager

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- I am currently a member of the City of Palm Desert's Sustainability Committee. I also administer grants for the City of Coachella Water Authority for their payment assistance program for the low income residents. I volunteer at Southwest Church and help with outreach programs that partners with organizations that addresses community needs.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- As mentioned previously, I am a member of City of Palm Desert's Sustainability Committee. I am a two term past board of director for the California Water Environment Association, (CWEA) www.cwea.org- a ten thousand member nonprofit that provides statewide training and input for the clean water industry.

Energy. *Experience / expertise in energy field:*

- As the Environmental/Regulatory Programs manager, I am responsible for the implementation of the City's water conservation program- tasks include providing conservation resources, conducting outreach events, rebates for water efficient materials, including weather-based irrigation system, turf rebates and high efficient appliances and other materials.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- I bring over twenty years of experience working in the water and wastewater industry. I have worked with both local, state and national representatives as well as private industries to help meet compliance with regulatory requirements.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I hope to help our community use the resources provided by the DCE and provide options for energy conservation.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Daniel Paris

City: Palm Desert

Section 1: Contact Information

Home Address: Palm Desert

Work Address: Palm Desert

Employer: Self, Licensed Building Contractor

Occupation: General Contractor

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- YMCA and working Daily with Hispanic subcontractors un building projects

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- YMCA advisory capital improvement projects and program development

Energy. *Experience / expertise in energy field:*

- Building net zero energy projects throughout the state

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- Familiarity with solar passive and active systems

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- To ensure widespread access to affordable energy and development of educational materials and platforms to all regardless of economic status.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Kim F Floyd

City: Palm Desert

Section 1: Contact Information

Home Address: 92260

Work Address: N/A

Employer: Retired

Occupation: N/A

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- Prior to moving to Palm Desert I was a member and chair of the Wrightwood, CA San Bernardino county Community Advisory Board for five years. Also, I have been in a leadership role with the Sierra Club's San Gorgonio Chapter (San Bernardino & Riverside counties) for the past 15 years. Our Chapter has been aggressively engaged in environmental justice outreach for the past five years.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- As Conservation Chair for the Club's Chapter we work on multiple advocacy issues. Recently I served as the Club's point person on a major development project in Highland with the objective of improving the project.

Energy. *Experience / expertise in energy field:*

- I am a member of the Sierra Club California's Energy and Climate Committee. I have engaged in weekly phone conferences for the past five plus years covering a wide range of energy and climate related issues from an environmental view. This committee supports the CCA efforts with a focus on environmental justice and a rapid move to clean renewable energy.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- My business background was focused on accounting, finance and personnel administration. As part of the local Sierra Club leadership I have recently supervised the Club's environmental justice outreach in the East Coachella Valley for the past four years.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I think that DCE provides our local communities with an important mechanism to address climate change while putting additional monies into our local economy. I would like to demonstrate to local decision makers that our communities want clean energy and our voters will support climate leaders.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Paul B Murphy

City: Palm Desert

Section 1: Contact Information

Home Address: Palm Desert

Work Address: n/a

Employer: n/a

Occupation: n/a

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- In Portland, Oregon I was a board member of the Saint Vincent dePaul, as well as president of the McDonald Center which operated a non profit grocery, hotel for the needy, and a senior center in what was referred to as "Skid Row". Also served on the board of directors of Christie Home for girls in Lake Oswego, Oregon. Served on the Board of the Oregon Trail Council of Boy Scouts of America. Co Founder with Bob Dickey "Ducks in the Desert" which is a very successful alumni group of the University of Oregon.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- Served on many business and chamber of commerce boards in Coos Bay, Oregon, Everett and Snohomish County Washington, Clackamas County, Oregon, Sunnyvale, California.
- Past president of Palm Desert Rotary Noon Club 1991, 2 years president of the Foundation for the Retarded of the Desert (now Desert ARC), 4 years board member Hayman Center Palm Springs, past board member Loving All Animals.
- 12 years volunteer tutor Mecca elementary school (still involved). Past GM and part owner KNWZ Radio

Energy. *Experience / expertise in energy field:*

- Spent one year working in the oil fields in Wichita, Kansas. My father was vice chairman of the board of Pacific Power and Light, had many discussions with him regarding energy issues.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- I am a member of the Palm Desert Park and Recreation Commission.
- Was co-chairman of the anti short term rental campaign in Palm Desert.
- Past Chairman of the Planning Commission In Clackamas County, Oregon
- Served on Clackamas County Economic Development Commission
- Sunnyvale, California economic development committee for 3 years
- President Snohomish County Auto Dealers Association
- Member Board of Directors Washington Auto Dealers Association
- Member Board of Directors Santa Clara County Auto Dealers Association

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I'd be happy to put as much energy as possible into assisting the DCE in accomplishing its goal. I've served on many committees, and organizations during my lifetime and for the most part I've been told that I was an asset to the organizations that I was involved with.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Bruce Hatrak

City: Palm Springs

Section 1: Contact Information

Home Address: Palm Springs

Work Address: Palm Springs

Employer: Better Homes and Gardens Real Estate

Occupation: Realtor

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- Member PSRAR, CAR, and NAR, Member California State Bar, Desert Bar Association, Palm Springs Front Runners and Walkers, Volunteer Cinema Diverse, President, Board of Directors-Ramona Villas Homeowners' Association.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- I have been a practicing attorney for 34 years. I have completed all necessary course work to be certified in mediation.

Energy. *Experience / expertise in energy field:*

- I was a Los Angeles City Attorney assigned to the Los Angeles Department of Water and Power.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- Legal and real estate expertise. Negotiations, due diligence, corporate governance, and structuring lease and sale transactions.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- I would like to serve on this committee to share my expertise in legal, real estate, and energy related areas and help achieve collaboration among the Valley communities toward clean, green, and alternative energy efficiency.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Carl Baker

City: Palm Springs

Section 1: Contact Information

Home Address: Palm Springs

Work Address: Palm Springs

Employer: Desert AIDS Project

Occupation: Director of Legal & Legislative Affairs

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- I am a member of the City of Palm Springs Sustainability Commission; additionally, I am President of the ACLU Desert Chapter, Board member of Equality California, additionally, I am a board member of the Public Policy Council for AIDS United. As such I am extremely involved in the local community, with a major focus on the medically underserved medical and creating affordable housing for those most in need. Through ACLU I engage our community into action so social justice. As a Sustainability Commissioner, I work to bring 'green' energy and recycling to the citizens of Palm Springs.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- Part of my job is to advocate on both the local, state and federal level. I meet with all of our elected officials several times each session as well as teach others how to advocate in person in Sacramento and DC.

Energy. *Experience / expertise in energy field:*

- I worked on the Palm Springs Sustainability Commissions research for selecting Desert Community Energy to become a partner in providing energy solutions to the Coachella Valley.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- I have been a community leader for years, I have experience working on committees, drafting public policy and promulgating said policy to our elected officials and speaking at community forums to help educate our citizens.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- One of the main issues for the city is to better understand the choice available to switch from traditional energy sourcing to new sources. I would like to lead the community outreach to educate the population.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: David Freedman

City: Palm Springs

Section 1: Contact Information

Home Address: Palm Springs

Work Address: N/A

Employer: N/A

Occupation: N/A

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- I served for the past four years on the Governance Committee of Organized Neighborhoods of Palm Springs ("ONE-PS"), the umbrella organization for the City's organized neighborhoods, most recently as its co-chair. I focused on improving the governance structures of ONE-PS and its member organizations, many of whom include disadvantaged communities. I drafted template bylaws that conform to federal, state and city requirements, wrote guidance documents and led training sessions on how neighborhood organizations can obtain and maintain non-profit status and served as a community resource on non-profit governance.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- For the past four years I have served on the Palm Springs Sustainability Commission and as a member of its Solar / Green Building Standing Committee. I worked closely with the Palm Springs City Council and Planning Commission to adopt strong solar policies and update the wind turbine ordinance. I have also worked closely with CVAG on two valley-wide 2019 Energy Code training sessions and on promoting the rollout of DCE in Palm Springs, including a well-attended ONE-PS presentation in July 2018. I recently led a renewable energy workshop and tour as part of the Neighborhoods USA Conference, including a stop at CV Link.

Energy. *Experience / expertise in energy field:*

- I practiced international corporate law in Paris and New York for 30 years, with a focus on energy and water infrastructure projects in North Africa, the Arabian Gulf and Asia. I represented project sponsors and lenders, drafted project and financing documents such as power purchase and loan agreements and negotiated with foreign governments. As part of my Sustainability Commission duties, I have developed a deep understanding of the 2019 Energy Code and worked with the California Energy Commission on its implementation. I also follow state energy policy issues, such as CAISO grid unification and CCA regulation.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- As indicated by my answers to the above questions, I have a strong interest in public policy and a substantial record of community service. I have already demonstrated my interest in the success of Desert Community Energy by encouraging the Palm Springs City Council to become the first City to adopt the Joint Powers Agreement, choose the 100% carbon-free option for the City's electricity needs and adopt this option as the default for residential and commercial customers once DCE launches in Palm Springs. I would bring my technical and advocacy skills and experience in the energy sector to the Committee.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- The recent heavy rains and wind demonstrate that the Coachella Valley is on the frontline of climate change. We must act quickly and collectively to reduce GHG emissions and develop local resiliency. I am interested in serving on the Committee to take concrete action to confront the climate crisis and move the Coachella Valley in a more sustainable direction. I would like to achieve broad community support for DCE and have the Committee work with DCE to use its operational reserves on conservation initiatives, such as residential energy audits and energy efficiency retrofits, particularly in disadvantaged communities.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: LANI J MILLER

City: Palm Springs

Section 1: Contact Information

Home Address: Palm Springs

Work Address: Palm Springs

Employer: Self employed

Occupation: Physician Expert Witness - part time

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- ONE-PS: Rep for NORG Oasis del Sol, ONE-PS Picnic/ Expo committee for past two yrs, including solicitations for sponsorships and creating and staffing booths for NORG and Sustainability Commision.
- Proud mother of Civil rights attorney and grandmother of two.
- Oswit Canyon: Activist petition gatherer and Op Ed published. Successful PS City Council action.
- CV Desert Horticultural Society: my garden featured in 10th Annual Garden tour; focus on water conservation; garden focus on Pollinators with educational poster display and popular NPCA petition to ban neonic containing pesticides.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- PS Sustainability Commision
- Spearheaded local petition collaboration between PSR and NPCA. More than 250 health care providers and environmentalists signed petition received by Gina McCarthy, EPA during Obama Administration, to strengthen Regional Haze Rule which was under Federal review.
- Local stakeholder lead with NPCA lobbied for return of Eagle Mountain Lands and waters to JTNP and for prevention of environmentally disastrous aquifer pumping by Eagle Crest. Group gathered dozens of letters, including PS City Council Resolution No. 24030. Lobbied in Sacramento for this endeavor.

Energy. *Experience / expertise in energy field:*

- As an MD/Medical Director in Portland OR in the early 1990's, I participated in the creation and implementation of the Oregon Health Plan which directed healthcare delivery toward uninsured working poor. It became a model for the ACA.
- Implementation science, at that time, was yet to be named. We employed many scientific principles in the above mentioned multidisciplinary experiment. Many of these principles became keystones of the discipline of implementation science.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- Undergrad degree in Biochemistry, Magna Cum Laude. Heavy On experimentation and math.
- Experience in chairmanships, committees, Quality assurance and Quality Improvement in departmental, Providence Health Plan and administration, credentialing, executive committee, Peer Review, Women and Children's Quality Improvement Redesign.
- I really enjoy writing and have an excellent editorial staff on my block.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- My personal mission is: Stewarding Global Sustainability through Local Action. I enjoy collaborating with diverse stakeholders. I like to foster an environment of mutual respect and trust. I enjoy promoting and educating. I recently showed some of my recent research and Powerpoint docs to a prominent PS administrator. He said "What are you, some kind of a consultant?" Really it's just that when I'm committed and am in an environment of mutual respect, I do a ton of work, and sometimes it's out of the box.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

**DESERT COMMUNITY ENERGY
COMMUNITY ADVISORY COMMITTEE APPLICATIONS**

Applicant: Noel Loughrin

City: Palm Springs

Section 1: Contact Information

Home Address: Palm Springs

Work Address: Redlands

Employer: Esri

Occupation: Marketing Specialist

Section 2: Qualifications

Community. *Involvement in local community / experience with community outreach:*

- I served for seven years as staff for Riverside County's Fourth District Supervisor. During my time in the Supervisor's Office, I worked closely with many local organizations and county departments, such as the Riverside County Office on Aging, Riverside County Anti-Human Trafficking Task Force, Martha's Village & Kitchen to name a few.

Advocacy. *Experience in advocacy, including advisory committees, commissions, or similar:*

- In addition to working as an advocate for the elderly in our community, trafficked people, and the homeless; I have also spent my time volunteering for many years with Animal Samaritans, Christopher's Clubhouse, and a local foster children's organization. I am passionate about sharing my skills and knowledge with others to help improve outcomes.

Energy. *Experience / expertise in energy field:*

- While I do not have personal experience in the energy field, in my current marketing role at Esri I have developed marketing campaigns targeting energy companies. In order to build successful marketing campaigns I had to spend time researching how energy companies work and how they deliver services to their customers.

Other. *Relevant skills / knowledge / experience brought to the Committee:*

- My background in marketing would serve DCE well as I know how to use different communication channels to reach people and how to create materials that educate and inform. I also have a lot of experience in hosting/ participating in community forums as I was the liaison for a few of our unincorporated communities during my time at Riverside County Fourth Districts Supervisor's Office. I also have a background in Geographic Information Systems (GIS) which is an excellent tool for collecting and analyzing information.

Section 3: Commitment

Why are you interested in serving on the Committee? What would you like to achieve?

- Serving the Coachella Valley has been a passion of mine for the last 20 years. I am excited with how far we've come, and I'd be so excited to participate in the continued growth of sustainable energy practices in our community. Being given the opportunity to serve my community and fellow residents through an organization that helps to lower our electricity bills, increases our use of cleaner energy programs, and increases green energy jobs would be a great honor.

Are you able to commit to attend as many meetings as possible? Yes

Potential conflicts of interest? None

Item 6C

Desert Community Energy Board June 17, 2019



Staff Report

Subject: Desert Community Energy Fiscal Year 2019/2020 Budget

Contact: Katie Barrows, Director of Environmental Resources (kbarrows@cvag.org)
Don Dame, Energy Consultant

Recommendation: Approve Desert Community Energy FY 2019/2020 Budget.

Background: DCE's FY19 budget was approved at DCE's June 2018 Board meeting and anticipated CCA program launch on August 1, 2018. During July 2018, the Board met to discuss unexpected power market volatility and regulatory uncertainties, and the Board acted to suspend DCE's August 1, 2018 launch and instructed staff to liquidate DCE's power supply portfolio and review future launch alternatives.

DCE is currently contemplating CCA program launch on or about March 1, 2020 which, for planning purposes, is assumed to serve all Palm Springs' electric customers and Cathedral City and Palm Desert municipal loads only. For budget purposes, such loads are assumed to be served with a 100% carbon-free, 50% renewable supply portfolio. DCE's FY 2019/2020 budget reflects the timing, costs and revenues associated with serving the electricity loads of these customers.

The budget is in essentially the same format as last year. The June Board meeting provides opportunity to ask questions, make comments, and provide input to staff before Board consideration of approval or providing other direction to staff. Staff will continue to coordinate with TEA on an ongoing basis to update estimated power supply costs and projected retail sales revenues based on the most currently available information and prospective launch timing, and provide timely updates to the Board as warranted.

The FY2019/2020 budget has been assembled by energy consultant Don Dame with significant input from CVAG staff and The Energy Authority (TEA).

Proposed Budget: The attached Desert Community Energy Fiscal Year 2019/2020 budget includes:

1. FY 2019/2020 budget summary outlining projected revenues and expenses.
2. A monthly tabulation of FY 2019/2020 projected revenues and expenses.
3. Summary of projected revenues and costs for FYs 2020/2021 and 2021/2022.
4. A composite summary of projected revenues, costs and residuals for DCE at the end of DCE's first three fiscal years.

Figure 1, FY 2019/2020 Macro Budget Summary:

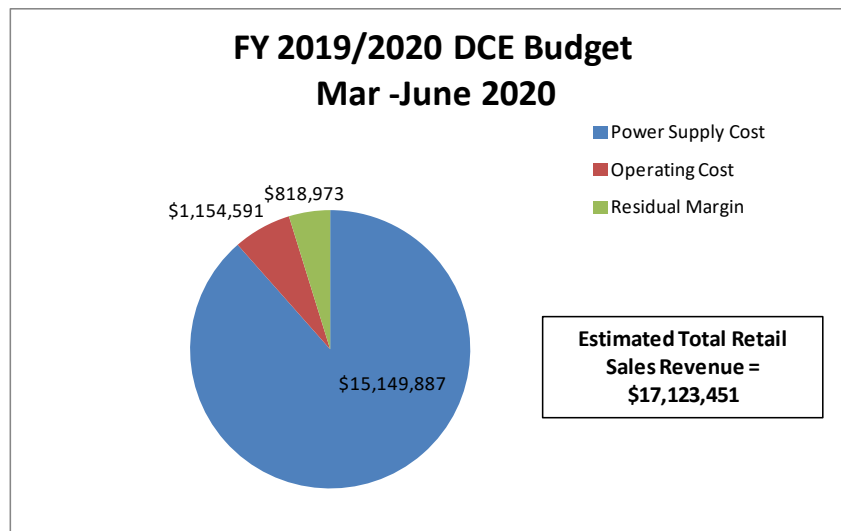


Table 1, FY 2019/2020 Budget Summary Table:

A. FY 2019/2020, July 1, 2019 - June 30, 2020 DCE Projected Revenues and Costs			
DCE Launches Mar 1, 2020 w/ Palm Springs + CC and PD Municipal Loads			
100% CF Default Product @% Discount to SCE Total Rate: 5.00%			
(accrual basis, no working capital loan, other repayments starting June 2020)	MWh Load:	188,297	
Revenues and Any Working Capital Infusion	FY19-20	Avg \$/Month	Avg \$/MWh/h
SCE 100% Green Genr. Charge (Base + Adder)	\$ 22,972,177	\$ 5,743,044	\$ 122.00
DCE Revenue @ Target % Discount	\$ 20,497,725	\$ 5,124,431	\$ 108.86
DCE Rev @ % Disc less PCIA, FF, Unc. Accts	\$ 17,123,451	\$ 4,280,863	\$ 90.94
DCE FY20 Working Capital Loan (if any)	\$ -	\$ -	\$ -
Total DCE Rev @ % Disc	\$ 17,123,451	\$ 4,280,863	\$ 90.94
Power Costs	FY19-20	Avg \$/Month	Avg \$/MWh/h
DCE Wholesale Power (Incl. RPS, RA, LC, FC, energy)	\$ 15,149,887	\$ 3,787,472	\$ 80.46
Operating Costs (Delay TEA/Calp Mar/Apr/May Svc fees)	FY19-20	Avg \$/Month	Avg \$/MWh/h
DCE staff and p/t General Counsel svcs	\$ 206,011	\$ 51,503	\$ 1.09
Other Contract labor / Mkting Outreach / Mailings	\$ 215,000	\$ 53,750	\$ 1.14
CVAG Related Staff and facilities support	\$ 174,432	\$ 43,608	\$ 0.93
Direct Business Support (TEA, Calpine, Mkting, SCE chgs, etc)	\$ 419,524	\$ 104,881	\$ 2.23
Launch Sup, TEA/Calp \$ delays, wrking cap and other repays	\$ 7,891	\$ 1,973	\$ 0.04
Misc. Items (Memberships, CalCCA, etc.)	\$ 51,733	\$ 12,933	\$ 0.27
Contingency	\$ 80,000	\$ 20,000	\$ 0.42
DCE Total non-power Operating Costs	\$ 1,154,591	\$ 288,648	\$ 6.13
Total Power and Operating Costs	\$ 16,304,478	\$ 4,076,119	\$ 86.59
Estimated Residual Available for Reserves & Other	\$ 818,973	\$ 204,743	\$ 4.35

The corresponding monthly budget spreadsheet (in attached Budget Summary) covers the period from July 2019 through June 2020. Cost incurrence accelerates during March 2020 if/when DCE begins serving retail customers; however, monthly CVAG staff time and

administrative expenses are included from July 2019 to convey CVAG's ongoing support to DCE to ensure CCA program administration and launch preparation. The budget reflects current estimated power prices including TEA forward power procurement for DCE which will commence during summer 2019 given an early 2020 program launch.

The budget was developed based on assumptions and forecasts including:

1. Loads Served: Palm Springs (all customer classes), Cathedral City / Palm Desert (city municipal loads only)
2. DCE retail sales commence March 1, 2020.
3. Default product offering to be 100% carbon-free, 50% renewable (customers may opt-down to a 35% renewable product)
4. DCE's retail generation rate will be set to provide an estimated 5% total bill discount on SCE's comparable 100% green retail rate and approximately 5-10% above SCE's base product rate.
5. Revenues, power supply and operating costs are accrued during the given service month.
6. Addition of two full time staff positions for DCE, hired through CVAG.
7. Payment of TEA, Calpine and CVAG pre-launch costs prior to July 2019 (including the \$100,000 CPUC bond and CAISO \$500,000 deposit) are funded and paid from prior power liquidation revenues.
8. Net power liquidation revenues available at the start of Fiscal Year 2019/2020 = \$4,721,536 (to be adjusted to actual June 30, 2019 balance).

Staff assembled the budget assuming DCE's first fiscal year financial goals include:

1. Develop and implement a formal "actual" versus budget monthly tracking and reporting system.
2. Monitor and report timing of revenue receipts and payment obligations.
3. Timely repayment of any pre- and post-launch borrowings and deferrals (subject to cash-flow considerations).
4. Follow sound business practices and establish creditworthiness.
5. Keep Board, management and staff informed of business financial conditions.
6. Serve Member and customer interests.
7. Adhere to adopted Board policies and directives.

The budget assumes DCE's revenues and costs are accrued during the particular month during which power is delivered/sold to DCE customers. However, power supply costs are typically due toward the end of the month immediately following a given service month and revenues are typically received 45-60 days following a given service month. DCE will closely monitor resulting monthly cash-flows, track actual outcomes to budget estimates and periodically report financial and operating results to the Board.

The budget identifies various CVAG staff positions and allocations of effort to DCE for administrative and operational support. The budget assumes two full-time equivalent DCE positions to be hired by CVAG: a DCE Program Manager and a DCE Accounting Specialist. These positions will be filled as warranted, given CVAG and DCE budget approvals and confirmation of program launch. Outreach to key accounts/larger commercial customers will be handled by existing CVAG staff and consultants. During the first three years of operation, other support needs are assumed to be met through a combination of consultants, vendors, and shared resources with CVAG and or other operating CCAs. The budget also assumes the

continuing involvement of Don Dame as a consultant to DCE. If other skill set needs arise, the Executive Director will have the ability to address these needs on an as required basis in consultation with the Board.

DCE's agreements with TEA and Calpine provide for DCE to defer payments for services until DCE is receiving steady revenues. All current pre-launch start-up costs are assumed to have been repaid from net wholesale power liquidation revenues. TEA's and Calpine's first 3 months of services charges and TEA's deferral of the first 2 months' wholesale power costs are assumed to be repaid without interest in 12 equal installments starting June 2020. Other staff and consulting charges incurred prior to launch are assumed to have been paid from residual monies on hand from prior power liquidation revenues. CVAG will also be reimbursed for staffing and support costs incurred on behalf of DCE, consistent with the DCE-CVAG contract. Repayment of these costs to TEA, Calpine, and CVAG are identified under "Launch Support" in the budget. The budget also includes a contingency amount of \$80,000 (\$20,000 per month starting at launch) to allow for unanticipated events and expenditures.

The 3-year budget summary provides projected cumulative cost and revenue streams over DCE's first three fiscal years starting with Fiscal Year 2020. This three-year summary estimates the costs for FY 2021 and FY 2022 based on costs for FY 2020, adjusted for inflation (3% per year as applicable), coupled with revenue and power supply costs estimated by TEA for full year operations. Over the July 2019 – June 2022 three-year period, net DCE funds available for reserves and other uses (after paying all power and operating costs) cumulate to approximately \$6.2 million (including prior power liquidation proceeds) at the end of DCE's first 3 fiscal years.

Table 2. DCE cumulated total projected revenues, costs and residuals for FYs 2019/2020, 2020/2021, and 2021/2022:

Revenues	\$118,237,485
Power Costs	\$108,662,908
Non Power Operating Costs	\$8,126,013
Residual Net Power Liquidation Revenues @ 3/1/2019	\$4,721,536
Net Proceeds from Fiscal Years 20, 21, 22	\$1,448,565
Total Residual Available for Reserves & Other	\$6,170,100

Borrowings and Repayments: The formation of DCE required the expenditure of effort and funds prior to DCE commercial operation. CVAG, TEA and Calpine advanced funds/efforts to DCE prior to service commencement and such pre-launch obligations have been repaid from power liquidation revenues.

Calpine and TEA services and TEA credit support fees accruing during the first three months from CCA launch are deferred and assumed to be repaid in 12 equal installments starting June 2020. Total TEA 3-month service deferral amount is estimated to be \$129,600; total TEA 3-month credit support deferral amount is estimated to be \$125,939; and total Calpine 3-month service deferral amount is estimated to be \$123,225. The combined total of these three amounts is \$378,764 and is assumed to be repaid in 12 equal monthly installments of \$31,564 commencing June 2020 (these timelines will shift accordingly subject to actual date of program launch).

Related Budget Figures:

Figure 3. Cumulative DCE revenues and costs over FY 2020 - FY 2022 (the “top” of the curve indicates cumulative revenues).

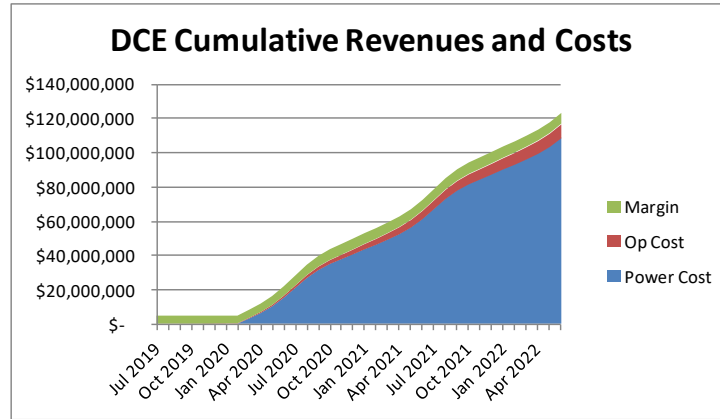


Figure 4. Cumulative funds/margin available for reserves and other uses (including prior power liquidation revenues).

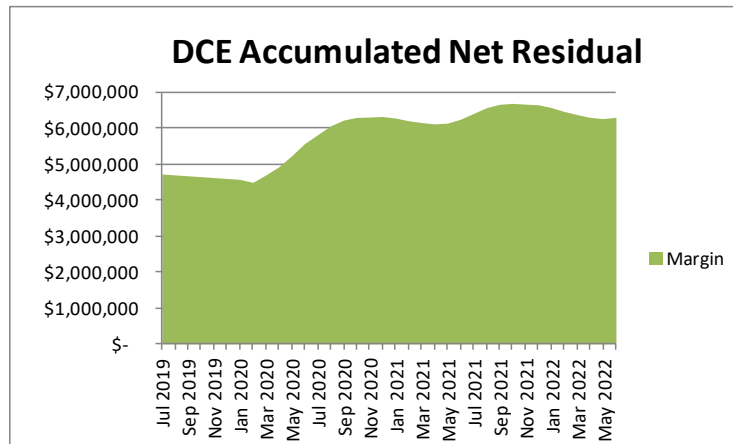
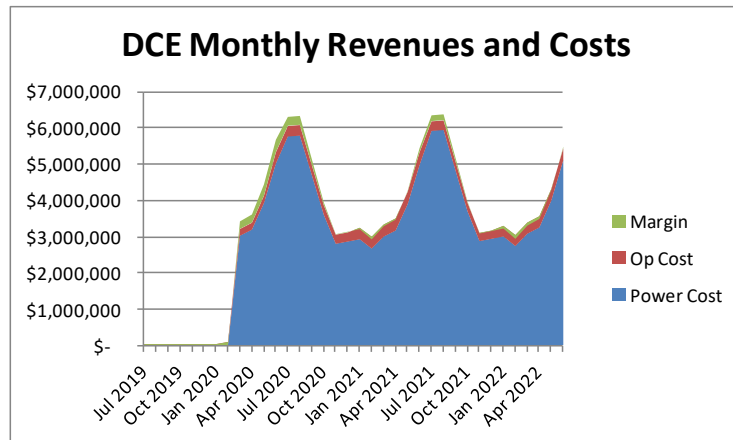


Figure 5. Monthly DCE costs and revenues (excluding power liquidation proceeds).



One DCE advantage is availability of credit and power contracting support provided by TEA which allows DCE to start up without significant institutional borrowing or other funding/credit sources. As an example, subject to actual DCE cash-flow conditions, TEA may defer DCE's repayment of March and April power costs without interest (projected month 1 and 2 combined total wholesale power cost is about \$6.2 million). TEA has long served public power agencies and CCAs, and has excellent credit. The "credit and contracts" service provided by TEA is included within the \$1/MWh charge pursuant to the DCE-TEA Resources Management Agreement. As a new agency without initial funding or established credit, DCE will develop credit credentials over time. This could take up to three years, or perhaps longer. However, once adequate reserves are accumulated and DCE establishes a responsible business track record, DCE may develop bi-lateral agreements with local or other power suppliers (e.g. wind, solar, geothermal) to serve a portion of its load; TEA credit support amounts would then be commensurately reduced.

Fiscal Analysis: Per presented budget, with the following additional consideration:

The proposed budget makes multiple assumptions regarding CCA program participation and retail loads to be served by Cathedral City, Palm Desert and Palm Springs, coupled with program launch effective March 1, 2020. SCE has indicated a potential inability to launch new CCAs during the first half of 2020 due to implementation of new customer information software systems. DCE (in concert with WCE) is in active discussions with SCE and the CPUC regarding the regulatory authority for SCE's delay of new CCA implementations during this period and what alternative launch timing may be more acceptable. Subject to ongoing these discussions, there is the possibility DCE and SCE may reach some mutual accommodation whereby DCE defers its proposed March 1, 2020 launch until a later point in time, with retail loads phased-in pursuant to subsequent decisions made by Cathedral City, Palm Desert and Palm Springs. DCE staff will update and report launch status and any timing alternatives to the Board for requisite action as more information becomes available, and staff will revise budget materials accordingly.

Attachment:

1. DCE Fiscal Year 2019/2020 budget estimate, by month

Fiscal Year 2019-2020 Budget Estimate by Month

		FY2020 Total	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
"Full Load" per TEA FiMo (MWh) (w/o Opt Outs)		209,218	-	-	-	-	-	-	-	-	41,723	44,055	54,154	69,287
DCE Retail Load (MWh) net of opt-outs and losses		188,297	0	0	0	0	0	0	0	0	37,551	39,649	48,739	62,358
DCE Wholesale Load (MWh, retail load+ losses)		197,147		-	-	-	-	-	-	-	39,316	41,513	51,030	65,289
Estimated Distribution Losses (%)		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
DCE No. Customer Accounts @ Month End		35,717	-	-	-	-	-	-	-	-	35,717	35,717	35,717	35,717
Avg SCE \$/MWh Retail Genr. Rev (@ 100% Green)		\$ 122.00	\$ -	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00	\$ 122.00
SCE Genr. Rev Given SCE Bundled Service, No Disc.		\$ 22,972,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,581,182	\$ 4,837,196	\$ 5,946,137	\$ 7,607,661
DCE Rev Bogie (Inst. Rcpt, @% disc v.SCE 100% Green)	108.86	\$ 20,497,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,087,719	\$ 4,316,157	\$ 5,305,648	\$ 6,788,201
Less PCIA Paid by Customer	(17.05)	\$ (3,210,456)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (640,239)	\$ (676,018)	\$ (830,997)	\$ (1,063,202)
Less Franchise Fees Paid by Customer	(0.67)	\$ (126,159)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,159)	\$ (26,565)	\$ (32,655)	\$ (41,780)
Less Uncollectable Accounts	(0.20)	\$ (37,659)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,510)	\$ (7,930)	\$ (9,748)	\$ (12,472)
Net DCE Rev Bogie (w/o PCIA and FF, lags)	90.94	\$ 17,123,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 3,605,644	\$ 4,432,248	\$ 5,670,748
Average Max DCE Rev Bogie \$/MWh		\$ 90.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90.94	\$ 90.94	\$ 90.94	\$ 90.94
Accrual Monthly Revenues		\$ 17,123,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 3,605,644	\$ 4,432,248	\$ 5,670,748
Cashflow Revenues if 2 Month Lag		\$ 7,020,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 3,605,644
Total DCE Power Cost (TEA FiMo)	80.46	\$ 15,149,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,021,237	\$ 3,190,075	\$ 3,921,409	\$ 5,017,165
For CashFlow, TEA "covers" 1st 2 mos		\$ (6,211,313)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,021,237)	\$ (3,190,075)		
For Cashflow Repay, 12 mos start 6/20		\$ 517,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,609
DCE Total Wholesale Power Cost Cashflow		\$ 9,456,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,921,409	\$ 5,534,775
DCE Total Wholesale Power Cost as Accrued		\$ 15,149,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,021,237	\$ 3,190,075	\$ 3,921,409	\$ 5,017,165
Avg Accrued Power Cost \$/MWh Retail Load		\$ 80.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80.46	\$ 80.46	\$ 80.46	\$ 80.46
Work Cap Loan "Revenues" Rcd @ Launch, if any		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Accrual Margin before Op. Exp.		\$ 1,973,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,574	\$ 415,569	\$ 510,839	\$ 653,582
Avg \$/MWh Gross Margin before Expenses		\$ 10.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.48	\$ 10.48	\$ 10.48	\$ 10.48
Total Non Power Operating Expenses (Accrual & Cashflow)		\$ 1,154,591	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 84,738	\$ 188,341	\$ 191,237	\$ 203,781	\$ 314,741
Operating Expenses \$/MWh		\$ 6.13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.02	\$ 4.82	\$ 4.18	\$ 5.05
Total Opr + Power Cost		\$ 16,304,478	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 84,738	\$ 3,209,579	\$ 3,381,313	\$ 4,125,190	\$ 5,331,906
Expected Accrual Results (w/o revenue lag)														
Revenues		\$ 17,123,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 3,605,644	\$ 4,432,248	\$ 5,670,748
Power and Operations Costs		\$ 16,304,478	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 84,738	\$ 3,209,579	\$ 3,381,313	\$ 4,125,190	\$ 5,331,906
Net Margin Avail After Expenses - Accrual		\$ 818,973	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (84,738)	\$ 205,233	\$ 224,331	\$ 307,058	\$ 338,841
Annual Cumulative Accrual Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 7,020,456	\$ 11,452,703	\$ 17,123,451
Annual Cumulative Accrual Power and Operations Cost		\$ 24,536	\$ 49,072	\$ 73,608	\$ 98,144	\$ 122,680	\$ 147,216	\$ 171,752	\$ 256,490	\$ 346,609	\$ 684,738	\$ 1,029,752	\$ 1,630,478	\$ 2,453,120
From Launch Cumulative Net Position - Accrual		\$ 4,721,536	\$ 4,697,000	\$ 4,672,464	\$ 4,647,928	\$ 4,623,392	\$ 4,598,856	\$ 4,574,320	\$ 4,549,784	\$ 4,465,046	\$ 4,276,704	\$ 4,085,467	\$ 3,894,229	\$ 3,703,000
Expected Cashflow Results (w/lags & deferrals)														
Revenues		\$ 7,020,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 3,605,644
Power and Operations Costs		\$ 10,610,774	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 24,536	\$ 84,738	\$ 188,341	\$ 191,237	\$ 203,781	\$ 314,741
Net Margin Avail After Expenses - Casflow		\$ (3,590,319)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (24,536)	\$ (84,738)	\$ (188,341)	\$ (191,237)	\$ (203,781)	\$ (314,741)
Annual Cumulative Cashflow Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 7,020,456
Annual Cumulative Cashflow Power and Operations Cost		\$ 24,536	\$ 49,072	\$ 73,608	\$ 98,144	\$ 122,680	\$ 147,216	\$ 171,752	\$ 256,490	\$ 346,609	\$ 684,738	\$ 1,029,752	\$ 1,630,478	\$ 2,453,120
From Launch Cumulative Net Position - Cashflow		\$ 4,721,536	\$ 4,697,000	\$ 4,672,464	\$ 4,647,928	\$ 4,623,392	\$ 4,598,856	\$ 4,574,320	\$ 4,549,784	\$ 4,465,046	\$ 4,276,704	\$ 4,085,467	\$ 3,894,229	\$ 3,703,000
Expected Accounts Receivable			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414,811	\$ 7,020,456	\$ 8,037,892
Available Cash On Hand + Accts. Rec		\$ 4,721,536	\$ 4,697,000	\$ 4,672,464	\$ 4,647,928	\$ 4,623,392	\$ 4,598,856	\$ 4,574,320	\$ 4,549,784	\$ 4,465,046	\$ 4,276,704	\$ 4,085,467	\$ 3,894,229	\$ 3,703,000

Fiscal Year 2019-2020 Budget Estimate by Month

Estimated Operating Expenses	FY2020 Total	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2019
DCE Positions (Hired thru CVAG)	\$ 206,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,202	\$ 41,202	\$ 41,202	\$ 41,202	\$ 41,202
Executive Director	\$ 27,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448
Director II - DCE	\$ 77,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,497	\$ 15,497	\$ 15,497	\$ 15,497	\$ 15,497
Finance Director	\$ 5,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132
Accounting Manager	\$ 43,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,678	\$ 8,678	\$ 8,678	\$ 8,678	\$ 8,678
Director - CVAG	\$ 19,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,975	\$ 3,975	\$ 3,975	\$ 3,975	\$ 3,975
Management Analyst	\$ 25,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,083	\$ 5,083	\$ 5,083	\$ 5,083	\$ 5,083
Program Assistant II	\$ 3,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707
Governmental Projects Manager	\$ 1,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Accounting Assistant	\$ 1,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331
Contracts and Contract Labor (not incl. elsewhere)	\$ 215,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000
Legal Counsel (General Counsel/Special Counsel)	\$ 90,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Power Contracts Legal Support	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
D. Dame CCA Consulting Support	\$ 30,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Rate Design Support	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
External ROC Participation	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Marketing Outreach / Mailing	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
CVAG Related Support	\$ 174,432	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536	\$ 14,536
Rent/ Maintenance / Insurance	\$ 41,688	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474	\$ 3,474
Accounting Services /Software	\$ 10,236	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853	\$ 853
CVAG Facilities Usage Charge	\$ 12,852	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071	\$ 1,071
Meetings / Travel /Training	\$ 6,720	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560
Overhead Allocation	\$ 102,936	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578	\$ 8,578
Direct Business Support and Transactions Costs	\$ 419,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,670	\$ 73,566	\$ 86,110	\$ 189,178
Banking Services	\$ 1,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ 350	\$ 350
Audit Svcs	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
SCE Billing Charges	\$ 71,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,269	\$ 15,067	\$ 18,521	\$ 23,696
TEA Credit Support @ \$1 / MWh	\$ 188,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,551	\$ 39,649	\$ 48,739	\$ 62,358
Calpine Data Svcs / Call Center / CIS (\$1.15/acct/mo)	\$ 164,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,075	\$ 41,075	\$ 41,075	\$ 41,075
TEA SC Services (@1/3 fixed amount)	\$ 57,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
TEA Power Procurement (@1/3 fixed amount)	\$ 57,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
TEA LT Planning /Risk Mgmt (@1/3 fixed amount)	\$ 57,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,400	\$ 14,400	\$ 14,400	\$ 14,400
Deferral of 3 Months TEA & Calp Svcs(4 above lines)	\$ (252,824)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (84,275)	\$ (84,275)	\$ (84,275)	\$ -
Estimated LEAN Services (Post Launch)	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Other Wholesale Services (Rates / Consultant / etc.)	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Website Hosting	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ 500	\$ 500
Marketing / Public Outreach	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Launch Support / Calp/TEA svc delay repays	\$ 7,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,891
TEA pre-launch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calpine PreLaunch \$500k + \$100K CPUC Bond	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CVAG pre-launch cumulated \$ and D. Dame	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calp/TEA 3mo Post Launch Svc Chg Deferral	\$ 7,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,891
CAISO \$500,000 deposit repay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Loan Repayment (if any)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Budget Items	\$ 51,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,933	\$ 12,933	\$ 12,933	\$ 12,933
Office Supplies	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 100	\$ 100
Community Engagement / Sponsorships	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Travel Expenses	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
CalCCA Dues (est @ \$100,000 / year)	\$ 33,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333
Other Memberships	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Contingency	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000

ITEM 6D

Desert Community Energy Board June 17, 2019



STAFF REPORT

Subject: Proposed Amendment to Joint Powers Agreement

Contact: Tom Kirk, Executive Director (tkirk@cvag.org)

Recommendation: Consider amendment to the Joint Powers Agreement (JPA) and authorize the Executive Director to proceed with actions necessary to effect this change.

Background: At the March 2019 Board meeting, the DCE Board inquired how DCE revenues would be handled given varied launch dates among member jurisdictions. Based on the discussion, a proposed amendment to the Joint Powers Agreement was presented to the Board at the April 2019 meeting. The Board reviewed and discussed the proposed amendment in terms of the need for additional modifications. One concern expressed by Palm Springs Director, Mayor Pro Tem Geoff Kors, related to potential modification of the proposed amendment by less than a unanimous vote. The Board directed legal counsel to add a statement requiring a unanimous vote of the DCE Board to approve any changes to the proposed Section 5.3.5. A cross reference to this statement is also proposed in Section 3.17.5 (c) of the DCE JPA as shown in Attachment 1.

Consistent with the requirements of the DCE JPA, a notice was circulated to member agencies on April 19, 2019, which was 30 days prior to the next scheduled Board meeting on May 20 (See Attachment 1). This notice described the additions requested by the Board to address the unanimous vote issue. The proposed language from the notice is shown below, with additions to the April 15 version shown in underlined text.

Section 5.3.5 Accrual of Revenues When Program Launch Dates Vary.

In the event that the Authority procures energy for and begins servicing load to ratepayers of one or more Members ("Active Members") before doing so for other Members ("Pending Members"), it shall implement an accounting system that records revenues generated by the Active Members. *Expenses including power procurement and other direct expenses of being an Active Member, shall also accrue to the Active Member's account.* The Members agree that revenues generated by the Active Member(s) as well as Authority procurement obligations shall accrue solely to the ratepayers in the Active Member(s)' jurisdiction(s). At such time as all Members become active, revenues going forward will be treated as one and tracked accordingly. Notwithstanding the provisions of Section 3.17.5, amendment or excision of this Section 5.3.5 shall require a unanimous vote of the Authority Board.

Following circulation of the notice, the DCE Chair, Palm Desert Councilman Sabby Jonathan, contacted DCE staff with additional comments from Palm Desert on the proposed changes described in the notice. The first comment by Palm Desert related to how expenses incurred by the Active Member would be treated. Language to address the accrual of expenses has been added in italics to the proposed amendment above.

Palm Desert also had comments related to existing reserves as well as weighted voting; Palm Desert suggested that any funds existing prior to launch shall “continue to be allocated among all members pro rata, 1/3 each”. This statement is not accurate. As the Board will recall, DCE members went through significant effort to create an independent Joint Powers Agency that limited liability of its members. JPA Section 6.5 addresses what would happen upon termination of DCE. According to the JPA, after payment of all liabilities, any surplus property or money would be returned to the then-existing members in proportion to the contributions made by each. However, the Members, as yet, have not made any contributions; CVAG and DCE’s consultants have provided seed monies and credit. In accordance with DCE’s agreement with The Energy Authority, reserves were to be accumulated by DCE in order to bolster DCE’s credit worthiness and thereby reduce the cost of purchasing energy for its ratepayers.

Palm Desert also suggested the weighted voting structure “will need to be revisited.” DCE staff does not currently anticipate this issue will need to be revisited. DCE operates with a one-Director, one-vote structure until and unless a weighted voting structure is requested by two directors. When two directors call for a weighted vote, the vote is then weighted according to the annual energy use in each member’s jurisdiction as of December 31 of the most recent year for which such data is available. If Palm Springs were the only member to fully launch in 2020, and the other member agencies either do not launch or only launch municipal accounts, Palm Springs could conceivably “outvote” the other two agencies. While hypothetically true, to do so, Palm Springs would require a second member to agree to a weighted vote. If the other two members were opposed to an item, it seems highly unlikely that a second director would agree to giving Palm Springs this weighted vote. Additionally, because the DCE Board is only three members, if one of the other two members were in favor of an item, the two-thirds majority to move an item forward would be present.

Staff recommends the Board review the proposed language of Section 5.3.5 for this amendment and provide input. If the language is acceptable, staff can proceed with the necessary actions to implement Amendment No. 2. Action on the proposed amendment would be scheduled 30 days after the notices are distributed, potentially at the July meeting.

Fiscal Analysis: No Impact

Attachment:

1. April 19, 2019 Notice of Proposed Change to the DCE Joint Powers Agreement



NOTICE

TO: Desert Community Energy Member Agencies
FROM: Tom Kirk, Executive Director
SUBJECT: Proposed Change to Joint Powers Agreement
DATE: April 19, 2019

This is to notify your city that a proposed change to the Joint Powers Agreement (JPA) will be considered by the Desert Community Energy (DCE) Board at a future meeting of the agency, on either Monday, May 20, or Monday, June 17, 2019 at 2:30 pm. Pursuant to the Joint Powers Agreement, we are providing you with the required 30-day notice in advance of the meeting. The proposed change will take effect upon approval by a vote of Board members.

This proposed change involves accrual of revenues in the event that one or more DCE members decide to launch prior to other members. Draft language for an amendment to the JPA adding a new section was presented at the April 15 meeting. Following discussion and a suggestion by the City of Palm Springs, the Board requested language to provide for unanimous vote if this proposed section were to be amended or removed. The last sentence of the proposed Section 5.3.5 addresses this request. The Board will consider the proposed amendment adding Section 5.3.5 to the Joint Powers Agreement, as follows:

Section 5.3.5 Accrual of Revenues When Program Launch Dates Vary. In the event that the Authority procures energy for and begins servicing load to ratepayers of one or more Members ("Active Members") before doing so for other Members ("Pending Members"), it shall implement an accounting system that records revenues generated by the Active Members. The Members agree that revenues generated by the Active Member(s) as well as Authority procurement obligations shall accrue solely to the ratepayers in the Active Member(s)' jurisdiction(s). At such time as all Members become active, revenues going forward will be treated as one and tracked accordingly. Notwithstanding the provisions of Section 3.17.5, amendment or excision of this Section 5.3.5 shall require a unanimous vote of the Authority Board.

Currently, as described in Section 3.7 and in Section 3.17.3, action by the DCE Board will be taken by a majority vote of the total number of Directors present assuming a quorum, except as provided in Sections 3.17 (Voting), 3.17.4 (Option for Approval by Voting Shares), and 3.17.5 (Special Voting Requirements for Certain Matters). In order to cross-reference the unanimous vote addition in Section 5.3.5, a new Section 3.17.5(c) is proposed as follows:

Section 3.17.5 (c) Unanimous Voting Requirement Relating to Section 5.3.5. A decision to amend or remove Section 5.3.5 shall require a unanimous vote of all Directors.

The DCE Joint Powers Agreement is available by clicking here: [Joint Powers Agreement](#).

Please feel free to contact me (tkirk@cvaq.org) or Katie Barrows (kbarrows@cvaq.org) if you have any questions.

ITEM 8A**DESERT COMMUNITY ENERGY BOARD
FY2018-2019 ATTENDANCE RECORD**

	JAN (Held 02/04)											
Voting Members	JUL 16	JUL 25	AUG 15	SEP	OCT	NOV	DEC	FEB	MAR	APR	MAY	
City of Cathedral City	✓	✓	✓	*	*	✓	*	✓	✓	✓	✓	*
City of Palm Desert	✓	✓	✓	*	*	✓	*	✓	✓	✓	✓	*
City of Palm Springs	✓	✓	✓	*	*	✓	*	✓	✓	✓	✓	*
Non-Voting Member												
City of Desert Hot Springs				*	*		*					*

Ex Officio / Absent
No Meeting

ITEM 8B

**DESERT COMMUNITY ENERGY
UNAUDITED BALANCE SHEET
APRIL 1, 2018 - MAY 31, 2019 (14 MONTHS)**

ASSETS

River City Bank

- Operating Account	386.72	
- Money Market Account	4,440,411.09	
- Lockbox Account	2.00	
Total Cash		4,440,799.81

Deposits/Bonds

- CPUC	100,000.00	
- CA ISO	500,000.00	
Total Deposits/Bonds		600,000.00

TOTAL ASSETS**5,040,799.81****LIABILITIES**

Accounts Payable

0.00**TOTAL LIABILITIES****0.00****FUND BALANCE**

Fund Balance

5,040,799.81**TOTAL LIABILITIES AND FUND BALANCE****5,040,799.81**

ITEM 8B

DESERT COMMUNITY ENERGY
UNAUDITED STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
APRIL 1, 2018 - MAY 31, 2019 (14 MONTHS)

REVENUES

Electricity Sales	28,868,420.00
Other Revenue	2.00
Investment Income	51,217.39
TOTAL REVENUES	28,919,639.39

EXPENDITURES

Cost of Electricity		
Electricity Purchase	22,288,651.25	
Low Carbon Settlement	105,800.00	
Renewable Energy Credit Settlement	76,500.00	
Market Charges	14,955.00	
Total Cost of Electricity		22,485,906.25
Accounting / Bank Services		15.00
Legal Services		17,496.02
Professional Services		
- Ace Printing	1,767.10	
- Probolsky Research	15,800.00	
Total Professional Services		17,567.10
Consultants		
- LEAN Energy	209,078.60	
- The Energy Authority	394,533.25	
- CVAG	605,053.11	
- Donald D. Dame	10,267.07	
Total Consultants		1,218,932.03
Postage		58,006.00
Printing		37,089.90
Registrations/Memberships		
- Western Electricity Coordinating Council	125.00	
- CA Community Choice Association	35,000.00	
Total Registration/Memberships		35,125.00
Interest Expense		8,702.28
TOTAL EXPENDITURES		23,878,839.58
Excess of Revenues over Expenditures		5,040,799.81
Fund Balance - Beginning of the Year		0.00
Fund Balance - End of the Year		5,040,799.81