



**DESERT COMMUNITY ENERGY BOARD
MEETING AGENDA**

**Monday, April 20, 2020
2:30 PM**

**Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260
760-346-1127**

**Pursuant to Governor Newsom's Executive Order N-29-20
(March 18, 2020), the Desert Community Energy meeting will
only be conducted via video/teleconferencing.**

Join Zoom Meeting

<https://zoom.us/j/96278924006?pwd=Y1BKbW9KUIZBRjk0WUd1J3dDJWZz09>

***Dial in: +1 (669) 900-9128 US
Meeting ID: 962 7892 4006
Password: 596762***

***One tap mobile
+16699009128,,96278924006# US***

Members of the public are encouraged to submit comment in connection with the Desert Community Energy meeting, by email to: cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud into the record, should be no more than 300 characters in length.

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

1. CALL TO ORDER

2. ROLL CALL

A. Member Roster

[P4](#)

3. PUBLIC COMMENTS ON AGENDA ITEMS

Any person wishing to address the Desert Community Energy Board on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

4. BOARD MEMBER / DIRECTOR COMMENTS

5. CONSENT CALENDAR

A. Approve Minutes from Board Meeting of February 11, 2020

[P5](#)

B. CalEnviroscreen's Negative Impact on Eligibility for Rooftop Solar Program – Erica Felci

[P8](#)

Recommendation: Authorize the DCE Chair and Executive Director to advocate for changes in California's Disadvantaged Communities Single-family Solar Homes (DAC-SASH) program, and any similar rooftop solar programs, to ensure eligibility and fairness for DCE customers

6. DISCUSSION / ACTION

A. Audited Financial Report, Statement on Auditing Standards (SAS) 114 Letter and Report on Internal Controls for Fiscal Year 2018/2019 – Gary Leong

[P10](#)

Recommendation: Receive and File the Reports for Fiscal Year 2018/2019

B. DCE Program Launch and Activities Update – Katie Barrows

[P29](#)

Recommendation: Information Only

C. Update Selected Generation Rates for Desert Community Energy with an effective date of April 1, 2020 for Calendar Year 2020.

[P32](#)

Recommendation: Adopt Resolution No. 2020-03 adopting an updated Desert Community Energy Generation Rate Schedule and rescinding Resolution No. 2020-02.

7. INFORMATION

A. Attendance Record

[P46](#)

B. CARE / FERA Utility Discount Program Update	<u>P47</u>
C. Community Advisory Committee / Palm Springs Working Group Update	<u>P49</u>
D. Financial Report	<u>P50</u>
E. DCE Fiscal Year 2021 Budget Information	<u>P52</u>

8. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

9. ANNOUNCEMENTS

Next DCE Board Meeting: The next regular meeting is tentatively scheduled for May 18, 2020 at 2:30 p.m.

10. ADJOURN

ITEM 2A

**Desert Community Energy Board
Member Roster
2019-2020**



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

ITEM 5A

**Desert Community Energy Board
Meeting Minutes
February 11, 2020
11:00 am**



**City of Palm Springs Police Training Center
200 S. Civic Drive
Palm Springs, CA 92262
760-346-1127 (CVAG)**

The audio file for this meeting can be found at: <http://www.desertcommunityenergy.org>

1. CALL TO ORDER

The meeting of the DCE Board was called to order by Chair Geoff Kors at 11:00am at 200 S. Civic Drive, Palm Springs, California.

2. ROLL CALL

Roll call was taken and it was determined that a quorum was present.

Members Present

Councilmember Sabby Jonathan
Mayor Geoff Kors
Mayor Pro Tem Raymond Gregory

Agency

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

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Shawn Isaac
Benjamin Druyon
Brian Rix
Jeff Fuller

BurkeRix
The Energy Authority (phone)

Others Present:

Arthur Bestard
David Freedman
Lani Miller
Richard Noble
Daniel Paris

Community Advisory Committee Chair
Community Advisory Committee
Climate Reality Project
Community Advisory Committee

- 3. PUBLIC COMMENTS ON AGENDA ITEMS** – Richard Noble, suggested everyone take moment of silence to think about events happening around the world like fires in Australia. He commented that carbon-free energy is not renewable energy.

Lani Miller, who is on the CAC, would like DCE to offer cookies at community event booths.

- 4. BOARD MEMBER / DIRECTOR COMMENTS** – None.

5. CONSENT CALENDAR

A. Approve Minutes from Board Meetings of January 13th, 2020.

IT WAS MOVED BY BOARD MEMBER SABBY JONATHAN AND SECONDED BY CHAIR KORS TO APPROVE THE BOARD MEETING MINUTES OF JANUARY 13TH, 2020. CATHEDRAL CITY ABSTAINED.

6. DISCUSSION / ACTION

A. Approve Revised Desert Community Energy Retail Generation Rate Schedule – Shawn Isaac.

The Board discussed the recommendation to provide low income customers the 100% Carbon Free plan at Desert Saver rates, based on input from the Palm Springs City Council.

IT WAS MOVED BY BOARD MEMBER GREGORY AND SECONDED BY BOARD MEMBER JONATHAN TO ADOPT RESOLUTION 2020-02 APPROVING A REVISED DESERT COMMUNITY ENERGY RETAIL GENERATION RATE SCHEDULE EFFECTIVE APRIL 1, 2020 WHICH INCLUDES PROVIDING LOW INCOME CUSTOMERS ENROLLED IN CARE/FERA 100% CARBON FREE AT THE DESERT SAVER RATES PLUS THE SUBSIDY THEY GET UNDER CARE/FERA.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

B. Establish Palm Springs DCE Working Group – Benjamin Druyon.

Benjamin Druyon described the recommendation for the Board to establish a Palm Springs DCE Working Group to focus on Palm Springs specific activities related to DCE launch and to establish a process for selecting members.

IT WAS MOVED BY CHAIR KORS AND SECONDED BY BOARD MEMBER JONATHAN TO ESTABLISH A PALM SPRINGS SPECIFIC OUTREACH WORKING GROUP TO ASSIST WITH DCE LAUNCH ACTIVITIES WITH ADDITIONAL MEMBERS TO BE SELECTED BY MAYOR KORS, COUNCILMEMBER MIDDLETON, AND CAC CHAIR DAVID FREEDMAN.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

7. INFORMATION

- A. Attendance Record**
- B. Financial Report**
- C. Net Energy Metering Program Update**

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

9. ANNOUNCEMENTS

Next DCE Board meeting will be March 16th, 2020 at 2:30pm in Palm Springs.

10. ADJOURN

The meeting was adjourned at 11:30am.

Respectfully submitted,
Shawn Isaac

ITEM 5B

Desert Community Energy Board April 20, 2020



STAFF REPORT

Subject: CalEnviroScreen's Negative Impact on Eligibility for Rooftop Solar Program

Contact: Erica Felci, Governmental Projects Manager (efelci@cvag.org)

Recommendation: Authorize the DCE Chair and Executive Director to advocate for changes in California's Disadvantaged Communities Single-family Solar Homes (DAC-SASH) program, and any similar rooftop solar programs, to ensure eligibility and fairness for DCE customers

Background: While DCE does not have a formal legislative platform, the Board has consistently expressed support for regional and statewide initiatives that relate to increasing the use of rooftop solar and related energy programs. Unfortunately, the State's reliance on a statewide mapping tool called CalEnviroScreen 3.0 has left residents in the Cities of Palm Springs, Cathedral City and Palm Desert unable to use one of GRID Alternatives' major programs.

In 2018, the California Public Utilities Commission approved the Disadvantaged Communities Single-family Solar Homes (DAC-SASH) program. The DAC-SASH program, modeled after the Single-family Affordable Solar Homes (SASH) Program, provides up-front rebates to defray the costs of installing rooftop solar for lower income households. GRID Alternatives was selected to administer this program statewide, and the program officially launched with the CPUC's approval of Resolution E-5020 on September 12, 2019. The Commission defined the eligibility parameters for DAC SASH: a geographic designation based on the top 25 percent most disadvantaged census tracts in CalEnviroScreen 3.0; an income limit based on the statewide limits in the CA Alternate Rates Energy (CARE) program; and a jurisdictional limit based on billing customers of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), or San Diego Gas & Electric (SDG&E).

The Coachella Valley Association of Governments (CVAG) has a longstanding policy position of fighting for fairness in the state's cap and trade program, which has included expressing concerns about statewide programs that define "disadvantaged communities" as the highest-ranking census tracts in CalEnviroScreen 3.0. This is a mapping tool that factors in pollution burden and the population characteristics that make communities more sensitive to pollution, and then uses them to create a single score for each census tract. The higher the score, the more disadvantaged a census tract is considered. In the CVAG region – including Blythe and the Palo Verde Valley – only eight census tracts rank in the top 25 percent of CalEnviroScreen. Not a single census tract in the three DCE cities ranks in this top 25 percent.

The DAC-SASH qualifications are just the latest example of CVAG's concerns with CalEnviroScreen. The Coachella Valley is often associated with areas of affluence. However, both the Coachella Valley and eastern Riverside County are actually economically diverse regions of the state, with several environmental justice areas. The region also faces challenges in terms of achieving health and environmental goals. These high rates of poverty and poor health outcomes are not depicted on the CalEnviroScreen 3.0 maps.

GRID Alternatives, which has previously made presentations to CVAG's Energy & Environmental Resources Committee, is now exploring how to expand the guidelines in order to reach more potential customers. In recent months, GRID Alternatives has sought feedback from CVAG and DCE, and some local officials have received information directly to them about the potential change. GRID Alternatives staff initially explained that a customer would need to meet both the geographic and income qualifications to benefit from the program, which would mean a continued reliance on CalEnviroscreen in order to benefit. However, after DCE staff voiced strong concerns with this approach, GRID Alternatives expressed an interest in expanding the geographic qualifications into a qualification that would allow DCE to benefit.

DCE and CVAG staff has advocated that any DAC-SASH qualification changes should mirror the definition that was established when the Legislature approved Assembly Bill 1550 in 2016. Generally, AB 1550 defines low-income communities as the census tracts that are generally either at or below 80 percent of the statewide median income. Nearly every jurisdiction in the CVAG boundary has census tracts that would qualify under this definition. It has been CVAG's policy position that this definition is a better reflection of the Coachella Valley's socio-economic diversity.

DCE Policy #18-03 does delegate authority to the DCE Executive Director to sign letters of support or opposition, in consultation with the Board Chair, on time-sensitive legislative and regulatory matters that are consistent with DCE's mission and operations. GRID staff anticipates submitting proposed changes to the CPUC this month. Staff is recommending the Board grant the Chair and Executive Director specific authorization so that DCE can advocate for geographic qualifications beyond CalEnviroscreen so that the Coachella Valley does not continue to be shut out of this program.

Fiscal analysis: DAC-SASH is funded by utility greenhouse gas allowance revenues or public purpose program funds. These funds are collected from all investor-owned utility customers, including SCE customers in the Coachella Valley. It provides \$10 million in incentives a year to qualifying customers.

ITEM 6A

Desert Community Energy Board
April 20, 2020



STAFF REPORT

Subject: Audited Financial Report, Statement on Auditing Standards (SAS) 114 Letter and Report on Internal Controls for Fiscal Year 2018/19

Contact: Gary Leong, Deputy Executive Director (gleong@cvag.org)

Recommendation: Receive and File the Reports for Fiscal Year 2018/19

Background: The accounting firm of Lance, Soll & Lunghard, LLP (LSL) performed the annual audit on Desert Community Energy (DCE) and issued an unmodified audit opinion. The auditors did not identify any material weaknesses or significant deficiencies in internal controls and there were no material audit adjustments detected by the audit process.

Mr. Ryan Domino, a manager with LSL, will be in attendance at the meeting to present the reports and to receive any questions or comments regarding the audit.

The Comprehensive Annual Audited Financial Report, SAS 114 Letter, and Report on Internal Controls are available on DCE's website (<https://desertcommunityenergy.org/wp-content/uploads/2020/03/DCE-20200316-6A-Audit-FY18-19.pdf>).

Fiscal Analysis: No financial impact.



March 4, 2020

To the Board of Directors
Desert Community Energy
Palm Desert, California

We have audited the financial statements of the Desert Community Energy (DCE) for the period from inception (November 1, 2017) to June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 12, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the entity are described in the notes to the financial statements. The application of existing policies was not changed during the period from inception (November 1, 2017) to June 30, 2019. We noted no transactions entered into by DCE during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.



To the Board of Directors
Desert Community Energy
Palm Desert, California

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 4, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for the period under audit:

GASB Statement No. 83, *Certain Assets Retirement Obligations*.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - An amendment of GASB Statement No. 14 and No. 61*.



To the Board of Directors
Desert Community Energy
Palm Desert, California

Fiscal year 2020-2021

GASB Statement No. 87, Leases.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.

Fiscal year 2021-2022

GASB Statement No. 91, Conduit Debt Obligations.

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Desert Community Energy and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California



DESERT COMMUNITY ENERGY

PERIOD FROM INCEPTION (NOVEMBER 1, 2017)
TO JUNE 30, 2019

FINANCIAL STATEMENTS

Focused
on YOU



DESERT COMMUNITY ENERGY
FINANCIAL STATEMENTS
PERIOD FROM INCEPTION (NOVEMBER 1, 2017)
TO JUNE 30, 2019

DESERT COMMUNITY ENERGY
FINANCIAL STATEMENTS
PERIOD FROM INCEPTION (NOVEMBER 1, 2017)
TO JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position.....	5
Statement of Cash Flows	6
Notes to Financial Statements	8



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Desert Community Energy
Palm Desert, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Desert Community Energy (DCE) as of and for the period from inception (November 1, 2017) to June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Directors
Desert Community Energy
Palm Desert, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Desert Community Energy as of June 30, 2019, and the changes in financial position and cash flows for the period from inception (November 1, 2017) to June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020 on our consideration of DCE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DCE'S internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DCE's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Loughard, LLP".

Brea, California
March 4, 2020

BASIC FINANCIAL STATEMENTS

DESERT COMMUNITY ENERGY

STATEMENT OF NET POSITION
JUNE 30, 2019

Assets:

Current:

Cash and investments	\$ 4,448,821
Deposits	<u>600,000</u>
Total Current Assets	<u>5,048,821</u>
Total Assets	<u>5,048,821</u>

Liabilities:

Current:

Accounts payable	10,145
Due to other governments	<u>79,679</u>
Total Current Liabilities	<u>89,824</u>
Total Liabilities	<u>89,824</u>

Net Position:

Unrestricted	<u>4,958,997</u>
Total Net Position	<u>\$ 4,958,997</u>

The accompanying notes are an integral part of these financial statements.

DESERT COMMUNITY ENERGY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PERIOD FROM INCEPTION (NOVEMBER 1, 2017) TO JUNE 30, 2019

Operating Revenues:

Electricity Sales	\$ 28,868,420
Miscellaneous	2
Total Operating Revenues	<u>28,868,422</u>

Operating Expenses:

Electricity Cost	22,485,906
Consultants Charges	1,308,626
Administration and general	112,752
Registrations/Memberships	35,125
Professional Services	17,567
Total Operating Expenses	<u>23,959,976</u>
Operating Income	<u>4,908,446</u>

Nonoperating Revenues (Expenses):

Interest revenue	59,253
Interest expense	(8,702)
Total Nonoperating Revenues (Expenses)	<u>50,551</u>
Changes in Net Position	4,958,997

Net Position at the Beginning of the Year	<u>-</u>
Net Position at the End of the Year	<u>\$ 4,958,997</u>

The accompanying notes are an integral part of these financial statements.

DESERT COMMUNITY ENERGY**STATEMENT OF CASH FLOWS****PERIOD FROM INCEPTION (NOVEMBER 1, 2017) TO JUNE 30, 2019**

Cash Flows from Operating Activities:

Receipts from customers and users	\$ 28,268,422
Payments to suppliers and service providers	<u>(23,878,854)</u>
Net Cash Provided by Operating Activities	<u>4,389,568</u>

Cash Flows from Investing Activities:

Investment income	<u>59,253</u>
Net Cash Provided by Investing Activities	<u>59,253</u>
Net Increase in Cash and Cash Equivalents	4,448,821

Cash and Cash Equivalents at Inception	<u>-</u>
Cash and Cash Equivalents at June 30	<u>\$ 4,448,821</u>

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:**

Operating income	<u>\$ 4,908,446</u>
Adjustments to reconcile operating income net cash provided by operating activities:	
Interest expense	(8,702)
(Increase) in deposits	(600,000)
Increase in accounts payable	10,145
Increase in due to other governments	<u>79,679</u>
Total Adjustments	<u>(518,878)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,389,568</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

DESERT COMMUNITY ENERGY

NOTES TO FINANCIAL STATEMENTS

PERIOD FROM INCEPTION (NOVEMBER 1, 2017) TO JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies

a. Description of Reporting Entity

Desert Community Energy (DCE) is a public joint powers agency located within the geographic boundaries of Riverside County, formed in October 2017 for the purpose of implementing and administering a community choice aggregation (CCA) program. DCE was formed by the cities of Palm Springs, Palm Desert and Cathedral City and is certified by the California Public Utilities Commission. Community Choice Aggregation is a local energy program established by state law that allows cities and counties to pool (or aggregate) the electricity demand of participating communities. DCE buys and/or develops power resources on behalf of the electricity customers in its jurisdiction to offer cleaner, competitively priced electricity while retaining local control, reinvesting revenues, encouraging local job creation, offering more renewable energy options, and reducing greenhouse gas (GHG) emissions. DCE offers ratepayers a choice in electricity providers and in the type of electricity they use. DCE will begin serving customers in Palm Springs in April 2020; other member agencies have not yet determined their launch plans. DCE is governed by a Board of Directors comprised of one local elected representative from each of the participating city councils. The Board schedules regular meetings that are open to the public, ensuring transparency and encouraging community involvement. Formation of a CCA through a JPA does not require contributions from participating member agencies. The assets and liabilities of the CCA program remain separate from those of the participating agencies' general fund.

b. Basic Financial Statements

The basic financial statements (i.e. Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows) report information on all the enterprise activities of the entity.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are presented using the full accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the entity are sales of electricity. Operating expenses include the cost of electricity purchases, consultants' costs and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the DCE's basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures of contingent amounts at the date of the basic financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

DESERT COMMUNITY ENERGY

NOTES TO FINANCIAL STATEMENTS (CONTINUED) PERIOD FROM INCEPTION (NOVEMBER 1, 2017) TO JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The entity maintains a checking account and money market account which is considered a cash equivalent.

Net Position

Net position is an indicator of the entity's financial position. For the fiscal year ended June 30, 2019, net position of the entity was \$4,958,997. For the year ended June 30, 2019, DCE reported net position classifications are defined as follows:

- *Investment in capital assets* – This component of net position consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. DCE did not have any related debt outstanding at June 30, 2019.
- *Restricted* – This component of net position consists of resources with external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. DCE did not have any restricted net position at June 30, 2019.
- *Unrestricted net position* – This component of net position consists of net position that do not meet the definition of "restricted" or "investment in capital assets." When both restricted and unrestricted resources are available for use, it is DCE's policy to use restricted resources first.

e. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Cash and Investments

Cash and investments of the entity consisted of the following at June 30, 2019:

Cash and deposits:	
Deposits with financial institutions	<u>\$ 4,448,821</u>
Total cash and investments	<u>\$ 4,448,821</u>

At June 30, 2019, the carrying amount of the entity's cash accounts was \$4,448,821 with no outstanding checks, deposits in transit and other reconciling items.

DESERT COMMUNITY ENERGY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM INCEPTION (NOVEMBER 1, 2017) TO JUNE 30, 2019

Note 3: Related Party Transactions

DCE entered into a contract with Coachella Valley Association of Governments (CVAG), whereby CVAG, under the direction of the DCE, will coordinate and implement the CCA activities. The contract calls for DCE to pay CVAG based upon actual staff time spent at rates not to exceed the rates paid by CVAG. During the period from November 1, 2017 to June 30, 2019, CVAG incurred and charged DCE \$684,732 of staff time and allocated administrative expenses, all of which are accounted for in this period.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Desert Community Energy
Palm Desert, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Desert Community Energy (DCE) for the period from inception (November 1, 2017) to June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated March 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





To the Board of Directors
Desert Community Energy
Palm Desert, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DCE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DCE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lingham, LLP

Brea, California
March 4, 2020

Item 6B

Desert Community Energy Board April 20, 2020



Staff Report

Subject: DCE Program Launch and Activities Updates

Contact: Katie Barrows, Director of Energy & Environmental Resources
(kbarrows@cvaq.org)

Recommendation: Information Only.

Palm Springs Launch: The planned April 2020 launch in Palm Springs went forward as planned. Customers with rooftop solar will be enrolled in May 2020 with the Net Energy Metering (NEM) program. Staff continues to work closely with Southern California Edison (SCE) and our consultants to ensure all milestones are met. Four notices are required to be mailed out to Palm Springs customers with two going out 60 days before the April 1 launch date and two being mailed 60 days after the launch date. The first pre-enrollment notices were mailed out on February 18th/20th and the second notices were mailed out March 2nd/4th. There are two post-enrollment notices. The first of these is going out the week of April 13 and the final notice goes out starting May 4.

In addition to the four regular notices, a special notice was sent out by the City of Palm Springs during the first week of April. Given the impacts of COVID-19, this mailer responded to questions about DCE, and emphasized the option to choose Desert Saver and save over SCE's base rate. This notice also included a reminder to about the CARE/FERA program for eligible customers.

Cathedral City and Palm Desert Actions: The Cathedral City council voted to withdraw from DCE at their March 25 meeting. Under the terms of the DCE Joint Powers Agreement, if a member chooses to withdraw its membership and participation in Desert Community Energy, the city must provide no less than six (6) months advance written notice. Withdrawal also requires an affirmative vote of the City Council. Once a decision by the city council is made, withdrawal will be effective as of the beginning of DCE's next fiscal year. In this case, Cathedral City's withdrawal will be effective as of July 1, 2021. The City representative will continue to be a full voting member of the Board until then.

The Palm Desert City Council considered several possible actions at their City Council meeting on April 16. The staff report presented the Council with the option to enroll their municipal accounts in either the Carbon Free or Desert Saver plans, or to withdraw. A motion to withdraw failed and the City Council took no further action. In so doing they signaled their intent to stay in DCE and continue to be a full member. During the discussion councilmembers expressed an interest in seeing how things go in Palm Springs; It was also noted that they didn't want to create problems for the City of Palm Springs. The next opportunity for Palm Desert to launch will be in 2022, with a decision in 2021.

COVID 19 and DCE: Since the shelter in place order went into effect in March, DCE staff, The Energy Authority (TEA), and our consultant team has been evaluating and planning for both short-term and long-term impacts from COVID-19. In the short term, California's shelter-in-place requirements has led to decreased weekday demand (5% to 8%) and weekend demand (2% to

4%) across the state. DCE's scheduled load in the California energy market has been adjusted by TEA to match this change in customer behavior based on the best data available for the evolving situation. The reduction in load during California's continuing shelter-in-place requirement will lead to corresponding reductions in both DCE's revenues as well as its costs, as DCE will need to procure less energy and environmental products to meet its program goals. An additional consideration that DCE staff is monitoring closely is revenue loss due to possible increases in customer non-payments. In the longer run, DCE staff is planning for the impacts of long-term reductions in load due to a potential recession in late 2020 into 2021 as the economy recovers from COVID-19. There will likely also be long-term impacts to the supply chain for renewable technologies (e.g. difficulty in sourcing panels for new solar power plants), which may influence how DCE meets its long-term renewable goals. Monitoring these impacts and identifying potential actions that may need to be taken in the future is part of this process. Staff will continue to provide updates as our understanding of future impacts develops.

Business Customers & Key Stakeholders: Large commercial customers in Palm Springs have been contacted individually to let them know about DCE and answer any questions they may have about their account. With the economic impacts resulting from COVID-19, this effort has expanded to all businesses. A mailer specifically designed for businesses was mailed out on April 13. This mailer focuses on the option to opt down to the Desert Saver plan, which gives them a discount compared to the base rate they are paying SCE now. The mailer includes instructions on how to opt down by phone or online. It also refers to the bill relief program that SCE has implemented and provides a link to other resources that can help businesses in these challenging times. The outreach team is following up with large commercial customers to provide analysis of the bill savings they would see with Desert Saver upon request, answering their questions, and offering assistance as needed.

Community Outreach: With the advent of the shelter in place order, outreach to the community has changed. Outreach efforts have moved from in person community meetings and presentations to mailing and social media. The customer service center also continues to handle calls and answer customer questions. Other DCE outreach activities continue to include targeted social media, SunLine bus shelter ads, ads on Spanish-speaking radio, and videos in both English and Spanish. Activities of the Community Advisory Committee and Palm Springs Working Group are described in item 7C. Our outreach team maintains an active presence on social media and is monitoring comments from the public. Regular posts on Facebook and other social media include responses to questions, reminders about the lower cost Desert Saver plan, and benefits of Community Choice Energy.

Opt-down and Opt-out Status: As part of the services they provide to DCE, Calpine Energy Solutions is tracking the opt-out and opt-down rates as enrollment notices go out and community outreach continues. Calpine provides this service to most if not all the Community Choice Aggregation agencies in the state. The following table shows the statistics for calls to the DCE customer service center and opt-out and opt-down rates as of April 13, 2020. There have been 1,460 total opt-outs or 3.59% of total eligible customers and 669 opt-downs to Desert Saver, or 1.65% to date. Calpine has indicated that the typical pattern for CCAs is that the highest volume of opt outs are seen within the first 60 days prior to launch. They also expect opt-outs to increase 30 to 60 days post launch, aligning with customers receiving their first bills. Calpine has also indicated that the level of opt-outs is in line with what they would expect, especially given the challenging times. As a reminder, DCE's pro forma is based on the assumption that 10% of customers will opt-out and 10% will opt-down.

Of the customers who have opted down to date, 20 are enrolled in CARE and 7 are Medical Baseline customers. Of those who opted-out, 130 are CARE customers and 52 are medical baseline customers. The DCE outreach team is reaching out to these CARE customers to let them know that if they stay with DCE and opt down to Desert Saver, they will save money over what they currently pay SCE. They can easily opt back in to DCE at this time if they choose to do

so. No FERA customers have opted down or out.

Stats by Week	3/15/2020	3/22/2020	3/29/2020	4/5/2020	4/12/2020	Total
Total Calls	134	141	258	343	581	1999
Total Calls Connected to Agents	63	54	129	143	249	882
Average Seconds to Answer	0:00:18	0:00:11	0:00:17	0:00:18	0:00:24	
Average Call Duration	0:06:36	0:06:52	0:09:24	0:07:25	0:07:42	
Total Eligible Customers	40,618	40,618	40,618	40,618	40,618	40,618
Weekly Opt-Outs	119	108	206	304	348	1460
Opt-Out Percentage	0.29%	0.27%	0.51%	0.75%	0.86%	3.59%
Total Opt-Down	35	32	65	75	314	669
Opt-Down Percentage	0.09%	0.08%	0.16%	0.18%	0.77%	1.65%
Total Opt-Up (from Desert Saver)	0	0	1	0	1	2
Opt-Up Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Some of the reasons given for opting out include concerns about government-run power agency (90), dislike being automatically enrolled (362), rate or cost concerns (473), and no reason given (270).

Solar Customers and Vendor Outreach: As directed by the DCE Board, enrollment for the Net Energy Metering/Solar customers will begin starting May 1, 2020. NEM customers will receive a total of five mailed notices. The first pre-enrollment notices went out the first week of March and notice #2 was mailed the first week of April. NEM customers also received a courtesy letter in later March that gives them more details about the NEM program. They will also receive two post-enrollment notices in May and June. A workshop for solar vendors was held on March 12th at CVAG to explain how DCE works and what their solar customers can expect with the NEM program. Our outreach team continues to respond the solar customers. A fact sheet for solar customers is in the works and will be published on the website and distribute to solar vendors.

Fiscal Analysis: No fiscal impact.

Desert Community Energy Board
April 20, 2020



STAFF REPORT

Subject: **Update Selected Generation Rates for Desert Community Energy**

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

Recommendation: Adopt Resolution 2020-03 approving an updated Desert Community Energy retail generation rate schedule effective April 1, 2020 and rescinding Resolution No 2020-02.

Background: At the January 13, 2020 meeting, the DCE Board set rates for 2020, in preparation for the April 2020 launch in Palm Springs. At the February 11 meeting, the Board adopted a revised rate schedule to incorporate a subsidy for CARE/FERA and Medical Baseline customers providing them the 100% Carbon Free product at the lower cost Desert Saver. The Board discussed various rate options and approved a rate schedule which set rates for the Desert Saver basic plan at a 0.5% discount on the total bill compared with SCE's default rate. The Board also set rates for DCE's 100% Carbon Free plan at an average total bill premium of 9.8% compared to SCE's base rate. DCE rates parallel SCE's rate structure to lessen customer confusion such that each SCE generation rate is adjusted by a fixed percentage. Although individual rate class adjustments vary somewhat, in all cases the DCE Board intended that the basic Desert Saver plan be less than SCE's default rate.

Southern California Edison (SCE) implemented a rate change as of April 13, 2020. While this SCE rate change was anticipated, the Advice Letter that reports the SCE rate information was just published by the CPUC on April 6, 2020. As shown in Table 1 excerpted from the Advice Letter, SCE is increasing average rates for most bundled customers by 5 to 7%. A few rate classes will see greater or lesser impacts. At the generation rate levels previously approved by the DCE Board, the rate differences for most DCE customers will be more favorable than when the Board originally approved rates. For example, residential customers selecting the Desert Saver product will now see an approximately 1% savings on their total bill. Residential customers selecting the Carbon Free product will now pay an approximately 9.3% premium relative to SCE's base product.

The Energy Authority analyzed the SCE rate changes and identified five outside lighting rates where changes to SCE's generation portion negatively impact DCE's targeted overall 0.5% bill savings. In order to continue to provide customers the intended bill reduction, staff is proposing the rate changes shown in Figure 1 below that would take effect April 1, 2020. For these rates, the generation rate difference of 1% results in a total bill savings of at least 0.5% under the Desert Saver plan. SCE's April 13 rate changes result in other rate classes continuing to meet, or exceed, the 0.5% total bill savings target set by DCE's Board.

SCE is reporting average residential rates will increase 6.3% as shown in Table 1. As a result, a typical residential customer who is enrolled with DCE under Desert Saver will experience a 5.3% increase in their total bill. The reason for this is that the rate increase reported by SCE is being applied to the delivery side of the bill, which tempers the impact of DCE's rates on the total bill. As of the April 13 SCE rate change, the Desert Saver rate now yields a 2.2% savings on the generation component, or approximately 1% savings on the total bill.

Table 1. Southern California Edison Rates Effective April 13, 2020

Bundled Average Rates (¢ / kWh)			
Rate Class	01/01/2020	04/13/2020	Percentage Change
Residential	18.6	19.8	6.3%
G5-1	18.0	19.2	6.3%
TC-1	19.3	20.3	5.4%
G5-2	17.8	19.3	8.2%
TOU-G5-3	16.1	17.1	6.4%
Total LSMP	17.4	18.7	7.3%
TOU-8-SEC	14.3	15.3	6.6%
TOU-8-PRI	13.0	13.8	6.5%
TOU-8-SUB	8.7	9.1	4.8%
Total Large Power	12.5	13.3	6.3%
TOU-PA-2	14.9	16.3	9.1%
TOU-PA-3	12.7	13.6	7.3%
Total Ag. & Pumping	13.9	15.1	8.3%
Street Lighting	18.1	18.8	4.0%
TOU-8-SEC-5	14.4	15.4	6.8%
TOU-8-PRI-5	14.4	15.3	6.3%
TOU-8-SUB-5	9.3	9.6	3.6%
Total Standby	10.5	11.0	4.5%
Total	16.4	17.5	6.7%
FUCRF	0.06	0.06	
Total w/o FUCRF	16.4	17.5	6.7%

While reviewing the impacts of SCE's April 13 rate changes, TEA also discovered that a demand charge under the TOU-8-B-PRI rate class was misclassified as a winter rather than summer demand charge when the Board approved rates in January. Staff is also proposing to correct this error with the updated rate schedule.

One of the requirements for all Community Choice Aggregation agencies is to publish a Joint Rate Comparison with SCE. Staff is working with SCE staff on developing the Joint Rate Comparison, which needs to be posted to both SCE and DCE's websites in May 2020, with a postcard mailout to customers in July 2020. The rates adopted in today's action will be used in that comparison and will make it easier to show how DCE rates compare to SCE rates.

Staff recommends the Board approve the revised Desert Community Energy retail generation rate schedule. Resolution 2020-03 will supersede the previous Resolution 2020-02.

Fiscal Analysis: The approved rates are designed to yield sufficient revenues to cover anticipated DCE program management and power supply costs.

Attachments:

1. Resolution 2020-03 for Desert Community Choice
2. Updated Rate Schedule Effective April 1, 2020

Figure 1. Comparison of current and proposed rate adjustments

Rate Comparison (Unadjusted)

	OL-1			LS-1			LS-2			LS-3			AL-2-F			TOU-8-B-PRI		
	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13
Generation	\$ 0.03121	\$ 0.04191	\$ 0.04826	\$ 0.03121	\$ 0.04191	\$ 0.04826	\$ 0.03121	\$ 0.04191	\$ 0.04826	\$ 0.03171	\$ 0.04250	\$ 0.04877	\$ 0.03171	\$ 0.04250	\$ 0.04877	\$ 0.05055	\$ 0.06569	\$ 0.06613
CARE Subsidy	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -
PCIA	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01600	\$ 0.01600	\$ -
CTC	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00063	\$ 0.00063	\$ -
Franchise Fee	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00045	\$ 0.00045	\$ -	\$ 0.00045	\$ 0.00045	\$ -	\$ 0.00060	\$ 0.00060	\$ -
DWR Credit	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)
Total Generation	\$ 0.04881	\$ 0.05951	\$ 0.04819	\$ 0.04881	\$ 0.05951	\$ 0.04819	\$ 0.04881	\$ 0.05951	\$ 0.04819	\$ 0.04932	\$ 0.06011	\$ 0.04870	\$ 0.04932	\$ 0.06011	\$ 0.04870	\$ 0.06937	\$ 0.08451	\$ 0.06606
Savings v Gen Rate	1.3%	23.5%		1.3%	23.5%		1.3%	23.5%		1.3%	23.4%		1.3%	23.4%		5.0%	27.9%	
Savings v Total Billed	0.6%	11.7%		0.6%	11.7%		0.6%	11.7%		0.6%	11.7%		0.6%	11.7%		2.5%	14.0%	

Rate Comparison (Adjusted)

	OL-1 (Revised)			LS-1 (Revised)			LS-2 (Revised)			LS-3 (Revised)			AL-2-F (Revised)			TOU-8-B-PRI (Revised)		
	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13	Desert Saver	Carbon Free	SCE 4/13
Generation	\$ 0.03011	\$ 0.04043	\$ 0.04826	\$ 0.03011	\$ 0.04043	\$ 0.04826	\$ 0.03011	\$ 0.04043	\$ 0.04826	\$ 0.03061	\$ 0.04103	\$ 0.04877	\$ 0.03061	\$ 0.04103	\$ 0.04877	\$ 0.04592	\$ 0.05969	\$ 0.06613
CARE Subsidy	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -	\$ 0.00166	\$ 0.00166	\$ -
PCIA	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01498	\$ 0.01498	\$ -	\$ 0.01600	\$ 0.01600	\$ -
CTC	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00059	\$ 0.00059	\$ -	\$ 0.00063	\$ 0.00063	\$ -
Franchise Fee	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00044	\$ 0.00044	\$ -	\$ 0.00045	\$ 0.00045	\$ -	\$ 0.00045	\$ 0.00045	\$ -	\$ 0.00060	\$ 0.00060	\$ -
DWR Credit	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)	\$ (0.00007)
Total Generation	\$ 0.04771	\$ 0.05803	\$ 0.04819	\$ 0.04771	\$ 0.05803	\$ 0.04819	\$ 0.04771	\$ 0.05803	\$ 0.04819	\$ 0.04822	\$ 0.05864	\$ 0.04870	\$ 0.04822	\$ 0.05864	\$ 0.04870	\$ 0.06474	\$ 0.07852	\$ 0.06606
Savings v Gen Rate	-1.0%	20.4%		-1.0%	20.4%		-1.0%	20.4%		-1.0%	20.4%		-1.0%	20.4%		-2.0%	18.9%	
Savings v Total Billed	-0.5%	10.2%		-0.5%	10.2%		-0.5%	10.2%		-0.5%	10.2%		-0.5%	10.2%		-1.0%	9.4%	

RESOLUTION NO. 2020-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY APPROVING CUSTOMER GENERATION RATES

THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

WHEREAS, Desert Community Energy (DCE) was formed on October 30, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in the Coachella Valley; and

WHEREAS, the Desert Community Energy (DCE) Implementation Plan was certified by the California Public Utilities Commission on March 9, 2018; and

WHEREAS, the Board of Directors directed staff to procure power supply for DCE's customer load using the maximum renewable and carbon free resource mix while keeping the DCE's customer generation rates below Southern California Edison's ("SCE") generation rates.

WHEREAS, it is necessary to establish power generation rates for customers of DCE; and

WHEREAS, there have been changes in the incumbent utilities rate structure that will impact the rates previously adopted by DCE and these changes have resulted in a re-evaluation of the DCE rates to preserve the target cost savings for DCE ratepayers; and

WHEREAS, the rates are set sufficient to cover the operating costs of DCE including the establishment and maintenance of sufficient financial reserves.

NOW THEREFORE, the Board of Directors ("Board") of Desert Community Energy does hereby resolve, determine, and order as follows:

1. The Board has determined that the recitals herein are true and correct.
2. Resolution No. 2020-02 is hereby rescinded.
3. The proposed rate schedule as presented in Attachment 2 is hereby adopted, effective April 1, 2020.

PASSED, APPROVED, AND ADOPTED this 20th day of April 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Geoff Kors
Chair
Desert Community Energy

Attest:

Tom Kirk
Secretary
Desert Community Energy

Desert Community Energy 2020 Rate Schedule							
Residential Rates (kWh)							
Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
DOMESTIC, D-APS, D-APSE, DE, DE-FERA-SDP, DE-SDP, DE-SDP-O, D-FERA, D-FERA-SDP, D-FERA-SDP-O, DM, DMS-1, DMS-2, D-S, D-SDP, D-SDP-O	DOMESTIC	All	Generation	Total	0.06815	0.06815	0.08814
D-CARE, D-CARE-APS, D-CARE-APS-E, D-CARE-SDP, D-CARE-SDP-O, TOU-D-T-CARE, D-S-CARE	DOMESTIC CARE	All	Generation	Total	0.06815	0.06815	0.06815
TOU-D-4, TOU-D-4-SDP, TOU-D-4-SDP-O, TD-4-C-SDP	TOU-D-4	Summer	Generation	On-Peak	0.14590	0.14590	0.18079
	TOU-D-4	Summer	Generation	Mid-Peak	0.07713	0.07713	0.09884
	TOU-D-4	Summer	Generation	Off-Peak	0.04929	0.04929	0.06567
	TOU-D-4	Winter	Generation	Mid-Peak	0.09717	0.09717	0.12272
	TOU-D-4	Winter	Generation	Off-Peak	0.06069	0.06069	0.07925
	TOU-D-4	Winter	Generation	Super Off-Peak	0.04346	0.04346	0.05873
TOU-D-5, TOU-D-5-SDP, TOU-D-5-SDPO	TOU-D-5	Summer	Generation	On-Peak	0.23099	0.23099	0.28218
	TOU-D-5	Summer	Generation	Mid-Peak	0.11610	0.11610	0.14527
	TOU-D-5	Summer	Generation	Off-Peak	0.04328	0.04328	0.05850
	TOU-D-5	Winter	Generation	Mid-Peak	0.14558	0.14558	0.18041
	TOU-D-5	Winter	Generation	Off-Peak	0.05940	0.05940	0.07772
	TOU-D-5	Winter	Generation	Super Off-Peak	0.03754	0.03754	0.05167
TD-A-C-SDP, TOU-D-A, TOU-D-A-C, TOU-D-A-SDP, TOU-D-A-SDPO, TOU-D-A-SDPO, TOU-DE-A, TOU-DE-A-SDP	TOU-D-A	Summer	Generation	On-Peak	0.20953	0.20953	0.25661
	TOU-D-A	Summer	Generation	Off-Peak	0.05357	0.05357	0.07076
	TOU-D-A	Summer	Generation	Super Off-Peak	0.03516	0.03516	0.04883
	TOU-D-A	Winter	Generation	On-Peak	0.11256	0.11256	0.14105
	TOU-D-A	Winter	Generation	Off-Peak	0.04302	0.04302	0.05820
	TOU-D-A	Winter	Generation	Super Off-Peak	0.03618	0.03618	0.05004

DCE Commercial Rates (kWh)							
Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-EV-3-A	TOU-EV-3-SEC-A	Summer	Generation	On-Peak	0.23326	-	0.28419
	TOU-EV-3-SEC-A	Summer	Generation	Mid-Peak	0.04920	-	0.06487
	TOU-EV-3-SEC-A	Summer	Generation	Off-Peak	0.00889	-	0.01683
	TOU-EV-3-SEC-A	Winter	Generation	On-Peak	0.04228	-	0.05662
	TOU-EV-3-SEC-A	Winter	Generation	Mid-Peak	0.03365	-	0.04633
	TOU-EV-3-SEC-A	Winter	Generation	Off-Peak	0.01345	-	0.02227
TOU-EV-4	TOU-EV-4-SEC	Summer	Generation	On-Peak	0.21524	-	0.26272
	TOU-EV-4-SEC	Summer	Generation	Mid-Peak	0.04447	-	0.05923
	TOU-EV-4-SEC	Summer	Generation	Off-Peak	0.00889	-	0.01683
	TOU-EV-4-SEC	Winter	Generation	On-Peak	0.03897	-	0.05268
	TOU-EV-4-SEC	Winter	Generation	Mid-Peak	0.02722	-	0.03868
	TOU-EV-4-SEC	Winter	Generation	Off-Peak	0.01344	-	0.02226
TOU-EV-7-E	TOU-EV-7-E	Summer	Generation	On-Peak	0.21274	-	0.25974
	TOU-EV-7-E	Summer	Generation	Mid-Peak	0.10210	-	0.12790
	TOU-EV-7-E	Summer	Generation	Off-Peak	0.06519	-	0.08392
	TOU-EV-7-E	Winter	Generation	On-Peak	0.12186	-	0.15145
	TOU-EV-7-E	Winter	Generation	Mid-Peak	0.05726	-	0.07447
	TOU-EV-7-E	Winter	Generation	Off-Peak	0.02105	-	0.03133
TOU-EV-9	TOU-EV-9	Summer	Generation	On-Peak	0.26605	-	0.32326
	TOU-EV-9	Summer	Generation	Mid-Peak	0.04936	-	0.06506
	TOU-EV-9	Summer	Generation	Off-Peak	0.03290	-	0.04545
	TOU-EV-9	Winter	Generation	On-Peak	0.08436	-	0.10676
	TOU-EV-9	Winter	Generation	Mid-Peak	0.03861	-	0.05225
	TOU-EV-9	Winter	Generation	Off-Peak	0.00912	-	0.01710
TOU-8-SEC-R	TOU-8-SEC-R	Summer	Generation	On-Peak	0.21024	-	0.25605
	TOU-8-SEC-R	Summer	Generation	Mid-Peak	0.07482	-	0.09469
	TOU-8-SEC-R	Summer	Generation	Off-Peak	0.03167	-	0.04327
	TOU-8-SEC-R	Winter	Generation	Mid-Peak	0.05119	-	0.06653
	TOU-8-SEC-R	Winter	Generation	Off-Peak	0.02415	-	0.03431

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-8-PRI-B	TOU-8-PRI-B	Summer	Generation	On-Peak	0.03842	-	0.04994
	TOU-8-PRI-B	Summer	Generation	Mid-Peak	0.03563	-	0.04632
	TOU-8-PRI-B	Summer	Generation	Off-Peak	0.03458	-	0.04496
	TOU-8-PRI-B	Summer	Demand	On-Peak	11.58	-	15.06
	TOU-8-PRI-B	Summer	Demand	Mid-Peak	3.62	-	4.70
	TOU-8-PRI-B	Winter	Generation	Mid-Peak	0.04984	-	0.06479
	TOU-8-PRI-B	Winter	Generation	Off-Peak	0.03002	-	0.03902
TOU-8-SEC-D	TOU-8-SEC-D	Summer	Generation	On-Peak	0.06118	-	0.07844
	TOU-8-SEC-D	Summer	Generation	Mid-Peak	0.05299	-	0.06868
	TOU-8-SEC-D	Summer	Generation	Off-Peak	0.02639	-	0.03698
	TOU-8-SEC-D	Summer	Demand	On-Peak	22.5200	-	26.8300
	TOU-8-SEC-D	Winter	Demand	Mid-Peak	4.39000	-	5.24000
	TOU-8-SEC-D	Winter	Generation	Mid-Peak	0.04099	-	0.05437
	TOU-8-SEC-D	Winter	Generation	Off-Peak	0.03117	-	0.04267
	TOU-8-SEC-D	Winter	Generation	Super Off-Peak	0.01275	-	0.02072
TOU-8-PRI-D	TOU-8-PRI-D	Summer	Generation	On-Peak	0.05706	-	0.07345
	TOU-8-PRI-D	Summer	Generation	Mid-Peak	0.04933	-	0.06424
	TOU-8-PRI-D	Summer	Generation	Off-Peak	0.02433	-	0.03444
	TOU-8-PRI-D	Summer	Demand	On-Peak	22.2300	-	26.4800
	TOU-8-PRI-D	Winter	Demand	Mid-Peak	4.70000	-	5.60000
	TOU-8-PRI-D	Winter	Generation	Mid-Peak	0.03818	-	0.05095
	TOU-8-PRI-D	Winter	Generation	Off-Peak	0.02887	-	0.03986
	TOU-8-PRI-D	Winter	Generation	Super Off-Peak	0.01142	-	0.01906
TOU-8-PRI-R	TOU-8-PRI-R	Summer	Generation	On-Peak	0.20910	-	0.25461
	TOU-8-PRI-R	Summer	Generation	Mid-Peak	0.06986	-	0.08870
	TOU-8-PRI-R	Summer	Generation	Off-Peak	0.02941	-	0.04050
	TOU-8-PRI-R	Winter	Generation	Mid-Peak	0.05115	-	0.06640
	TOU-8-PRI-R	Winter	Generation	Off-Peak	0.02291	-	0.03275
TOU-GS1A, TOU-GS1A-AE, TOU-GS1A-AEC, TOU-GS1A-C	TOU-GS-1-A	Summer	Generation	On-Peak	0.10885	-	0.13594
	TOU-GS-1-A	Summer	Generation	Mid-Peak	0.10054	-	0.12604
	TOU-GS-1-A	Summer	Generation	Off-Peak	0.09558	-	0.12013
	TOU-GS-1-A	Winter	Generation	Mid-Peak	0.05894	-	0.07648
	TOU-GS-1-A	Winter	Generation	Off-Peak	0.05066	-	0.06661

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-GS-1-B	TOU-GS-1-B	Summer	Generation	On-Peak	0.04500	-	0.05987
	TOU-GS-1-B	Summer	Generation	Mid-Peak	0.04070	-	0.05474
	TOU-GS-1-B	Summer	Generation	Off-Peak	0.03812	-	0.05166
	TOU-GS-1-B	Summer	Demand	On-Peak	10.9267	-	13.0200
	TOU-GS-1-B	Summer	Demand	Mid-Peak	3.47223	-	4.14000
	TOU-GS-1-B	Winter	Generation	Mid-Peak	0.05894	-	0.07648
	TOU-GS-1-B	Winter	Generation	Off-Peak	0.05066	-	0.06661
TOU-GS-1-E	TOU-GS-1-E	Summer	Generation	On-Peak	0.29153	-	0.35362
	TOU-GS-1-E	Summer	Generation	Mid-Peak	0.10203	-	0.12782
	TOU-GS-1-E	Summer	Generation	Off-Peak	0.05595	-	0.07291
	TOU-GS-1-E	Winter	Generation	Mid-Peak	0.12180	-	0.15137
	TOU-GS-1-E	Winter	Generation	Off-Peak	0.04611	-	0.06119
	TOU-GS-1-E	Winter	Generation	Super Off-Peak	0.02098	-	0.03125
TOU-GS-1-D	TOU-GS-1-D	Summer	Generation	On-Peak	0.07103	-	0.09088
	TOU-GS-1-D	Summer	Generation	Mid-Peak	0.06213	-	0.08027
	TOU-GS-1-D	Summer	Generation	Off-Peak	0.03204	-	0.04442
	TOU-GS-1-D	Summer	Demand	On-Peak	14.6900	-	17.5100
	TOU-GS-1-D	Winter	Generation	Mid-Peak	0.06562	-	0.08444
	TOU-GS-1-D	Winter	Generation	Off-Peak	0.04011	-	0.05404
	TOU-GS-1-D	Winter	Generation	Super Off-Peak	0.02432	-	0.03522
	TOU-GS-1-D	Winter	Demand	Weekdays (4-9 pm)	3.41000	-	4.07000
TOU-GS-2-B	TOU-GS-2-B	Summer	Generation	On-Peak	0.04470	-	0.05935
	TOU-GS-2-B	Summer	Generation	Mid-Peak	0.04046	-	0.05430
	TOU-GS-2-B	Summer	Generation	Off-Peak	0.03792	-	0.05128
	TOU-GS-2-B	Summer	Demand	On-Peak	13.8987	-	16.5600
	TOU-GS-2-B	Summer	Demand	Mid-Peak	4.61002	-	5.49000
	TOU-GS-2-B	Winter	Generation	Mid-Peak	0.05921	-	0.07665
	TOU-GS-2-B	Winter	Generation	Off-Peak	0.02838	-	0.03991
TOU-GS-2-E	TOU-GS-2-E	Summer	Generation	On-Peak	0.33151	-	0.40111
	TOU-GS-2-E	Summer	Generation	Mid-Peak	0.06138	-	0.07923
	TOU-GS-2-E	Summer	Generation	Off-Peak	0.03186	-	0.04405
	TOU-GS-2-E	Summer	Demand	On-Peak	4.30596	-	5.13000
	TOU-GS-2-E	Winter	Generation	Mid-Peak	0.09092	-	0.11443
	TOU-GS-2-E	Winter	Generation	Off-Peak	0.03749	-	0.05076
	TOU-GS-2-E	Winter	Generation	Super Off-Peak	0.01576	-	0.02487
	TOU-GS-2-E	Winter	Demand	Weekdays (4-9 pm)	0.83373	-	0.99000

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-GS-2-R, TOU-GS-2-R-AE	TOU-GS-2-R	Summer	Generation	On-Peak	0.21550	-	0.26288
	TOU-GS-2-R	Summer	Generation	Mid-Peak	0.08827	-	0.11127
	TOU-GS-2-R	Summer	Generation	Off-Peak	0.03792	-	0.05128
	TOU-GS-2-R	Winter	Generation	Mid-Peak	0.05921	-	0.07665
	TOU-GS-2-R	Winter	Generation	Off-Peak	0.02838	-	0.03991
TOU-GS-2-D	TOU-GS-2-D	Summer	Generation	On-Peak	0.07076	-	0.09041
	TOU-GS-2-D	Summer	Generation	Mid-Peak	0.06131	-	0.07915
	TOU-GS-2-D	Summer	Generation	Off-Peak	0.03179	-	0.04397
	TOU-GS-2-D	Summer	Demand	On-Peak	19.7900	-	23.5900
	TOU-GS-2-D	Winter	Generation	Mid-Peak	0.04899	-	0.06447
	TOU-GS-2-D	Winter	Generation	Off-Peak	0.03742	-	0.05068
	TOU-GS-2-D	Winter	Generation	Super Off-Peak	0.01569	-	0.02479
	TOU-GS-2-D	Winter	Demand	Weekdays (4-9 pm)	4.01000	-	4.78000
TOU-GS-2-PRI-D	TOU-GS-2-PRI-D	Summer	Generation	On-Peak	0.07067	-	0.09030
	TOU-GS-2-PRI-D	Summer	Generation	Mid-Peak	0.05935	-	0.07681
	TOU-GS-2-PRI-D	Summer	Generation	Off-Peak	0.02983	-	0.04163
	TOU-GS-2-PRI-D	Summer	Demand	On-Peak	19.3700	-	23.0800
	TOU-GS-2-PRI-D	Winter	Generation	Mid-Peak	0.04703	-	0.06213
	TOU-GS-2-PRI-D	Winter	Generation	Off-Peak	0.03546	-	0.04834
	TOU-GS-2-PRI-D	Winter	Generation	Super Off-Peak	0.01373	-	0.02245
	TOU-GS-2-PRI-D	Winter	Demand	Weekdays (4-9 pm)	3.59000	-	4.28000
TOU-GS-3-E	TOU-GS-3-E	Summer	Generation	On-Peak	0.29623	-	0.35872
	TOU-GS-3-E	Summer	Generation	Mid-Peak	0.05861	-	0.07558
	TOU-GS-3-E	Summer	Generation	Off-Peak	0.03127	-	0.04301
	TOU-GS-3-E	Summer	Demand	On-Peak	4.16864	-	4.97000
	TOU-GS-3-E	Winter	Generation	Mid-Peak	0.08048	-	0.10165
	TOU-GS-3-E	Winter	Generation	Off-Peak	0.03665	-	0.04941
	TOU-GS-3-E	Winter	Generation	Super Off-Peak	0.01590	-	0.02469
	TOU-GS-3-E	Winter	Demand	Weekdays (4-9 pm)	0.72583	-	0.86000
TOU-GS-3-PRI-E	TOU-GS-3-PRI-E	Summer	Generation	On-Peak	0.29347	-	0.35543
	TOU-GS-3-PRI-E	Summer	Generation	Mid-Peak	0.05584	-	0.07229
	TOU-GS-3-PRI-E	Summer	Generation	Off-Peak	0.02851	-	0.03971
	TOU-GS-3-PRI-E	Summer	Demand	On-Peak	4.08036	-	4.86000
	TOU-GS-3-PRI-E	Winter	Generation	Mid-Peak	0.07772	-	0.09835
	TOU-GS-3-PRI-E	Winter	Generation	Off-Peak	0.03388	-	0.04612
	TOU-GS-3-PRI-E	Winter	Generation	Super Off-Peak	0.01314	-	0.02140
	TOU-GS-3-PRI-E	Winter	Demand	Weekdays (4-9 pm)	0.63756	-	0.76000

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-GS-3-R,TOU-GS-3-A	TOU-GS-3-R	Summer	Generation	On-Peak	0.19203	-	0.23456
	TOU-GS-3-R	Summer	Generation	Mid-Peak	0.07831	-	0.09905
	TOU-GS-3-R	Summer	Generation	Off-Peak	0.03643	-	0.04916
	TOU-GS-3-R	Winter	Generation	Mid-Peak	0.05169	-	0.06734
	TOU-GS-3-R	Winter	Generation	Off-Peak	0.02787	-	0.03895
TOU-GS-3-D,TOU-GS-3-D-CPP	TOU-GS-3-D	Summer	Generation	On-Peak	0.06748	-	0.08615
	TOU-GS-3-D	Summer	Generation	Mid-Peak	0.05854	-	0.07550
	TOU-GS-3-D	Summer	Generation	Off-Peak	0.03120	-	0.04293
	TOU-GS-3-D	Summer	Demand	On-Peak	19.1800	-	22.8500
	TOU-GS-3-D	Winter	Generation	Mid-Peak	0.04764	-	0.06252
	TOU-GS-3-D	Winter	Generation	Off-Peak	0.03658	-	0.04933
	TOU-GS-3-D	Winter	Generation	Super Off-Peak	0.01583	-	0.02461
	TOU-GS-3-D	Winter	Demand	Weekdays (4-9 pm)	3.49000	-	4.16000
TOU-GS-3-PRI-D	TOU-GS-3-PRI-D	Summer	Generation	On-Peak	0.06552	-	0.08382
	TOU-GS-3-PRI-D	Summer	Generation	Mid-Peak	0.05659	-	0.07317
	TOU-GS-3-PRI-D	Summer	Generation	Off-Peak	0.02925	-	0.04060
	TOU-GS-3-PRI-D	Summer	Demand	On-Peak	18.7700	-	22.3700
	TOU-GS-3-PRI-D	Winter	Generation	Mid-Peak	0.04569	-	0.06019
	TOU-GS-3-PRI-D	Winter	Generation	Off-Peak	0.03463	-	0.04701
	TOU-GS-3-PRI-D	Winter	Generation	Super Off-Peak	0.01388	-	0.02229
	TOU-GS-3-PRI-D	Winter	Demand	Weekdays (4-9 pm)	3.09000	-	3.68000
TOU-GS-3-B	TOU-GS-3-B	Summer	Generation	On-Peak	0.04285	-	0.05680
	TOU-GS-3-B	Summer	Generation	Mid-Peak	0.03875	-	0.05191
	TOU-GS-3-B	Summer	Generation	Off-Peak	0.03643	-	0.04916
	TOU-GS-3-B	Winter	Generation	Mid-Peak	0.05169	-	0.06734
	TOU-GS-3-B	Winter	Generation	Off-Peak	0.02787	-	0.03895
	TOU-GS-3-B	Summer	Demand	On-Peak	12.8000	-	15.2500
	TOU-GS-3-B	Summer	Demand	Mid-Peak	4.26000	-	5.07000
TOU-GS-3-SEC-B, TOU-GS3B-AE	TOU-GS-3-SEC-B	Summer	Generation	On-Peak	0.06659	-	0.08510
	TOU-GS-3-SEC-B	Summer	Generation	Mid-Peak	0.05766	-	0.07445
	TOU-GS-3-SEC-B	Summer	Generation	Off-Peak	0.03032	-	0.04188
	TOU-GS-3-SEC-B	Summer	Demand	On-Peak	19.0300	-	22.6700
	TOU-GS-3-SEC-B	Winter	Generation	Mid-Peak	0.04676	-	0.06146
	TOU-GS-3-SEC-B	Winter	Generation	Off-Peak	0.03570	-	0.04828
	TOU-GS-3-SEC-B	Winter	Generation	Super Off-Peak	0.01495	-	0.02356
	TOU-GS-3-SEC-B	Winter	Demand	Weekdays (4-9 pm)	3.34000	-	3.99000
TOU-GS-3-SUB-B	TOU-GS-3-SUB-B	Summer	Generation	On-Peak	0.04088	-	0.05445
	TOU-GS-3-SUB-B	Summer	Generation	Mid-Peak	0.03678	-	0.04957
	TOU-GS-3-SUB-B	Summer	Generation	Off-Peak	0.03446	-	0.04681
	TOU-GS-3-SUB-B	Summer	Demand	On-Peak	12.3200	-	14.6800
	TOU-GS-3-SUB-B	Winter	Generation	Mid-Peak	0.04972	-	0.06499
	TOU-GS-3-SUB-B	Winter	Generation	Off-Peak	0.02590	-	0.03660
	TOU-GS-3-SUB-B	Winter	Demand	Weekdays (4-9 pm)	3.01000	-	3.59000

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-PA-2-E	TOU-PA-2-E	Summer	Generation	On-Peak	0.30709	-	0.37175
	TOU-PA-2-E	Summer	Generation	Mid-Peak	0.05454	-	0.07082
	TOU-PA-2-E	Summer	Generation	Off-Peak	0.02970	-	0.04123
	TOU-PA-2-E	Winter	Generation	Mid-Peak	0.05349	-	0.06957
	TOU-PA-2-E	Winter	Generation	Off-Peak	0.03813	-	0.05127
	TOU-PA-2-E	Winter	Generation	Super Off-Peak	0.02939	-	0.04086
TOU-PA-2-D	TOU-PA-2-D	Summer	Generation	On-Peak	0.06301	-	0.08092
	TOU-PA-2-D	Summer	Generation	Mid-Peak	0.05447	-	0.07074
	TOU-PA-2-D	Summer	Generation	Off-Peak	0.02964	-	0.04115
	TOU-PA-2-D	Summer	Demand	On-Peak	12.0300	-	14.3300
	TOU-PA-2-D	Winter	Generation	Mid-Peak	0.04318	-	0.05729
	TOU-PA-2-D	Winter	Generation	Off-Peak	0.02993	-	0.04150
	TOU-PA-2-D	Winter	Generation	Super Off-Peak	0.02238	-	0.03250
	TOU-PA-2-D	Winter	Demand	Weekdays (4-9 pm)	2.12000	-	2.52000
TOU-PA-2-A	TOU-PA-2-A	Summer	Generation	On-Peak	0.19196	-	0.23457
	TOU-PA-2-A	Summer	Generation	Mid-Peak	0.06704	-	0.08571
	TOU-PA-2-A	Summer	Generation	Off-Peak	0.03431	-	0.04672
	TOU-PA-2-A	Winter	Generation	Mid-Peak	0.05362	-	0.06972
	TOU-PA-2-A	Winter	Generation	Off-Peak	0.02775	-	0.03890
TOU-PA-2-B, TOU-PA-B	TOU-PA-2-B	Summer	Generation	On-Peak	0.04054	-	0.05414
	TOU-PA-2-B	Summer	Generation	Mid-Peak	0.03585	-	0.04855
	TOU-PA-2-B	Summer	Generation	Off-Peak	0.03431	-	0.04672
	TOU-PA-2-B	Summer	Demand	On-Peak	9.08000	-	10.8200
	TOU-PA-2-B	Summer	Demand	Mid-Peak	2.78000	-	3.31000
	TOU-PA-2-B	Winter	Generation	Mid-Peak	0.05362	-	0.06972
	TOU-PA-2-B	Winter	Generation	Off-Peak	0.02775	-	0.03890
TOU-PA-3-A	TOU-PA-3-A	Summer	Generation	On-Peak	0.18977	-	0.23158
	TOU-PA-3-A	Summer	Generation	Mid-Peak	0.06059	-	0.07766
	TOU-PA-3-A	Summer	Generation	Off-Peak	0.03091	-	0.04229
	TOU-PA-3-A	Winter	Generation	Mid-Peak	0.04722	-	0.06173
	TOU-PA-3-A	Winter	Generation	Off-Peak	0.02538	-	0.03570
TOU-PA-3-B	TOU-PA-3-B	Summer	Generation	On-Peak	0.03655	-	0.04901
	TOU-PA-3-B	Summer	Generation	Mid-Peak	0.03216	-	0.04379
	TOU-PA-3-B	Summer	Generation	Off-Peak	0.03091	-	0.04229
	TOU-PA-3-B	Summer	Demand	On-Peak	12.4000	-	14.7700
	TOU-PA-3-B	Winter	Generation	Mid-Peak	0.04722	-	0.06173
	TOU-PA-3-B	Winter	Generation	Off-Peak	0.02538	-	0.03570
	TOU-PA-3-B	Winter	Demand	Weekdays (4-9 pm)	2.20000	-	2.62000
TOU-PA-3-E	TOU-PA-3-E	Summer	Generation	On-Peak	0.28316	-	0.34286
	TOU-PA-3-E	Summer	Generation	Mid-Peak	0.04871	-	0.06351
	TOU-PA-3-E	Summer	Generation	Off-Peak	0.02677	-	0.03736
	TOU-PA-3-E	Winter	Generation	Mid-Peak	0.06060	-	0.07767
	TOU-PA-3-E	Winter	Generation	Off-Peak	0.04425	-	0.05819
	TOU-PA-3-E	Winter	Generation	Super Off-Peak	0.00352	-	0.00966

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	Desert Saver	100% Carbon Free CARE/FERA /MB*	100% Carbon Free
TOU-PA-3-D	TOU-PA-3-D	Summer	Generation	On-Peak	0.05630	-	0.07255
	TOU-PA-3-D	Summer	Generation	Mid-Peak	0.04864	-	0.06342
	TOU-PA-3-D	Summer	Generation	Off-Peak	0.02670	-	0.03728
	TOU-PA-3-D	Summer	Demand	On-Peak	12.4000	-	14.7700
	TOU-PA-3-D	Winter	Generation	Mid-Peak	0.04129	-	0.05466
	TOU-PA-3-D	Winter	Generation	Off-Peak	0.03147	-	0.04296
	TOU-PA-3-D	Winter	Generation	Super Off-Peak	0.01308	-	0.02105
	TOU-PA-3-D	Winter	Demand	Weekdays (4-9 pm)	2.20000	-	2.62000
TOU-GS-3-B	TOU-GS-3-B	Summer	Generation	On-Peak	0.04285	-	0.05680
	TOU-GS-3-B	Summer	Generation	Mid-Peak	0.03875	-	0.05191
	TOU-GS-3-B	Summer	Generation	Off-Peak	0.03643	-	0.04916
	TOU-GS-3-B	Winter	Generation	Mid-Peak	0.05169	-	0.06734
	TOU-GS-3-B	Winter	Generation	Off-Peak	0.02787	-	0.03895
	TOU-GS-3-B	Summer	Demand	On-Peak	12.8002	-	15.2500
	TOU-GS-3-B	Summer	Demand	Mid-Peak	4.25692	-	5.07000
LS-1, LS-1-ALLNITE, LS-2, LS-2-4, LS-3-A, OL-1, OL-1-ALLNITE	LS-1	All	Generation	Total	0.03011	-	0.04043
LS-3	LS-3	All	Generation	Total	0.03061	-	0.04102
TC-1	TC-1	All	Generation	Total	0.05085	-	0.06618
AL-2, AL-2-F	AL-2	All	Generation	Total	0.03061	-	0.04102
* These rates are applicable to all CARE, FERa, and Medical Baseline programs. CARE - California Alternate Rates for Energy program							
FERA - Family Electric Rate Assistance program; MB - Medical Baseline program							
- These rates are not applicable to the corresponding utility tariff.							

ITEM 7A**DESERT COMMUNITY ENERGY BOARD
FY2019-2020 ATTENDANCE RECORD**

Voting Members	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
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 7B

Desert Community Energy Board April 20, 2020



STAFF REPORT

Subject: Utility Discount (CARE/FERA) Program Update

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

Recommendation: Information only.

Background: At the October 21 meeting the Board approved a two-year services agreement with Lift To Rise to launch a program by January 1, 2020 with a goal of enrolling 3,000 new CARE/FERA customers and to implement a plan to make the program sustainable beyond the 2-year term. California Alternate Rates for Energy (CARE¹) and Family Electric Rate Assistance (FERA) are two CPUC authorized low income assistance programs offered by Southern California Edison (SCE) and SoCalGas. CARE customers receive a savings reduction of up to 30% on their energy bill, while FERA customers can save up to 18%. Customers may qualify for CARE or FERA if someone in their household already participates in a public assistance program, such as CalWorks, food stamps, or Medi-Cal. Customers may also qualify based on household income. CARE customers save approximately \$864 each year on their energy bills. This staff report summarizes the current progress on the Utility Discount Program.

SCE employs various marketing strategies such as mail inserts, web banner ads, social media, and by posting information on their website to reach out to potential CARE/FERA enrollees. SCE also contracts with other agencies, called “capitation contractors,” to search out potential new CARE & FERA enrollments. SCE relies on these contractors to capture enrollments in the hard to reach urban areas.

According to reports from SCE, in the past several years there have only been 2 active capitation contractors servicing the Coachella Valley - Desert Arc and Senior Advocates of the Desert. Since 2013, these two agencies have a combined total of 9 new enrollments.

TABLE 1		Annual Capitation Contractor Enrollments					
		2013	2014	2015	2016	2017	2018
Agency Name							
Desert Arc		0	4	2	0	0	0
Senior Advocates of the Desert		0	0	0	3	0	0

¹ CARE/FERA is funded through a rate surcharge paid by all other utility customers. The income limits may be adjusted each year depending on inflation. California has a Low-Income Oversight Board (LIOB), which was established by the Legislature to advise the CPUC on energy related low-income assistance programs of utilities under the CPUC's jurisdiction.

Pre COVID-19 efforts: DCE and Lift To Rise staff have been laying the groundwork by working with other community organizations to reach out to potential enrollees. Outreach includes utilizing the Community Advisory Committee, door to door canvassing, phone calls, and training staff from other organizations about these programs. Some of the results of those efforts are listed below.

- Residents reached from Jan-Feb: 4,500
- Residents reached from Mar-Apr: 300+
- Organizations trained from Jan-Feb: 12
- Applications submitted from Jan-Feb: 48
- Applications submitted from Mar-Apr: 12
- Sent flyer to PSUSD and DSUSD database via PeachJar (13,000+ reached each month)

DCE staff and Lift To Rise have been actively involved with implementation of this Utility Discount Program since January 2020. In just the first two months, Lift To Rise has submitted 48 applications to SCE and the vast majority of these applications will be approved (SCE's application process typically takes thirty days for approval and enrollments are confirmed by a monthly report thirty days after approval).

Lift To Rise is actively engaged with non-profit groups and faith-based organizations in all three cities to enlist their help to find and enroll eligible customers. To make the program sustainable over the long term, they are training staff at these organizations to help potential enrollees with the application. For example, in Cathedral City, Lift To Rise has partnered with El Sol Neighborhood Education Center to train staff about these programs and to disburse flyers and applications when they reach out to their community. Similarly, in Palm Desert, Lift To Rise has trained organizations within College of the Desert about these programs and how they can benefit students in need.

Post COVID-19 Challenges: With the recent Corona Virus situation, many of our planned workshops and community events have been postponed or cancelled, which affect outreach efforts. Also, DCE staff and Lift To Rise staff are all working remotely due to the governor's "stay-home" order. DCE and Lift To Rise have had to readjust their outreach strategy because of this. To answer the call of this immediate threat, Lift To Rise developed and released an Economic Protection Plan which offers financial assistance to customers in need and includes enrolling customers into the CARE and FERA programs. Within the first two weeks of the release of the Economic Protection Plan, Lift To Rise received over 1,000 calls valley-wide. Of those calls, 99 were from Cathedral City residents, 75 from Palm Desert residents, and 103 calls from Palm Springs residents and more come in daily. Lift To Rise has been hosting training sessions with many volunteers, including some of the Community Advisory Committee members, preparing them with scripts and FAQs so they can reach out to those that have called in asking for help. With the current status of the pandemic, unemployment rates are at unprecedented levels and all of those customers will need financial assistance and likely qualify for the CARE or FERA programs. DCE has enrolled 12 new CARE customers since the outreach strategy has shifted.

DCE will continue to work with Lift To Rise and other agencies to determine the best and safest way to promote this program and will continue to assess which strategies are working well and adjust them as needed. Staff will provide regular updates to the DCE Board as numbers keep coming in.

Next steps:

- Continue following up with agencies we have met with to encourage enrollments
- Continue to involve Community Advisory Committee members in all three cities
- Continue to train partner organizations and volunteers
- Continue reaching out to customers who have contacted LTR for financial assistance

**Desert Community Energy Board
April 20, 2020**



STAFF REPORT

Subject: Community Advisory Committee and Palm Springs Working Group Update

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

Recommendation: Information only.

Background: The DCE Community Advisory Committee (CAC) was formed by the DCE Board in June 2019 and has been meeting regularly since July 2019. The CAC consists of 5 representatives from each of the three cities who submitted an application for consideration and were appointed by the Board. The CAC's task is to address topics at the direction of the Board, provide support for DCE, serve as liaison to the community and act as ambassadors on behalf of DCE to promote our goals, objectives and programs.

At the February 11 DCE meeting, the Board established a "working group" to focus on outreach related to the April 2020 launch of DCE in Palm Springs. The Palm Springs Working Group was initially formed with the existing five Palm Springs CAC members. Additional members will be added when they are recommended by the DCE Palm Springs representative or alternate.

The PS Working Group had their first meeting on February 20. This meeting was also attended by Palm Springs Councilmember Lisa Middleton and Cathedral City CAC member Shelley Kaplan. Various tasks were assigned including attending workshops, presenting to community meetings, canvassing with Lift To Rise for the CARE/FERA Utility Discount Program, and contacting local businesses and agencies about DCE and its programs.

The PS Working Group met again on March 10. This meeting was also attended by Palm Desert CAC member Kim Floyd. The group discussed contacting mobile home parks that have master meter and the potential for CARE/FERA sign-ups that may have been overlooked in those communities. The group also discussed a calendar of events and members signed up for outreach tasks to support the DCE launch in Palm Springs and CARE/FERA outreach.

Current Palm Springs CAC Members:

David Freedman (Chair), Carl Baker, John Goins, Lani Miller, and Noel Loughrin.

Due to the COVID-19 pandemic, all public events, meetings, and canvassing efforts have been suspended. Lift To Rise has put together an Economic Protection Plan and have been recruiting volunteers to help aid the community. Many of the CAC members have volunteered and participated in training by Lift To Rise, to start reaching out to the 1,000+ calls that Lift To Rise has received. The process is ongoing and DCE and Lift To Rise are working closely with the CAC members.

ITEM 7D

DESERT COMMUNITY ENERGY

UNAUDITED BALANCE SHEET

FROM JULY 1, 2019 TO FEBRUARY 29, 2020

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
River City Bank			
- Operating Account	921.41	0.00	921.41
- Money Market Account	3,010,106.55	0.00	3,010,106.55
- ICS Account	1,302,698.70	0.00	1,302,698.70
- Lockbox Account	4.00	0.00	4.00
Total Cash	4,313,730.66	0.00	4,313,730.66
Due From Other Funds	49,929.36	0.00	49,929.36
Deposits/Bonds			
- CPUC	100,000.00	0.00	100,000.00
- CA ISO	500,000.00	0.00	500,000.00
Total Deposits/Bonds	600,000.00	0.00	600,000.00
TOTAL ASSETS	4,963,660.02	0.00	4,963,660.02
<u>LIABILITIES</u>			
Due To Other Funds	0.00	49,929.36	49,929.36
TOTAL LIABILITIES	0.00	49,929.36	49,929.36
<u>FUND BALANCE</u>			
Fund Balance	4,963,660.02	(49,929.36)	4,913,730.66
TOTAL LIABILITIES AND FUND BALANCE	4,963,660.02	0.00	4,963,660.02

ITEM 7D

DESERT COMMUNITY ENERGY
UNAUDITED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FROM JULY 1, 2019 TO FEBRUARY 29, 2020

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Other Revenue	2.00	0.00	2.00
Investment Income	59,357.90	0.00	59,357.90
TOTAL REVENUES	<u>59,359.90</u>	<u>0.00</u>	<u>59,359.90</u>
<u>EXPENDITURES</u>			
Accounting / Bank Services	905.13	0.00	905.13
Professional Services			
- LSL, CPAs	7,870.00	0.00	7,870.00
- Lift to Rise	28,000.00	0.00	28,000.00
- Southern California Edison	<u>10,322.90</u>	<u>0.00</u>	<u>10,322.90</u>
Total Professional Services	46,192.90	0.00	46,192.90
Consultants			
- Donald D. Dame	6,798.75	0.00	6,798.75
- White Rabbit Group	<u>800.00</u>	<u>0.00</u>	<u>800.00</u>
Total Consultants	7,598.75		7,598.75
Outreach			
- Burke Rix Communications	0.00	34,589.05	34,589.05
- PersonifyPro	<u>0.00</u>	<u>2,079.98</u>	<u>2,079.98</u>
Total Outreach	0.00	36,669.03	36,669.03
Printing			
- Ace Printing	<u>0.00</u>	<u>13,260.33</u>	<u>13,260.33</u>
Total Printing	0.00	13,260.33	13,260.33
TOTAL EXPENDITURES	<u>54,696.78</u>	<u>49,929.36</u>	<u>104,626.14</u>
Excess of Revenues over Expenditures	4,663.12	(49,929.36)	(45,266.24)
Fund Balance - Beginning of the Year	<u>4,958,996.90</u>	<u>0.00</u>	<u>4,958,996.90</u>
Fund Balance - End of the Year	<u>4,963,660.02</u>	<u>(49,929.36)</u>	<u>4,913,730.66</u>

Desert Community Energy Board
April 20, 2020



STAFF REPORT

Subject: DCE Fiscal Year 2021 Budget Information

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

Background: Cathedral City, Palm Desert and Palm Springs formed DCE anticipating a simultaneous "Three-Member" CCA program launch in August 2018. That launch timing was suspended, and DCE's CCA program launch for the City of Palm Springs commenced on April 1, 2020. Cathedral City is in the process of withdrawing from DCE participation and Palm Desert will continue as a DCE member but does not have a launch date.

DCE's current FY2020 budget was approved at the June 17, 2019 Board meeting. DCE's budget fiscal year goes from July 1 of a given year through June 30 of the next following year.

FY2021 Budget Preparation Status: DCE staff and consultants are preparing DCE's FY2021 budget together with informational FY2022 and FY2023 budget forecasts. Staff expects to present a draft FY2021 Budget at the May 2020 Board meeting for discussion and input, and to present the final FY2021 budget at the June 2020 Board meeting.

Budget development assumptions include:

- Palm Springs CCA participation - All customer classes.
- Palm Desert CCA participation - Still considering options.
- Compliance with all state RPS and other regulatory requirements.
- Utilization of most current TEA financial model and SCE rate forecast.
 - Power supply costs
 - Retail accounts and revenues
 - SCE / Calpine / SCE associated CCA related services charges
- Continuation of DCE sharing of CVAG staff and management capabilities.
- Ongoing CalCCA, regulatory and legal representation.
- "Lean" approach to DCE internal staffing and A&G costs.

Projected FY2021 Budget Preparation Timeline:

- **April 2020:** Board Information Item (this staff report) on FY2021 Budget.
- **May 2020:** Present draft FY2021 Budget to Board for discussion and input.
- **June 2020:** Present final FY2021 Budget for Board approval consideration.
- **July 2020 - June 2021:** Report to Board on budget to actual financial performance and address any requisite budget adjustments as warranted.