



**DESERT COMMUNITY ENERGY BOARD
MEETING AGENDA**

**Monday, June 15, 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://us02web.zoom.us/j/83733513013?pwd=QjY1TmhLQ2o5MXA5S
WxtcFViZFZLQT09](https://us02web.zoom.us/j/83733513013?pwd=QjY1TmhLQ2o5MXA5S
WxtcFViZFZLQT09)**

***Dial in: +1 (669) 900-9128 US
Meeting ID: 837 3351 3013
Password: 329997***

***One tap mobile
+16699009128,,83733513013# 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 May 22, 2020

[P5](#)

6. DISCUSSION / ACTION

A. DCE Program Launch and Activities Update – Katie Barrows

[P8](#)

Recommendation: Information only.

B. Desert Community Energy Fiscal Year 2020/2021 Budget – Don Dame

[P13](#)

Recommendation: Adopt Resolution 2020-05 approving Desert Community Energy Fiscal Year 2020/2021 Budget.

C. Utility Discount (CARE/FERA) Program – Benjamin Druyon

[P22](#)

Recommendation: Information only.

D. Consideration of Operational Membership in CalCCA – Katie Barrows

[P25](#)

Recommendation: Approve payment of dues to CalCCA for an Operational Membership with annual review by the Board of Directors.

7. INFORMATION

A. Attendance Record

[P30](#)

B. Unaudited Financial Report

[P31](#)

C. Regional Energy Network

[P37](#)

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 July 20, 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
May 22, 2020
11:00 am**



**CVAG (Zoom meeting)
73710 Fred Waring Drive #200
Palm Desert, CA 92260
760-346-1127**

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 via Zoom meeting.

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 John Aguilar

Agency

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

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Benjamin Druyon
Joanna Stueckle
Valdemar Galeana
Erica Felci
Beverly Newton
Brian Rix
Jeff Fuller
Jaclynn Harr
Ryan Belgram
Byron Vosburg
Don Dame

BurkeRix
The Energy Authority
The Energy Authority
The Energy Authority
The Energy Authority
Consultant

Others Present:

Charlie McClendon
David Freedman
Lani Miller
Shelley Kaplan
Kim Floyd
Daniel Paris

City of Cathedral City
Community Advisory Committee
Community Advisory Committee
Community Advisory Committee
Community Advisory Committee
Community Advisory Committee

Noel Loughrin
Patrick Tallarico
Rita Lamb
Russel Betts

Community Advisory Committee
City of Palm Springs
Cathedral City Councilmember
Desert Hot Springs Councilmember

3. **PUBLIC COMMENTS ON AGENDA ITEMS** – There were no public comments made.
4. **BOARD MEMBER / DIRECTOR COMMENTS** – The chair recognized and thanked DCE staff for their continued work in keeping things running and recognized and thanked the DCE Community Advisory Committee members for their outstanding efforts and support with the CARE/FERA enhanced enrollment program.
5. **CONSENT CALENDAR**
 - A. **Approve Minutes from Board Meetings of April 20th, 2020.**

IT WAS MOVED BY BOARD MEMBER SABBY JONATHAN AND SECONDED BY VICE CHAIR AGUILAR TO APPROVE THE BOARD MEETING MINUTES OF APRIL 20TH, 2020.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

- B. **Approve Task Order 4 with The Energy Authority for Preparation of the Desert Community Energy 2020 Integrated Resource Plan.**

Vice Chair Aguilar asked for clarification on local resource options that DCE could acquire in the Integrated Resource Plan. Board Member Jonathan asked if the not to exceed amount of \$50,000 was fair and reasonable. Katie Barrows provided clarification.

IT WAS MOVED BY VICE CHAIR AGUILAR AND SECONDED BY BOARD MEMBER JONATHAN TO AUTHORIZE THE EXECUTIVE DIRECTOR OR CHAIR TO SIGN TASK ORDER 4 WITH THE ENERGY AUTHORITY FOR PREPARATION OF THE 2020 INTEGRATED RESOURCE PLAN, FOR AN AMOUNT NOT TO EXCEED \$50,000.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

6. DISCUSSION / ACTION

- A. **DCE Program Launch and Activities Update.**

THIS ITEM WAS INFORMATIONAL ONLY.

- B. **Update Selected 100% Carbon Free Generation Rates for Desert Community Energy.**

IT WAS MOVED BY VICE CHAIR AGUILAR AND SECONDED BY BOARD MEMBER JONATHAN TO ADOPT RESOLUTION 2020-04 APPROVING AN UPDATED DESERT COMMUNITY ENERGY RETAIL GENERATION RATE SCHEDULE FOR SELECTED 100% CARBON FREE RATES, EFFECTIVE APRIL 13, 2020.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

C. Desert Community Energy Long Term Renewable Request for Offers.

IT WAS MOVED BY BOARD MEMBER JONATHAN AND SECONDED BY VICE CHAIR AGUILAR TO APPROVE THE RELEASE OF DCE'S 2020 LONG TERM RENEWABLE REQUEST FOR OFFERS (RFO) AND AUTHORIZE THE EXECUTIVE DIRECTOR TO MAKE NON-SUBSTANTIVE CHANGES TO THE RFO IN CONSULTATION WITH LEGAL COUNSEL AND MODIFY THE SCHEDULE AS NECESSARY.

THE MOTION CARRIED WITH 3 AYES.

Vice Chair Aguilar	Aye
Board member Jonathan	Aye
Chair Kors	Aye

D. Desert Community Energy Fiscal Year 2020/2021 Budget Review.

THIS ITEM WAS FOR REVIEW ONLY.

7. INFORMATION

- A. Attendance Record**
- B. Utility Discount (CARE/FERA) Program Update**
- C. Unaudited Financial Report**
- D. Expenditures Reimbursed to CVAG for period ending June 30, 2019**

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

Shelley Kaplan of Cathedral City asked if there was any recent activity with CalCCA regarding the Power Cost Indifference Charge (PCIA) and if staff could share that information. Katie Barrows indicated that CalCCA is very active on this subject and that DCE is a part of those ongoing conversations.

9. ANNOUNCEMENTS

Next DCE Board meeting will be June 15th, 2020 at 2:30pm via Zoom.

10. ADJOURN

The meeting was adjourned at 12:15 pm.

Respectfully submitted,
Benjamin Druyon

Item 6A

Desert Community Energy Board June 15, 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: Enrollment of the 40,618 customers in Palm Springs is complete. Based on the opt-out/opt-down statistics presented below, 92% of Palm Springs residents and businesses are enrolled in DCE, and nearly 95% of those customers are 100% carbon free! One of the benefits of the decision by the City of Palm Springs to enroll customers in the 100% Carbon Free plan as the default is the reduction in greenhouse gases that contribute to climate change.

All four required enrollment notices were mailed out to Palm Springs customers according to the 60 days before and 60 days after schedule. The first of these notices went out starting February 18, with the final notice out starting May 4. All customer notices mailed to-date are available on the DCE website at: <https://desertcommunityenergy.org/about/notices/>. The Spanish version of all notices are also posted on the website.

Staff continues to work closely with Southern California Edison (SCE) and our consultants to ensure all launch milestones are met. Our data management/customer service team from Calpine is working with SCE to verify that all enrollments are correct. There is also ongoing monitoring of SCE billing to ensure that all DCE customers are being billed correctly, with no duplicate billing, and that any errors are corrected promptly.

Solar Customers: In the second phase, nearly 4,000 customers with rooftop or other solar were enrolled in DCE and the Net Energy Metering (NEM) program. The phased was completed as of May 31. Five notices were mailed to these customers. The first pre-enrollment notices went out the first week of March and final notices will go out in the next week. To provide more clarification, the final post-enrollment notice for solar customers is in question and answer format to address some of the most common questions about NEM. The solar/NEM information on the website has been updated, and social media is also being used to help customers understand how the NEM program works. The NEM fact sheet is available on the website and is attached here for your information.

Opt-down and Opt-out Status: As of June 8, there have been 3,154 total opt-outs (7.77%) of total eligible customers; 1,970 customers (4.85%) opted down to Desert Saver; and 3 customers who chose to opt-up from Desert Saver to 100% Carbon Free. Customers have started to receive their first bills reflecting enrollment in Desert Community Energy which has prompted questions about the various charges. Calpine has indicated that opt-outs typically increase 30 to 60 days post launch, aligning with the time when customers receive their first bills. Calpine has also indicated that the level of opt-outs is in line with what they would expect, especially given the current uniquely challenging times. The budget presented in Item 6B on this agenda reflects assumptions that 8% of customers will opt-out and 5% will opt-down.

Weekly Contact Center and Opt-Action Statistics – 6/8/2020 Summary

Stats by Week	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/8/2020	Total
Total Calls	250	357	580	440	583	5,250
Total Calls Connected to Agents	135	142	312	218	333	2,513
Average Seconds to Answer	0:00:15	0:00:16	0:00:21	0:00:34	0:00:27	
Average Call Duration	0:08:09	0:07:55	0:09:13	0:09:17	0:08:44	
Total Eligible Customers	40,618	40,618	40,618	40,618	40,618	40,618
Weekly Opt-Outs	126	214	261	194	258	3,154
Opt-Out Percentage	0.31%	0.53%	0.64%	0.48%	0.64%	7.77%
Total Opt-Down	139	104	158	120	154	1,970
Opt-Down Percentage	0.34%	0.26%	0.39%	0.30%	0.38%	4.85%
Total Opt-Up (from Desert Saver)	0	0	0	0	1	3
Opt-Up Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%

Of the customers who have opted down to-date, 46 are enrolled in CARE and 13 are Medical Baseline customers. Of those who opted-out, 320 are CARE customers, 1 is a FERA customer, and 87 are medical baseline customers. There have been 701 solar / Net Energy Metering customers that have opted out. Some of the reasons given for opting out include concerns about government-run power agency (144), dislike being automatically enrolled (818), rate or cost concerns (1,059), and no reason given (609). Outreach will continue to remind customers that if they stay with DCE and opt down to Desert Saver, they will save money over what they currently pay SCE.

Community Outreach: Our outreach team maintains an active presence on social media and is regularly monitoring and responding to comments. The outreach team has noted an uptick in questions and comments as customers enter their first billing cycle as DCE enrollees. In this first round, many customers naturally assume that bill changes and increases must be due to DCE. DCE outreach notes that energy use has likely increased because of shelter-in-place orders, as well as May being an unusually hot month. Under SCE's tiered rate system, every customer household is provided with a baseline allocation or set amount of kWh of electricity each month. When a customer's energy usage exceeds 400% of their baseline, there is a "High Usage Charge" that is required by the California Public Utilities Commission. The rate for the High Usage Charge is more than double the Tier 2 rate. In speaking with customers, we have found that many have consumed enough to have the High Usage Charge applied. And, as discussed at the April and May DCE Board meetings, SCE increased their base rates, mostly on the delivery side of the bill which is independent of DCE. So, the increase resulting from enrollment in DCE's Carbon Free plan is a much smaller portion of the total increases in customer bills. Regular posts on Facebook and other social media include responses to questions, reminders about the lower cost Desert Saver plan, explanations of the exit fee (PCIA) and the benefits of Community Choice Energy.

Business Customers & Key Stakeholders: Outreach to large commercial customers continues. Most contacts are in response to questions received through the customer service center operated by Calpine. Some customers want an analysis of the bill savings they would see with Desert Saver which is provided upon request. The DCE website continues to provide information for those impacted by COVID-19, including the bill relief program that SCE has implemented and a link to other resources that can help businesses in these challenging times.

Joint Rate Comparison: As part of a mutual commitment to better serve customers, SCE and DCE are required to create a joint comparison of common electric rates, average monthly charges, and sources of electricity. The Joint Rate Comparison with tables showing SCE and DCE base (Desert Saver) rates, SCE's green rates, and DCE's carbon-free rate has been posted

to the DCE website. The 2020 Joint Rate Comparison can be viewed [here](#). This web posting meets the requirement that all load serving entities update rates on their website within 60 days of a rate change. With the DCE rate changes approved on May 22 and effective as of April 13, the deadline for both SCE and DCE to post all rate changes in a Joint Rate Comparison was June 13, 2020. SCE and DCE are currently preparing a Joint Rate Comparison mailer that is required to be sent to all Palm Springs customers, postmarked on or before July 1, 2020. Three separate Joint Rate Comparison mailers will be sent - one to residential, one to CARE/FERA, and one to commercial customers - showing them the comparison between DCE and SCE rates.

COVID 19 and DCE: The California Community Choice Association (CalCCA) is monitoring both short-term and long-term impacts from COVID-19 as it relates to CCAs. Following initial decreases in energy use because of the California shelter-in-place requirements, some rebounds in demand have been observed. Overall, peak energy use and minimum load are rebounding significantly to pre-COVID levels. Warm weather during May appears to be driving energy and peak demand rebounds. SCE has exceeded predicted peak demand throughout May. Some preliminary data suggests that the summer peak may be higher than in normal years. Summer energy use will depend on the transition from shelter-in-place to back to work and how it proceeds. As noted in the April report, DCE's scheduled load in the California energy market has been adjusted by TEA based on the best data available for the evolving situation. Changes in load continue to be monitored and evaluated.

Another impact related to COVID-19 and DCE is the revenue loss due to likely increases in customer non-payments. SCE continues their COVID-19 consumer protections including no service disconnections for non-payment of electricity bills effective March 13, new flexible payment plans, and waiving late fees. In coordination with CalCCA, DCE staff is participating in conference call meetings with SCE and other SoCal CCAs to discuss how revenues will be distributed when not all customers are able to pay their bills. CalCCA is advocating on behalf of DCE and all other CCAs in this discussion. DCE staff and our consultant team continues to monitor and plan for these changes as more data becomes available. Staff will continue to provide updates and identify potential future actions as the situation evolves and our understanding of impacts develops.

Fiscal Analysis: No fiscal impact.



GOING SOLAR WITH DESERT COMMUNITY ENERGY



Whether you are interested in getting solar or already have it on your home or business, learn how our Net Energy Metering (NEM) Program can work for you!

What is Desert Community Energy (DCE) and how does it work?

Desert Community Energy (DCE) is the new local not-for-profit electricity provider serving residential, commercial and municipal customers in Palm Springs. DCE is a Community Choice Energy program established by state law to offer you a choice in electricity generation providers and access to clean energy at competitive rates. Briefly stated, DCE will take over the generation of customer's electricity. Southern California Edison (SCE) will continue to deliver it, maintain the grid, and provide customer service and billing.

Does DCE offer a solar or Net Energy Metering (NEM) program?

Yes. DCE believes in a greener future and supports customers who already have or wish to have solar installed on their homes or businesses. DCE customers with solar panels can participate in our NEM program. DCE will purchase the excess energy you produce at the same rate as SCE.

Do I have to do anything to enroll in DCE?

If you are already a solar customer with SCE, you do not have to do anything. Your account was automatically enrolled in DCE's Carbon Free plan in May 2020. Credits for surplus electricity earned under SCE's NEM program prior to May 2020 will be trued up and paid by SCE following enrollment into DCE's NEM program.

What if I already have solar panels or other generating systems? Am I still able to offset my energy charges with the energy I generate?

Yes, you are still able to offset your charges with excess generated energy. At the end of your relevant period (May 2021 for most DCE NEM customers), you will either receive a check or a bill, and if you are a net consumer for that year, you will only receive one bill for energy consumption annually. If you are a net generator, DCE will compensate you for your Net Surplus Generation at the same rate as SCE. This allows you a full 12 months to net out any generation charges.

What are the advantages of DCE's NEM program versus staying with SCE?

If you need energy beyond what your system produces, DCE will provide that energy. The City of Palm Springs has prioritized reducing greenhouse (GHG) emissions and chosen to have DCE automatically enroll every customer into DCE's Carbon Free plan. You can stay green and make a bigger impact on the environment by remaining in DCE's Carbon Free plan. You also have the choice to purchase energy at a lower cost than what you now pay SCE with our Desert Saver plan. To opt down to Desert Saver, visit DesertCommunityEnergy.org/your-options/opt-out/ or call toll free (855) 357-9240 Monday through Friday between 8 A.M. and 5 P.M. PST. It only takes a few minutes to opt down and save!



What is DCE's Net Surplus Compensation Rate?

DCE's Net Surplus Compensation Rate (NSCR) is the same as SCE's and typically is only adjusted by the DCE board when annual rates are set. Customers will receive advanced notice of rate changes and be able to provide input at DCE board meetings.



When is DCE's "relevant period"?

A relevant period refers to the yearlong NEM billing period, in which NEM credits and charges are tracked. DCE will annually true up all NEM customers at the end of your relevant period each May, rather than on a unique date for each customer.

Why did DCE choose May as the annual "true up" date?

The most opportune month to launch the NEM program for the majority of NEM customers would be the end of May. We consulted with local solar experts and discovered that this is typically the time that most customers would have saved up the most solar credits through the spring before using them to offset the higher usage in summer months. Therefore, the end of May represents the time period when your balance should be the lowest.

What if I am grandfathered into SCE's "NEM 1.0" program?

Automatic enrollment into DCE's NEM program will not affect NEM 1.0 customers' status. Desert Community Energy will honor SCE's NEM 1.0 and 2.0 status for those customers already grandfathered in at that status, and the time-of-use periods you have with SCE will remain the same. However, should a NEM customer decide to opt-out of DCE outside of the 60-day post enrollment window to go back to SCE, they will be enrolled in SCE's most recent NEM status. Note that the 60-day post enrollment period begins on the customer's meter read date in May. NEM 1.0 and 2.0 customers that opt out of DCE prior to the 60-day post enrollment window will retain their NEM 1.0 or 2.0 status when they return, and their original relevant period will be restored.

New to solar and Net Energy Metering?

Your licensed solar company should be able to help you start the process to convert to solar. Once you've completed the SCE NEM enrollment process, you will automatically be enrolled in DCE's NEM program if you are an eligible DCE customer.

Endorsed by:



Have additional questions about NEM and/or your service?

Please call us at (855) 357-9240 Monday through Friday between 8 A.M. and 5 P.M. PST, or reach us by email at customerservice@desertcommunityenergy.org. Additional information is also available on our website at <https://desertcommunityenergy.org/your-options/net-energy-metering/>

ITEM 6B

Desert Community Energy Board June 15, 2020



Staff Report

Subject: Desert Community Energy Fiscal Year 2020/2021 Budget

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

Recommendation: Adopt Resolution 2020-05, approving Desert Community Energy FY 2020/2021 Budget.

Background: DCE's FY2020 budget was approved at DCE's June 2019 Board meeting and anticipated launching Palm Springs' "all load" CCA coupled with municipal loads only for Cathedral City and Palm Desert on March 1, 2020. On April 1, 2020 DCE launched only the Palm Springs' CCA, with Palm Desert's launch timing to be determined at a later date. Cathedral City has opted to withdraw from DCE participation effective July 1, 2021. DCE Members have modified the JPA to provide for decision making given a single Member CCA launch and have also discussed tracking costs and revenues with only one active CCA Member.

At DCE's May 22, 2020 Board meeting staff previewed the proposed FY2021 Budget and included opportunity for questions, comments, and input to staff prior to Board consideration of budget approval at the June Board meeting. Since the May Board meeting, staff has coordinated with TEA to inform estimated power supply costs, projected retail sales revenues, economic and other factors that may affect budget forecast and DCE financial performance over the next budget year; no material changes have been made to budget materials presented at the May Board meeting. The proposed budget is based on the most current expected business outcome for FY2021 but many uncertainties remain such as Covid 19 impacts and corresponding economic effects that may reduce load, retail sales volumes and induce power market volatility. In addition, SCE's retail rates and PCIA charges are expected to change several times during FY2021 and DCE's budget forecast includes corresponding estimated DCE rate adjustments during FY2021 to maintain rate and revenue objectives.

Budget Assumptions: The Desert Community Energy Fiscal Year 2020/2021 Budget was developed based on assumptions and forecasts including:

1. Palm Springs CCA operations as of April 1, 2020, and the only active CCA.
2. TEA's 5-5-2020 Financial Model output which includes projected loads, resources, revenues and costs over the budget forecast period.
3. Opt-Out rate = 8% (customers that remain SCE bundled customers).
4. Opt-Down rate = 5% (customers that choose Desert Saver as opposed to 100% CF)
5. Total Retail Bill: Desert Saver averages about 2.9% below SCE base rate; 100% CF averages about a 2.4% premium to SCE's base rate (and about 2.6% savings versus SCE's 100% green product). Percentage savings/premiums vary somewhat by rate class.

6. Board rate actions during FY2021 corresponding to anticipated changes to SCE retail rates and PCIA level.
7. Budget revenue objectives are intended to:
 - a. Yield positive net margin.
 - b. Build cash reserves.
 - c. Eventually attain investment grade credit rating.
8. Cost allocation based on cost causality, fairness and equity.
9. Meet regulatory, legislative and operating requirements.
10. Ongoing collaboration with other CCAs.
11. Necessary and adequate DCE internal staffing.
12. Maintain CVAG and service provider contract relationships.
13. Continue CARE / FERA outreach program on behalf of all DCE Members.
14. Monitor and adjust loads, revenues and operating costs based on experience and expectations with regard to COVID-19 and general economic conditions.
15. Develop and implement actual to budget reporting processes.
16. Adhere to adopted Board policies and objectives.

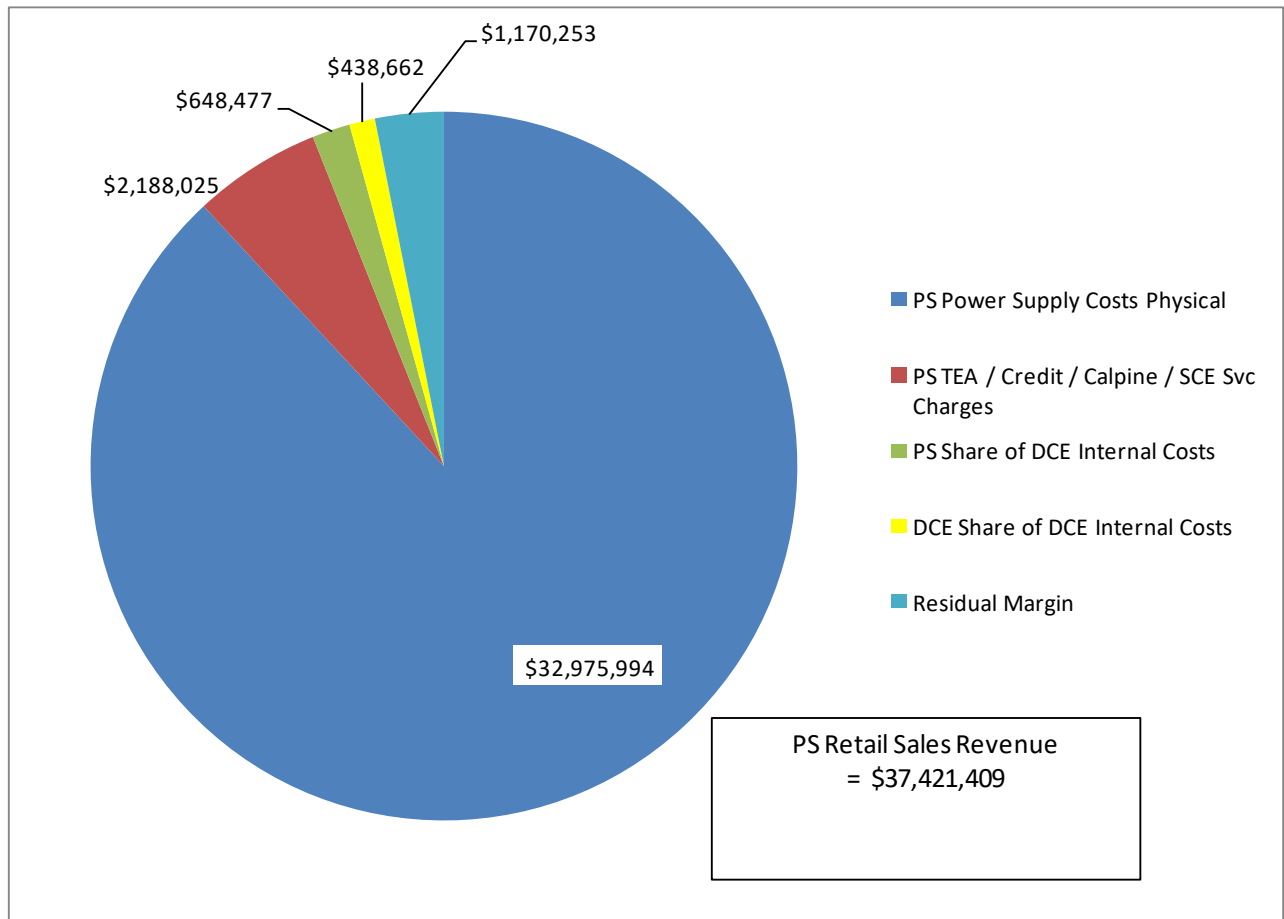
Proposed Budget Summary Figures: The following figures summarize DCE's budget expectations for FY2021.:

Figure 1, FY 2021 Cost Allocation Between DCE and Palm Springs

Use	How Displayed	DCE	PS-CCA	TOT
1	DCE	100.00%	0.00%	100.00%
2	50% active PS-CCA, 50% DCE	50.00%	50.00%	100.00%
3	75% active PS-CCA, 25% DCE	25.00%	75.00%	100.00%
4	100% active PS-CCA	0.00%	100.00%	100.00%
Use 1 is DCE-wide. Use 2 is 50% DCE-wide, 50% Active PS-CCA. Use 3 is 25% DCE-wide, 75% Active PS-CCA. Use 4 is 100% Active PS-CCA.				

Figure 1 displays proposed cost allocation between DCE and PS CCA within the budget process. Costs such as DCE's CARE / FERA program, for example, are allocated DCE-wide (Use 1) assuming all Members benefit proportionately from this program effort. Costs and or revenues specific to the PS CCA are allocated solely to PS (Use 4). Uses 2 and 3 provide a means to share costs which benefit both DCE and the PS CCA program. Participation in CalCCA, for example, benefits both DCE Members that may launch a CCA program in the future as well as the existing PS CCA program. Staff proposes to use reasonable judgment to fairly allocate budget items attributable to both DCE and the PS CCA, and to bring to the Board for discussion budget items that may not fall within the above four categories.

Figure 2, FY 2021 Budget Summary



The above pie chart shows high level budget overview for FY2021. The dark blue, red, and green "slices" show costs attributable to only Palm Springs' CCA operations. The dark blue area represents total physical power supply costs of \$32,975,994; the red area represents non DCE wholesale services charges from TEA, Calpine and SCE attributable to Palm Springs CCA. The green area shows the portion of DCE internal charges attributable to Palm Springs' CCA operations. The yellow area shows DCE internal costs attributable to all DCE members and includes projected costs associated with ongoing CARE / FERA outreach program efforts (Palm Springs receives its proportionate share of DCE-wide costs as well). The light blue area shows expected residual of revenues less costs associated with the PS CCA over FY2021 (and excludes cash on hand at end of FY2020). Cost splits are based on the percentage allocation mechanism depicted in Figure 1, above and shown in more detail in Figure 3, below.

Figure 3, FY 2021 Budget Summary Table

FY 2021 (July 1, 2020 - June 30, 2021) DCE Projected Revenues and Costs

Line	MWh Load: 504,430				USE		
						DCE	PS CCA
1	Revenues *	FY2021	Avg \$/Month	Avg \$/MWh			
2	Retail Sales Revenue	\$ 37,421,409	\$ 3,118,451	\$ 74.19	4	\$ -	\$ 37,421,409
3	Other Revenues	\$ -	\$ -	na	1	\$ -	\$ -
4	Total DCE Revenue	\$ 37,421,409	\$ 3,118,451	\$ 74.19		\$ -	\$ 37,421,409
5							
6	Power Costs *	FY2021	Avg \$/Month	Avg \$/MWh			
7	DCE Wholesale Power Supply	\$ 32,975,994	\$ 2,747,999	\$ 65.37	4	\$ -	\$ 32,975,994
8							
9	DCE Operating Costs *	FY2021	Avg \$/Month	Avg \$/MWh	USE	DCE	PS CCA
10	DCE Position Support	\$ 375,830	\$ 31,319	\$ 0.75	3	\$ 93,958	\$ 281,873
11	Contract and Other Labor	\$ 147,600	\$ 12,300	\$ 0.29	3	\$ 36,900	\$ 110,700
12	CVAG Related facilities support	\$ 76,808	\$ 6,401	\$ 0.15	2	\$ 38,404	\$ 38,404
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 2,188,025	\$ 182,335	\$ 4.34	4	\$ -	\$ 2,188,025
14	Retail Business Support Activities	\$ 86,700	\$ 7,225	\$ 0.17	2	\$ 43,350	\$ 43,350
15	CARE / FERA Outreach and Other Programs	\$ 168,000	\$ 14,000	\$ 0.33	1	\$ 168,000	\$ -
16	Office Supplies, Dues, Memberships Expenses	\$ 142,200	\$ 11,850	\$ 0.28	3	\$ 35,550	\$ 106,650
17	Contingency	\$ 90,000	\$ 7,500	\$ 0.18	3	\$ 22,500	\$ 67,500
18	Total non-power Operating Costs	\$ 3,275,163	\$ 272,930	\$ 6.49		\$ 438,662	\$ 2,836,502
19							
20	Total Power and Operating Costs	\$ 36,251,157	\$ 3,020,930	\$ 71.87		\$ 438,662	\$ 35,812,495
21	Effective DCE / CCA Shares this FY					1.21%	98.79%
22	Estimated FY Net Rev Available for Reserves & Other	\$ 1,170,253	(Without beginning cash)				

* Accrued

Figure 3 shows proposed aggregated budget summary detail for FY2021. Lines 1-7 show revenues and costs associated with PS CCA from the TEA FiMo. Lines 9 - 18 show projected DCE non power supply operating costs. Line 13 is allocated to PS only as a function of CCA operations and includes TEA and Calpine services, TEA credit fee, and SCE charges. Lines 10-12 and 15-17 are internal DCE costs shared between DCE and PS CCA based on expected benefits received.

Figure 4, FYs 2020-2023 Budget Summary Table

Combining FY20, FY21, FY22 and FY23 (Accrual Basis)

Line			DCE	PS CCA
1	Revenues	\$127,021,351	\$0	\$118,254,290
2	Power Costs	\$109,881,901	\$0	\$102,793,148
3	Non Power Operating Costs	\$11,155,977	\$1,173,900	\$8,632,090
4	Est. Residual Power Liquidation Revs @ 7/1/2020	\$3,400,000		
5	Cumulative Net Margins from FYs 20, 21, 22, 23	\$5,983,473		
6	Total Cumulative Residual Available for Reserves & Other	\$9,383,473		

Figure 4 projects from estimated end of FY2020 results through the end of FY2023 on an accrual basis, and indicates a positive cumulative total margin over this period of about \$9.4 million.

The subsequent three figures show annual estimated summary detail for closing FY2020 and notional budget forecasts for FYs 2022 and 2023.

Figure 5, FY 2020 Estimated Budget Summary Result

Estimated Close of FY2020 DCE Costs, Revenues, and Cash on Hand (PS CCA Active April - Jun 2020)

Line		MWh Load: 111,489			USE		
	Revenues *	FY2020	Avg \$/Month	Avg \$/MWh		DCE	PS CCA
1	Retail Sales Revenue	\$ 8,767,062	\$ 2,922,354	\$ 78.64	4	\$ -	\$ 8,767,062
3	Other Revenues	\$ -	\$ -	na	1	\$ -	\$ -
4	Total DCE Revenue	\$ 8,767,062	\$ 2,922,354	\$ 78.64		\$ -	\$ 8,767,062
5							
6	Power Costs *	FY2020	Avg \$/Month	Avg \$/MWh			
7	DCE Wholesale Power Supply	\$ 7,088,754	\$ 2,362,918	\$ 63.58	4	\$ -	\$ 7,088,754
8							
9	DCE Operating Costs *	FY2020	Avg \$/Month	Avg \$/MWh	USE	DCE	PS CCA
10	DCE Position Support	\$ 254,116	\$ 21,176	na	3	\$ 63,529	\$ 190,587
11	Contract and Other Labor	\$ 143,000	\$ 11,917	na	3	\$ 35,750	\$ 107,250
12	CVAG Related facilities support	\$ 76,808	\$ 6,401	na	2	\$ 38,404	\$ 38,404
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 499,163	\$ 41,597	na	4	\$ -	\$ 499,163
14	Retail Business Support Activities	\$ 88,700	\$ 7,392	na	1	\$ 88,700	\$ -
15	CARE / FERA Outreach and Other Programs	\$ 168,000	\$ 14,000	na	1	\$ 168,000	\$ -
16	Office Supplies, Dues, Memberships Expenses	\$ 30,200	\$ 2,517	na	1	\$ 30,200	\$ -
17	Contingency	\$ 90,000	\$ 7,500	na	3	\$ 22,500	\$ 67,500
18	Total non-power Operating Costs	\$ 1,349,987	\$ 112,499	na		\$ 447,083	\$ 902,904
19							
20	Total Power and Operating Costs	\$ 8,438,741	\$ 703,228	na		\$ 447,083	\$ 7,991,658
21	Effective DCE / CCA Shares this FY					5.30%	94.70%
22	Estimated FY Net Rev Available for Reserves & Other	\$ 328,321	(Without beginning cash)				

* Accrued

Figure 6, FY 2022 Notional Budget Summary

FY 2022 (July 1, 2021 - June 30, 2022) DCE Projected Revenues and Costs

Line		MWh Load: 510,553			USE		
	Revenues and Any Working Capital Infusion	FY2022	Avg \$/Month	Avg \$/MWh		DCE	PS CCA
1	Retail Sales Revenue	\$ 39,868,882	\$ 3,322,407	\$ 78.09	4	\$ -	\$ 39,868,882
3	Other Revenues	\$ -	\$ -		1	\$ -	\$ -
4	Total DCE Revenue	\$ 39,868,882	\$ 3,322,407	\$ 78.09		\$ -	\$ 39,868,882
5							
6	Power Costs	FY2022	Avg \$/Month	Avg \$/MWh			
7	DCE Wholesale Power Supply	\$ 35,059,606	\$ 2,921,634	\$ 68.67	4	\$ -	\$ 35,059,606
8							
9	Operating Costs	FY2022	Avg \$/Month	Avg \$/MWh	USE	DCE	PS CCA
10	DCE Position Support	\$ 387,105	\$ 32,259	\$ 0.76	3	\$ 96,776	\$ 290,329
11	Contract and Other Labor	\$ 150,928	\$ 12,577	\$ 0.30	3	\$ 37,732	\$ 113,196
12	CVAG Related facilities support	\$ 79,112	\$ 6,593	\$ 0.15	2	\$ 39,556	\$ 39,556
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 2,209,964	\$ 184,164	\$ 4.33	4	\$ -	\$ 2,209,964
14	Retail Business Support Activities	\$ 88,786	\$ 7,399	\$ 0.17	1	\$ 88,786	\$ -
15	CARE / FERA Outreach and Other Programs	\$ 84,000	\$ 7,000	\$ 0.16	2	\$ 42,000	\$ 42,000
16	Office Supplies, Dues, Memberships Expenses	\$ 146,466	\$ 12,206	\$ 0.29	3	\$ 36,617	\$ 109,850
17	Contingency	\$ 92,700	\$ 7,725	\$ 0.18	3	\$ 23,175	\$ 69,525
18	Total non-power Operating Costs	\$ 3,239,061	\$ 269,922	\$ 6.34		\$ 364,642	\$ 2,874,419
19							
20	Total Power and Operating Costs	\$ 38,298,667	\$ 3,191,556	\$ 75.01		\$ 364,642	\$ 37,934,026
21	Effective DCE / CCA Shares this FY					0.95%	99.05%
22	Estimated FY Net Rev Available for Reserves & Other	\$ 1,570,214	(Without beginning cash)				

Figure 7. FY 2023 Notional Budget Summary

FY 2023 (July 1, 2022 - June 30, 2023) DCE Projected Revenues and Costs

Line	MWh Load: 515,914				USE		
		FY2023	Avg \$/Month	Avg \$/MWh		DCE	PS CCA
1	Revenues and Any Working Capital Infusion						
2	Retail Sales Revenue	\$ 40,963,999	\$ 3,413,667	\$ 79.40	4	\$ -	\$ 40,963,999
3	Other Revenues	\$ -	\$ -		1	\$ -	\$ -
4	Total DCE Revenue	\$ 40,963,999	\$ 3,413,667	\$ 79.40		\$ -	\$ 40,963,999
5							
6	Power Costs	FY2023	Avg \$/Month	Avg \$/MWh			
7	DCE Wholesale Power Supply	\$ 34,757,548	\$ 2,896,462	\$ 67.37	4	\$ -	\$ 34,757,548
8							
9	Operating Costs	FY2023	Avg \$/Month	Avg \$/MWh	USE	DCE	PS CCA
10	DCE Position Support	\$ 398,718	\$ 33,227	\$ 0.77	3	\$ 99,680	\$ 299,039
11	Contract and Other Labor	\$ 155,456	\$ 12,955	\$ 0.30	3	\$ 38,864	\$ 116,592
12	CVAG Related facilities support	\$ 81,486	\$ 6,790	\$ 0.16	2	\$ 40,743	\$ 40,743
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 2,234,315	\$ 186,193	\$ 4.33	4	\$ -	\$ 2,234,315
14	Retail Business Support Activities	\$ 91,450	\$ 7,621	\$ 0.18	2	\$ 45,725	\$ 45,725
15	CARE / FERA Outreach and Other Programs	\$ 84,000	\$ 7,000	\$ 0.16	1	\$ 84,000	\$ -
16	Office Supplies, Dues, Memberships Expenses	\$ 150,860	\$ 12,572	\$ 0.29	3	\$ 37,715	\$ 113,145
17	Contingency	\$ 95,481	\$ 7,957	\$ 0.19	3	\$ 23,870	\$ 71,611
18	Total non-power Operating Costs	\$ 3,291,765	\$ 274,314	\$ 6.38		\$ 370,596	\$ 2,921,169
19		\$ 1,057,450					
20	Total Power and Operating Costs	\$ 38,049,313	\$ 3,170,776	\$ 74.53		\$ 370,596	\$ 37,678,717
21	Effective DCE / CCA Shares this FY					0.97%	99.03%
22	Estimated FY Net Rev Available for Reserves & Other	\$ 2,914,686	(Without beginning cash)				

Fiscal Analysis: Per presented budget.

The proposed budget incorporates multiple assumptions regarding CCA program participation, retail loads, wholesale supply cost, and Covid 19 related economic impacts. Further, SCE is expected to implement several rate and PCIA changes over the period covered by this budget. DCE staff will actively monitor and report to the Board events which may alter expected budget results and, as warranted, bring back to the Board any proposed budget revisions deemed prudent and necessary to maintain DCE operating and financial objectives.

Attachment:

1. DCE Fiscal Year 2020/2021 budget detail, by month (2 pages).
2. Resolution No. 2020-05.

Fiscal Year 2021 Budget Estimate by Month

		FY2021 Total	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021
Load Particulars														
DCE Retail Load (MWh) net of opt-outs and losses		504,430	64,377	63,681	50,711	39,075	30,995	31,781	31,767	28,596	32,935	34,862	41,497	54,153
DCE Wholesale Load (MWh, retail load+ losses)		528,139	67,403	66,674	53,095	40,911	32,452	33,275	33,260	29,940	34,483	36,500	43,447	56,698
Estimated Distribution Losses (%)		4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Losses (MWh)		23,708	3,026	2,993	2,383	1,837	1,457	1,494	1,493	1,344	1,548	1,638	1,950	2,545
Revenue Particulars														
Gross Revenue	74.41	\$ 37,534,012	\$ 5,883,123	\$ 5,544,322	\$ 4,462,657	\$ 2,419,643	\$ 1,892,410	\$ 1,966,691	\$ 1,983,843	\$ 1,774,997	\$ 2,026,597	\$ 2,148,918	\$ 2,601,078	\$ 4,829,733
Less Uncollectable Accounts	(0.22)	\$ (112,602)	\$ (17,649)	\$ (16,633)	\$ (13,388)	\$ (7,259)	\$ (5,677)	\$ (5,900)	\$ (5,952)	\$ (5,325)	\$ (6,080)	\$ (6,447)	\$ (7,803)	\$ (14,489)
Net DCE Total Retail Revenue	74.19	\$ 37,421,409	\$ 5,865,474	\$ 5,527,689	\$ 4,449,269	\$ 2,412,384	\$ 1,886,733	\$ 1,960,791	\$ 1,977,891	\$ 1,769,672	\$ 2,020,517	\$ 2,142,471	\$ 2,593,275	\$ 4,815,244
Average Monthly Revenue (\$/MWh)		\$ 91.11	\$ 86.80	\$ 87.74	\$ 61.74	\$ 60.87	\$ 61.70	\$ 62.26	\$ 61.88	\$ 61.35	\$ 61.46	\$ 62.49	\$ 88.92	\$ 88.92
Accrual v. Cashflow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrual Monthly Revenues		\$ 37,421,409	\$ 5,865,474	\$ 5,527,689	\$ 4,449,269	\$ 2,412,384	\$ 1,886,733	\$ 1,960,791	\$ 1,977,891	\$ 1,769,672	\$ 2,020,517	\$ 2,142,471	\$ 2,593,275	\$ 4,815,244
Cashflow Revenues if 2 Month Lag		\$ 37,648,628	\$ 2,746,127	\$ 4,889,610	\$ 5,865,474	\$ 5,527,689	\$ 4,449,269	\$ 2,412,384	\$ 1,886,733	\$ 1,960,791	\$ 1,977,891	\$ 1,769,672	\$ 2,020,517	\$ 2,142,471
Total DCE Power Cost (w/o DCE Direct)														
Wholesale Power Supply (All Physical Components)		\$ 32,975,994	\$ 4,922,846	\$ 4,947,330	\$ 4,280,989	\$ 2,480,442	\$ 1,829,644	\$ 1,902,663	\$ 1,984,202	\$ 1,802,376	\$ 1,720,942	\$ 1,687,414	\$ 2,058,183	\$ 3,358,963
TEA Services		\$ 626,746	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 51,840	\$ 53,395	\$ 53,395	\$ 53,395
TEA Credit Support		\$ 528,139	\$ 67,403	\$ 66,674	\$ 53,095	\$ 40,911	\$ 32,452	\$ 33,275	\$ 33,260	\$ 29,940	\$ 34,483	\$ 36,500	\$ 43,447	\$ 56,698
Calpine Data Management		\$ 703,787	\$ 85,261	\$ 84,563	\$ 70,726	\$ 52,408	\$ 46,586	\$ 47,155	\$ 47,214	\$ 45,801	\$ 46,057	\$ 48,871	\$ 57,435	\$ 71,710
SCE Billing Services		\$ 329,354	\$ 39,721	\$ 39,396	\$ 32,949	\$ 24,415	\$ 21,703	\$ 21,968	\$ 22,216	\$ 21,551	\$ 21,672	\$ 22,995	\$ 27,025	\$ 33,742
Total Wholesale Cost, Accrual (FIMo)		\$ 35,164,019	\$ 5,167,071	\$ 5,189,803	\$ 4,489,598	\$ 2,650,017	\$ 1,982,225	\$ 2,056,901	\$ 2,138,733	\$ 1,951,508	\$ 1,874,994	\$ 1,849,175	\$ 2,239,485	\$ 3,574,509
Average Wholesale Cost \$/MWh		\$ 69.71	\$ 80.26	\$ 81.50	\$ 88.53	\$ 67.82	\$ 63.95	\$ 64.72	\$ 67.32	\$ 68.24	\$ 56.93	\$ 53.04	\$ 53.97	\$ 66.01
Cflow Pwr Adj. 1 mo pwr supply pmt lag		\$ 2,631,924	\$ 4,922,846	\$ 4,947,330	\$ 4,280,989	\$ 2,480,442	\$ 1,829,644	\$ 1,902,663	\$ 1,984,202	\$ 1,802,376	\$ 1,720,942	\$ 1,687,414	\$ 2,058,183	\$ 3,358,963
Services payments made next following month.		\$ (1,603)	\$ (30,282)	\$ 1,751	\$ 33,864	\$ 39,035	\$ 16,993	\$ (1,657)	\$ (293)	\$ 5,398	\$ (4,919)	\$ (7,709)	\$ (19,541)	\$ (34,243)
2-Mo Def. 24 pmts @0% APR, 1 mo pmt delay		\$ 1,465,788	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149	\$ 122,149
Estimated Total Wholesale Cost Cashflow Basis		\$ 33,713,140	\$ 2,723,791	\$ 5,046,746	\$ 5,103,342	\$ 4,442,173	\$ 2,619,585	\$ 1,950,135	\$ 2,024,519	\$ 2,111,750	\$ 1,919,606	\$ 1,835,382	\$ 1,790,022	\$ 2,146,088
Total DCE Internal Operations Charges		\$ 1,087,138	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 91,387	\$ 98,887	\$ 91,387	\$ 91,387	\$ 91,887
DCE Internal, \$ / MWh		\$ 2.16	\$ 1.38	\$ 1.40	\$ 1.75	\$ 2.27	\$ 2.87	\$ 2.80	\$ 2.80	\$ 3.20	\$ 3.00	\$ 2.62	\$ 2.20	\$ 1.70
Total Non Power Opr Exp (DCE + All Services)														
Operating Expenses \$/MWh		\$ 6.49	\$ 5.17	\$ 5.20	\$ 5.87	\$ 6.61	\$ 7.79	\$ 7.65	\$ 7.66	\$ 8.41	\$ 7.68	\$ 7.26	\$ 6.57	\$ 5.68
Expected Accrual Results (w/o revenue lag)														
Revenues		\$ 37,421,409	\$ 5,865,474	\$ 5,527,689	\$ 4,449,269	\$ 2,412,384	\$ 1,886,733	\$ 1,960,791	\$ 1,977,891	\$ 1,769,672	\$ 2,020,517	\$ 2,142,471	\$ 2,593,275	\$ 4,815,244
Power and Operations Costs		\$ 36,251,157	\$ 5,255,957	\$ 5,278,690	\$ 4,578,485	\$ 2,738,903	\$ 2,071,111	\$ 2,145,787	\$ 2,227,619	\$ 2,042,895	\$ 1,973,881	\$ 1,940,562	\$ 2,330,871	\$ 3,666,395
Net Margin Avail After Expenses - Accrual		\$ 1,170,253	\$ 609,516	\$ 248,999	\$ (129,216)	\$ (326,519)	\$ (184,378)	\$ (184,996)	\$ (249,728)	\$ (273,223)	\$ 46,636	\$ 201,909	\$ 262,403	\$ 1,148,848
Annual Cumulative Accrual Revenues		\$ 8,767,062	\$ 14,632,535	\$ 20,160,224	\$ 24,609,493	\$ 27,021,877	\$ 28,908,610	\$ 30,869,401	\$ 32,847,293	\$ 34,616,965	\$ 36,637,482	\$ 38,779,953	\$ 41,373,227	\$ 46,188,471
Annual Cumulative Accrual Power and Operations Cost		\$ 8,438,741	\$ 13,694,698	\$ 18,973,388	\$ 23,551,872	\$ 26,290,776	\$ 28,361,887	\$ 30,507,674	\$ 32,735,294	\$ 34,778,189	\$ 36,752,069	\$ 38,692,631	\$ 41,023,502	\$ 44,689,898
Cumulative Net Position - Accrual		\$ 328,321	\$ 937,837	\$ 1,186,837	\$ 1,057,621	\$ 731,102	\$ 546,723	\$ 361,727	\$ 111,999	\$ (161,224)	\$ (114,588)	\$ 87,322	\$ 349,725	\$ 1,498,574

DCE internal costs and expenses are included in the above but are displayed in greater detail on the next table.

Fiscal Year 2021 Budget Estimate by Month

Estimated Operating Expenses	FY2021 Total	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2020
DCE Positions (Accessed via CVAG) Salary w/Benefits	\$ 375,830	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319	\$ 31,319
Executive Director	\$ 65,382	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448	\$ 5,448
Director II - DCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance Director	\$ 13,589	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132	\$ 1,132
Accounting Manager	\$ 117,155	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763	\$ 9,763
Director - CVAG	\$ 71,555	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963	\$ 5,963
Management Analyst	\$ 91,498	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625	\$ 7,625
Program Assistant II	\$ 8,480	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707	\$ 707
Governmental Projects Manager	\$ 4,194	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
Accounting Assistant	\$ 3,978	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331	\$ 331
Contracts and Contract Labor (not incl. elsewhere)	\$ 147,600	\$ 10,633	\$ 10,633	\$ 10,633	\$ 10,633	\$ 10,633	\$ 10,633	\$ 10,633	\$ 10,633	\$ 13,133	\$ 20,633	\$ 13,133	\$ 13,133
Legal Counsel (General Counsel/Special Counsel)	\$ 50,000	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167
Regulatory Counsel	\$ 50,000	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167
Power Contracts Legal Support	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
D. Dame CCA Consulting Support	\$ 18,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
External Rate Design Support	\$ 6,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
External ROC Participation	\$ 3,600	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Audit Services and Fees	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -
Other Contract Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CVAG Related Support	\$ 76,808	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401	\$ 6,401
Lease and Maintenance	\$ 15,000	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
General Office Expense	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
Insurance	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
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	\$ 6,720	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560	\$ 560
Utilities	\$ 2,000	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167	\$ 167
Overhead Allocation	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
Direct Business Support and Transactions Costs	\$ 86,700	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,183	\$ 7,683
Banking Services	\$ 1,200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Audit Svcs	\$ 6,500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 1,000
Burke-Rix Services	\$ 45,000	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750	\$ 3,750
Other Wholesale Services (Rates / Consultant / etc.)	\$ 10,000	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
Website Hosting	\$ 6,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Communications / Advertising	\$ 18,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
DCE Programs	\$ 168,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
CARE / FERA Outreach	\$ 168,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Other Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies and Other Expenses	\$ 142,200	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850	\$ 11,850
Office Supplies	\$ 1,200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Technology Costs	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417
Community Engagement / Sponsorships	\$ 12,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Travel and Training Expenses	\$ 12,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
CalCCA Dues (est @ \$100,000 / year)	\$ 100,000	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333
Other Memberships	\$ 6,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Miscellaneous Expenses	\$ 6,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Contingency	\$ 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
Total DCE Internal Operations Charges	\$ 1,087,138	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 88,887	\$ 91,387	\$ 98,887	\$ 91,387	\$ 91,387	\$ 91,887
DCE Internal, \$ / MWh	\$ 2.16	\$ 1.38	\$ 1.40	\$ 1.75	\$ 2.27	\$ 2.87	\$ 2.80	\$ 2.80	\$ 3.20	\$ 3.00	\$ 2.62	\$ 2.20	\$ 1.70

The above table depicts estimated DCE internal costs and expenses.

RESOLUTION NO. 2020-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY ADOPTING FISCAL YEAR 2020/2021 ANNUAL BUDGET

WHEREAS, Desert Community Energy ("DCE") is a joint powers authority established on October 30, 2017 for the purpose of implementing community choice aggregation programs under Public Utilities Code Section 366.2.0;

WHEREAS, under Section 5.3.1 of the DCE Joint Powers Agreement the Board of Directors is to approve an annual budget by June of each year for the next following fiscal year;

WHEREAS, this budget pertains to Fiscal Year July 1, 2020 through June 30, 2021;

WHEREAS, this budget provides guidelines to allocate DCE costs and revenues between Members with and without an active CCA program; and

WHEREAS, the DCE Fiscal Year 2020/2021 Budget was presented to the Board of Directors at a duly noticed public meeting for its consideration and adoption.

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board of Directors hereby adopts the DCE Fiscal Year 2020/2021 Budget.

ADOPTED AND APPROVED by the Board of Directors of Desert Community Energy on this 15th day of June 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

Geoff Kors
Chair, Desert Community Energy

Attest:

Tom Kirk
Secretary, Desert Community Energy

Desert Community Energy Board
June 15, 2020



STAFF REPORT

Subject: Utility Discount (CARE/FERA) Program

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

Recommendation: Information only.

This staff report summarizes the progress on the DCE Utility Discount (CARE/FERA) Program and describes what led to a mutual decision of Lift To Rise and Desert Community Energy to terminate this program and the current agreement with Lift To Rise as a result of circumstances related to the COVID-19 pandemic.

Background: In early 2019, DCE staff conducted research which showed low participation rates for SCE's CARE/FERA program within DCE's respective service territory. Furthermore, there were only 2 capitation contractors (contractors paid a fee for each new enrollment captured) in the Coachella Valley that were enlisted by SCE to help secure new enrollments and there were only a handful of new enrollments secured by those contractors in the past several years.

At the October 21, 2019 meeting the Board approved a two-year services agreement with Lift To Rise to launch a Utility Discount (CARE/FERA) 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.

Pre COVID-19 efforts: DCE and Lift To Rise staff began laying the groundwork by working with other community organizations to reach out to potential enrollees. Outreach included utilizing the Community Advisory Committee, door to door canvassing, phone calls, and training staff from other organizations to help encourage enrollments. Lift To Rise also sends out a monthly electronic flyer to PSUSD and DSUSD databases using PeachJar (13,000+ reached each month).

Starting before January 2020, Lift To Rise 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 trained staff at these organizations to help potential enrollees with the application. For example, in Cathedral City, Lift To Rise partnered with El Sol Neighborhood Education Center to train staff about these programs and to disburse flyers

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.

and applications when they reach out to their community. Similarly, in Palm Desert Lift To Rise 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 changes related to the COVID-19 pandemic, many of DCE's planned workshops and community events were postponed or cancelled, which affects outreach efforts. DCE and Lift To Rise readjusted their outreach strategy because of the inability for in person outreach efforts. Lift To Rise 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. They are now well over 5,000 calls to date. Lift To Rise trained volunteers, including some of the DCE Community Advisory Committee members, preparing them with scripts and FAQs so they could reach out to those that have called in asking for help. Unemployment rates are at unprecedented levels and all of those customers will need financial assistance and likely qualify for the CARE or FERA programs.

The volunteers have done a great job of responding to the many incoming calls they have received from those interested in the CARE/FERA programs. There have been challenges resulting from lack of updated information and incomplete customer information. Many of the folks that call LTR for assistance are unaware that they are already enrolled in the CARE program or they are not the primary name on the account, so it becomes difficult to track down the correct account. Another challenge is when a customer has recently signed up for the CARE program through SCE and then contacts LTR to sign up, but our database does not reflect new enrollees, so LTR is unable to capture the new enrollee. These challenges make LTR's efforts less efficient for obtaining new enrollments.

Enrollments by Southern California Edison: DCE started the Utility Discount (CARE/FERA) Program because researched showed us that the CARE/FERA participation rates in DCE service territory were well below the average percentage range for Riverside County. For several years there was little to no activity from capitation contractors in the Coachella Valley. Since the COVID-19 pandemic began, SCE has aggressively been communicating the availability of financial assistance programs and services to their customers. CARE/FERA programs are on the forefront of some of those campaigns. SCE has implemented a CARE mailing campaign, increased advertising through social media platforms, and launched an email and text campaign. SCE's Corporate Philanthropy group has been reaching out to their constituents, business partners, food banks, etc. to promote the availability of these discount programs. In addition to increased outreach efforts, SCE has existing data-sharing relationships with other governmental agencies who offer programs like Women Infant and Children (WIC) and Food Stamps. Customers that sign up for those programs are automatically enrolled in the CARE or FERA programs. SCE also indicates any calls to their call center from customers asking for financial assistance or that are experiencing a financial burden, are automatically considered for the CARE program.

Because of the unprecedented unemployment rate due to COVID-19, and as a result of SCE's increased efforts with outreach, as well as automatic enrollments through existing aid programs, SCE's enrollment numbers have increased dramatically throughout their service territory. SCE reports enrollments from March 2020 through May 2020 have increased by 250% compared to March 2019 through May 2019. In light of these factors, DCE and LTR believe it will be difficult to reach the target enrollment goals set forth in the contract.

DCE and LTR efforts have already been a success. LTR has enrolled 167 new customers into the CARE program since January 2020. According to the Low Income Oversight Board (LIOB) monthly reports from January 2020 through March 2020, out of 65 capitation contractors covering SCE's entire service territory, LTR has become the second most active capitation contractor.

To illustrate another success of the efforts of LTR and DCE, DCE consultants previously estimated annual savings of \$864 for each new enrollment in the CARE program. The table below shows the annual savings of \$144,288 for those 167 newly enrolled customers. Through May 31, DCE has paid LTR \$84,000 for their services, as specified in the contract. The table below also shows that those customers are saving more each year than what DCE has spent to enroll them. That is a win!

\$ 864.00	estimated annual savings per enrollment			
167	enrollments to date			
\$ 144,288.00	total estimated annual savings to customers			
\$ 84,000.00	cost of LTR services			
\$ 60,288.00	difference			

DCE staff and LTR staff have met to discuss contract goals and have both agreed that termination of the program is the best option at this time. Since the purpose of this program is to increase enrollments in SCE's CARE/FERA programs and because SCE has greatly increased their outreach efforts and enrollments due to the COVID-19 pandemic, this is the best course of action. The Executive Director has discussed the matter with Lift to Rise Executive Director and they have mutually agreed on termination of the contract. DCE can revisit this program in the future, once the COVID-19 pandemic passes. Termination of the program will include removal of contact information about Lift To Rise from the DCE website and future DCE printed materials. Any CARE/FERA questions thereafter will be directed to the capable hands of the DCE customer service call center. If the DCE call center is unable to assist a CARE/FERA customer, they will be prompted to contact SCE's customer service center.

Fiscal Analysis: LTR's contract is for a 2-year fixed amount of \$336,000 plus a \$40 enhanced enrollment incentive for each new enrollment that would be paid to Community Based Organizations or Faith Based Organizations who assisted with new enrollments. Lift to Rise has not requested the enrollment incentive from DCE and, under this mutual termination, will not do so. Termination of the program and contract will save DCE at least \$252,000 .

Item 6D

Desert Community Energy Board June 15, 2020



Staff Report

Subject: **Consideration of Operational Membership in CalCCA**

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

Recommendation: Approve payment of dues to CalCCA for an Operational Membership with annual review by the Board of Directors.

Background: The California Community Choice Association (CalCCA) is a non-profit association with a rapidly growing membership. CalCCA's mission is to create a legislative and regulatory environment that supports the development and long-term sustainability of locally operated Community Choice Aggregation (CCA) electricity providers in California. CalCCA serves members and strengthens a collective voice through education, technical guidance, and regulatory and legislative advocacy. CalCCA represents the interests of CCAs in the legislature and at state regulatory agencies, including the California Public Utilities Commission, California Energy Commission, and California Air Resources Board. The attached summary provides some statements from other CalCCA members and a summary of the benefits of membership (see Attachment 1).

CalCCA's membership is comprised of operating CCA programs in California that are serving load or about to launch. Currently, all 19 CCAs serving customers in California are Operational Members of CalCCA except King City. Operational Members who choose to pay the fixed fee are voting members of the CalCCA Board of Directors. Of the total membership, 13 CCAs having a seat on the Board. For informational purposes only, King City's CCA is different in that all of its functions are run by a single 3rd party. The CalCCA structure is for the CCA to be a member, not a 3rd party.

As an Operational Member, staff could become involved in the CCA committees which cover topics including regulatory, legislative, marketing / communication, and procurement. For streamlining and strategic purposes, many of these committees are not open to consultants or vendors. The Regulatory Committee coordinates activities and allocates resources on numerous proceedings at several California regulatory agencies. With DCE's small staff, having the assistance from CalCCA in tracking regulatory and legislative issues affecting CCAs is an important benefit.

CalCCA Operational Members are given a broad range of benefits, including invitations to exclusive meetings and events, access to summary information about key CCA priorities and initiatives, access to booth and information distribution at CalCCA annual meetings, and event sponsorship opportunities. There are also numerous informational committees that DCE staff can be involved in, all dealing with current CCA topics and issues, and gaining DCE access to a large compilation of CCA developed resources including but not limited to sample agreements, contracts, and regulatory tracking.

In April 2020, the CalCCA Board adopted a total budget of \$3,772,900 (Fiscal Year 2019/2020). The calculation for determining membership dues is:

- Members' FY 2019/2020 Revenue multiplied by 0.1918%
- Cap increased from \$330,000 to \$348,961
- Maintain 3 Fixed Tiers: \$15K, \$30K, \$45K
- CCAs with a revenue of \$50M or less have the option of giving up its seat on the CalCCA Board and will not be charged a fixed fee
- CCAs with a revenue of \$50M or less have the option of joining together and nominating one CCA to the Board which will act on its behalf. The fixed fees will be paid as if for a single member.

DCE's proposed FY 20/21 budget estimates (based on 8% opt-out and 5% opt-down) total DCE revenues for FY21 of approximately \$37.5 million. Using the CalCCA formula, the dues would be \$37.5 million x 0.1918% = \$71,925. Under CalCCA's new methodology, DCE's total annual membership fee would be \$86,925 if we choose to have a seat on the CalCCA board. If DCE chooses not to have a seat on the board, the dues would be \$71,925. Under this scenario the \$15,000 fixed charge is waived, and the annual dues are just the variable component. If DCE joins, CalCCA would invoice DCE quarterly.

DCE became an Affiliate Member of CalCCA with a payment of \$1,500 in 2017. In 2019, CalCCA provided a membership structure that allowed DCE to participate in and receive the benefits of the organization. DCE paid membership dues of \$33,500 in 2019. Once DCE begins to serve customers, CalCCA requires CCAs to become an Operational Member if they want to be a member. In early 2020, CalCCA extended an offer to allow DCE to participate in its Board and committee meetings at no charge until June 2020 to gain insight to the Organization and allow DCE time to determine if the membership dues were worthwhile for the remainder of FY 2019/2020.

Staff recommends that the Board approve membership in CalCCA and authorize the Executive Director to take all actions necessary to pay dues and join this worthwhile organization. Staff also requests that the Board give the Executive Director the flexibility to determine if a voting position on the CalCCA Board is necessary, and to pay dues at the appropriate level based on this determination. As DCE is just initiating operations, the benefits of being actively connected to the other CCAs in California are substantial. CalCCA has recently started a new directors meeting on a monthly basis. Staff has been able to participate and found this opportunity to speak with CCA pros as well as other new members to be extremely beneficial. From the brief time that staff has been participating in a number of CalCCA Committee and Board meetings, staff has been able to gain additional access to policies and advice from the other CCAs. CalCCA is actively engaged with the CPUC and legislature on issues important to DCE. In particular, their work related to SCE's implementation of COVID-19 customer protections is very useful. Staff believes these benefits will be extremely helpful to our success, and thus supports joining CalCCA as an Operational Member for this year. Membership can be reviewed on an annual basis with the Board.

Fiscal Analysis: The DCE Budget for FY 2020/2021 includes an estimate of CalCCA dues of \$100,000. The expected dues amount of \$71,925 to \$86,925, depending on voting membership, is well within the budget estimate.

Attachment:

1. What CalCCA Members Are Saying: CalCCA Summary of Membership Benefits



California Community Choice Association members enjoy a range of benefits including access to meetings and events, information, and resources. Member applications are welcome from active CCA providers and any city/county

What CalCCA members are saying...

Clean Power Alliance

“Through CalCCA, CCAs pool their resources for the needed regulatory and legal services that enable CCAs to effectively participate in relevant state proceedings. Doing so not only reduces costs, but also facilitates vital information sharing, collaboration, and coordination among the CCAs in California.”

Valley Clean Energy Alliance

“CalCCA has been an effective voice in both the regulatory and legislative arenas. For example, CalCCA is leading efforts of CCA’s at the California Public Utilities Commission on the cost of and transparency/accountability related to the Power Charge Indifference Adjustment (PCIA) charge levied on CCA program customers. On the legislative front, CalCCA coordinated and led CCA activities in Sacramento during the legislative sessions in the past several years, successfully countering efforts that could harm CCAs. While the fees represent a significant investment, staff believes they are a prudent and ultimately an economical approach to ensuring that VCEA’s positions are consistently and skillfully represented at the CPUC and California legislature.”

Silicon Valley Clean Energy

“We believe that the value that we obtain from being a member of CalCCA far exceeds the cost and that acting in concert with other CCAs strengthen our ability to influence the legislative and regulatory process.”

MCE

“MCE has been an active and engaged participant in CalCCA since 2016 and has benefited from the organizations ability to provide coordination among CCAs, facilitate collaborative efforts, promote uniform best practices across the state, and provide a stronger and more consistent voice in the regulatory and legislative arena in line with MCE’s strategic plan goals. As it has grown, CalCCA has increased its capacity to provide support to its members and has greatly increased its activity in many areas including regulatory, public relations, and legislative advocacy.”

By joining CalCCA you will...

- Show that you are hands-on in your role and take your work seriously enough to stay on top of high-impact regulatory and policy issues, learn more about the industry, and participate in improving best practices.

- Bring your costs down by participating in joint procurement of energy resources and services, joint regulatory filings, and many other areas where CCAs pool resources.
- Develop professional relationships with key players in the industry, learn best practices, share ideas, have a place to ask and receive answers to critical questions, and share resources.
- Gain mentorship and valuable insights from fellow CCAs in California, both new and long-standing, allowing you to help your program succeed, and avoid pitfalls.
- Have access to members-only meetings and professional development opportunities that will build your knowledge and skills, allowing you to better serve your CCA and community.
- Know who to contract for services based on the experiences of your fellow members.
- Have a respected association lobbying government on your behalf to ensure your interests are protected.
- Stay on top of all relevant news, trends, and developments so you know you won't be left behind.

CalCCA: Why join?

Launching and operating a community choice energy program is no small undertaking and requires extensive planning, coordination, and organization of many moving parts. From rate-setting and power procurement to customer engagement and regulatory compliance, CCAs must navigate a complex and evolving energy landscape that is fraught with challenges and potential pitfalls. While many new CCAs have hired skilled staff and contractors to help operate their programs day-to-day on the local level, there is still a need to plug in to a statewide network that will help to ensure the success of your community's CCA program. CalCCA membership provides:

Expertise

CalCCA is a commanding voice for community choice energy programs in all key legislative and regulatory forums. We represent the interests of our members before the California State Legislature and numerous state and federal regulatory agencies, including the California Air Resources Board, California Energy Commission, the California Public Utilities Commission, and the Federal Energy Regulatory Commission. CalCCA works closely with the California Independent System Operator and participates in key stakeholder initiatives. CalCCA supports legislation and regulatory policies that protect and foster CCAs within the state. We oppose legislation and regulatory policies that unfairly discriminate against CCAs and their customers or reduce CCA policy- or decision-making autonomy. We work with our members to achieve consensus on complex issues, leading to more effective advocacy.

Representation

CalCCA links member CCAs so they can learn from each other and share best practices. Through the sharing of best practices, CCAs can avoid mistakes and reinventing the wheel at each stage of development. CalCCA provides multiple ways for members to connect with each other, including through staff committees, conference calls, in-person meetings, webinars, events, networking opportunities, and topic-specific working groups. We also provide our members with regular opportunities to meet with key policy influencers and energy industry stakeholders.

Connections

We keep our members 'in the know' regarding the latest legislative and policy developments and swiftly provide expert analyses, presentations, talking points, and FAQs to put complex matters into

context. These communication tools are used by our members to raise awareness and answer questions at the local level. The association also has multiple communication vehicles to boost and amplify the achievements of our member CCAs, including our quarterly report, news clip service, info sheets, and website/social media, webinars, all of which reach policymakers, industry stakeholders, media, and the general public.

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
UNAUDITED BALANCE SHEET
FROM JULY 1, 2019 TO APRIL 30, 2020

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
River City Bank			
- Operating Account	0.00	95,043.11	95,043.11
- Money Market Account	2,837,898.01	0.00	2,837,898.01
- ICS Account	1,306,818.35	0.00	1,306,818.35
- Lockbox Account	0.00	39.95	39.95
Total Cash	4,144,716.36	95,083.06	4,239,799.42
Due From Other Funds	197,944.52	0.00	197,944.52
Accounts Receivable			
- Southern California Edison	0.00	3,738.13	3,738.13
- The Energy Authority	0.00	3,190.93	3,190.93
Total Accounts Receivable	0.00	6,929.06	6,929.06
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	4,942,660.88	102,012.12	5,044,673.00
<u>LIABILITIES</u>			
Accounts Payable			
- The Energy Authority	0.00	1,141,564.75	1,141,564.75
- Donald D. Dame	0.00	0.00	0.00
- White Rabbit Group	2,530.00	0.00	2,530.00
Total Accounts Payable	2,530.00	1,141,564.75	1,144,094.75
Due To Other Funds	0.00	197,944.52	197,944.52
Taxes Payable			
Utility Users Tax		178.83	178.83
Electric Energy Surcharge		13.45	13.45
Total Taxes Payable		192.28	192.28
TOTAL LIABILITIES	2,530.00	1,339,701.55	1,342,231.55
<u>FUND BALANCE</u>			
Fund Balance	4,940,130.88	(1,237,689.43)	3,702,441.45
TOTAL LIABILITIES AND FUND BALANCE	4,942,660.88	102,012.12	5,044,673.00

ITEM 7B

DESERT COMMUNITY ENERGY
UNAUDITED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FROM JULY 1, 2019 TO APRIL 30, 2020

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Electricity Sales	0.00	3,581.80	3,581.80
Other Revenue	0.00	95,738.88	95,738.88
Investment Income	70,269.01	0.00	70,269.01
TOTAL REVENUES	<u>70,269.01</u>	<u>99,320.68</u>	<u>169,589.69</u>
<u>EXPENDITURES</u>			
Cost of Electricity			
Electricity Purchase	0.00	718,960.00	718,960.00
Low Carbon Settlement	0.00	268,800.00	268,800.00
Market Charges	0.00	71,432.25	71,432.25
Total Cost of Electricity	0.00	1,059,192.25	1,059,192.25
Accounting / Bank Services	1,161.38		1,161.38
Legal Services	0.00		0.00
Professional Services			
- LSL, CPAs	8,750.00	0.00	8,750.00
- Lift to Rise	56,000.00	0.00	56,000.00
- Southern California Edison	10,322.90	0.00	10,322.90
Total Professional Services	75,072.90	0.00	75,072.90
Consultants			
- Donald D. Dame	8,170.75	481.25	8,652.00
- The Energy Authority		82,372.50	82,372.50
- White Rabbit Group	4,730.00	0.00	4,730.00
Total Consultants	12,900.75	82,853.75	95,754.50
Outreach			
- Burke Rix Communications	0.00	98,524.80	98,524.80
- PersonifyPro	0.00	4,159.94	4,159.94
- Heslin Cinematic	0.00	2,209.00	2,209.00
- BFG LLC (Gay Desert Guide)	0.00	20,000.00	20,000.00
Total Outreach	0.00	124,893.74	124,893.74
Postage			
- Ace Printing	0.00	41,895.98	41,895.98
Total Printing	0.00	41,895.98	41,895.98
Printing			
- Ace Printing	0.00	28,174.39	28,174.39
Total Printing	0.00	28,174.39	28,174.39
TOTAL EXPENDITURES	<u>89,135.03</u>	<u>1,337,010.11</u>	<u>1,426,145.14</u>
Excess of Revenues over Expenditures	(18,866.02)	(1,237,689.43)	(1,256,555.45)
Fund Balance - Beginning of the Year	4,958,996.90	0.00	4,958,996.90
Fund Balance - End of the Year	4,940,130.88	(1,237,689.43)	3,702,441.45

ITEM 7B

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
FROM JULY 1, 2019 TO APRIL 30, 2020

ASSETS

River City Bank		
- Operating Account	95,043.11	
- Money Market Account	2,837,898.01	
- ICS Account	1,306,818.35	
- Lockbox Account	39.95	
Total Cash		4,239,799.42
Accounts Receivable		
- Southern California Edison	3,738.13	
- The Energy Authority	3,190.93	
Total Accounts Receivable		6,929.06
Deposits/Bonds		600,000.00
TOTAL ASSETS		4,846,728.48

LIABILITIES

Accounts Payable		
- The Energy Authority	1,141,564.75	
- White Rabbit Group	2,530.00	
Total Accounts Payable		1,144,094.75
Taxes Payable		
Utility Users Tax- Palm Springs	178.83	
Electric Energy Surcharge (CDTFA)	13.45	
Total Taxes Payable		192.28
TOTAL LIABILITIES		1,144,287.03

FUND BALANCE

Fund Balance		3,702,441.45
TOTAL LIABILITIES AND FUND BALANCE		4,846,728.48

REVENUES

Electricity Sales		3,581.80
Carbon Free	3,180.06	
Carbon Free- CARE/FERA	291.22	
Desert Saver	18.33	
NEM- Carbon Free	92.19	
Other revenue		95,738.88
Investment Income		70,269.01
TOTAL REVENUES		169,589.69

EXPENDITURES

Cost of Electricity		
Electricity Purchase	718,960.00	
Low Carbon Settlement	268,800.00	
Market Charges	71,432.25	
Total Cost of Electricity		1,059,192.25
Accounting / Bank Services		1,161.38
Legal Services		0.00
Professional Services		75,072.90
Consultants		95,754.50
Outreach		124,893.74
Postage		41,895.98
Printing		28,174.39
Registrations/Memberships		0.00
Interest Expense		0.00
TOTAL EXPENDITURES		1,426,145.14

Excess of Revenues over Expenditures		(1,256,555.45)
Fund Balance - Beginning of the Year		4,958,996.90
Fund Balance - End of the Year		3,702,441.45

ITEM 7B
DESERT COMMUNITY ENERGY
UNAUDITED BALANCE SHEET
FROM JULY 1, 2019 TO MAY 31, 2020

	<u>GENERAL</u>		<u>PALM SPRINGS</u>		<u>TOTAL</u>
<u>ASSETS</u>					
River City Bank					
- Operating Account	0.00		38,323.10		38,323.10
- Money Market Account	1,530,375.38		0.00		1,530,375.38
- ICS Account	1,308,711.13		0.00		1,308,711.13
- Lockbox Account	0.00		437,006.97		437,006.97
Total Cash		2,839,086.51		475,330.07	3,314,416.58
Due From Other Funds		1,491,938.07		0.00	1,491,938.07
Accounts Receivable					
- Southern California Edison	0.00		1,871,017.48		1,871,017.48
- The Energy Authority	0.00		0.00		0.00
Total Accounts Receivable		0.00		1,871,017.48	1,871,017.48
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		4,931,024.58		2,346,347.55	7,277,372.13
<u>LIABILITIES</u>					
Accounts Payable					
- Calpine Energy Solutions	0.00		38,681.40		38,681.40
- The Energy Authority	0.00		1,109,793.01		1,109,793.01
- Donald D. Dame	0.00		0.00		0.00
- White Rabbit Group	2,530.00		0.00		2,530.00
Total Accounts Payable		2,530.00		1,148,474.41	1,151,004.41
Due To Other Funds		0.00		1,491,938.07	1,491,938.07
Taxes Payable					
Utility Users Tax			103,815.74		103,815.74
Electric Energy Surcharge			9,247.60		9,247.60
Total Taxes Payable				113,063.34	113,063.34
TOTAL LIABILITIES		2,530.00		2,753,475.82	2,756,005.82
<u>FUND BALANCE</u>					
Fund Balance		4,928,494.58		(407,128.27)	4,521,366.31
TOTAL LIABILITIES AND FUND BALANCE		4,931,024.58		2,346,347.55	7,277,372.13

ITEM 7B

DESERT COMMUNITY ENERGY
UNAUDITED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FROM JULY 1, 2019 TO MAY 31, 2020

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Electricity Sales	0.00	2,194,957.11	2,194,957.11
Other Revenue	0.00	199,854.48	199,854.48
Investment Income	74,639.16	0.00	74,639.16
TOTAL REVENUES	<u>74,639.16</u>	<u>2,394,811.59</u>	<u>2,469,450.75</u>
<u>EXPENDITURES</u>			
Cost of Electricity			
Electricity Purchase	0.00	1,710,960.00	1,710,960.00
Low Carbon Settlement	0.00	268,800.00	268,800.00
Market Charges	0.00	351,736.09	351,736.09
Total Cost of Electricity	<u>0.00</u>	<u>2,331,496.09</u>	<u>2,331,496.09</u>
Accounting / Bank Services	1,274.33		1,274.33
Legal Services	0.00		0.00
Professional Services			
- LSL, CPAs	8,750.00	0.00	8,750.00
- Lift to Rise	70,000.00	0.00	70,000.00
- Southern California Edison	10,322.90	0.00	10,322.90
Total Professional Services	<u>89,072.90</u>	<u>0.00</u>	<u>89,072.90</u>
Consultants			
- Donald D. Dame	10,064.25	904.75	10,969.00
- Calpine Energy Solutions	0.00	38,681.40	38,681.40
- The Energy Authority	0.00	200,001.25	200,001.25
- White Rabbit Group	4,730.00	0.00	4,730.00
Total Consultants	<u>14,794.25</u>	<u>239,587.40</u>	<u>254,381.65</u>
Outreach			
- Burke Rix Communications	0.00	117,740.69	117,740.69
- PersonifyPro	0.00	4,159.94	4,159.94
- Heslin Cinematic	0.00	2,209.00	2,209.00
- BFG LLC (Gay Desert Guide)	0.00	20,000.00	20,000.00
Total Outreach	<u>0.00</u>	<u>144,109.63</u>	<u>144,109.63</u>
Postage			
- Ace Printing	0.00	53,468.01	53,468.01
Total Printing	<u>0.00</u>	<u>53,468.01</u>	<u>53,468.01</u>
Printing			
- Ace Printing	0.00	33,278.73	33,278.73
Total Printing	<u>0.00</u>	<u>33,278.73</u>	<u>33,278.73</u>
TOTAL EXPENDITURES	<u>105,141.48</u>	<u>2,801,939.86</u>	<u>2,907,081.34</u>
Excess of Revenues over Expenditures	(30,502.32)	(407,128.27)	(437,630.59)
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>4,928,494.58</u>	<u>(407,128.27)</u>	<u>4,521,366.31</u>

ITEM 7B

**DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
FROM JULY 1, 2019 TO MAY 31, 2020**

ASSETS

River City Bank		
- Operating Account	38,323.10	
- Money Market Account	1,530,375.38	
- ICS Account	1,308,711.13	
- Lockbox Account	437,006.97	
Total Cash		3,314,416.58
Due From Other Funds		
Accounts Receivable		
- Southern California Edison	1,871,017.48	
- The Energy Authority	0.00	
Total Accounts Receivable		1,871,017.48
Deposits/Bonds		600,000.00
TOTAL ASSETS		5,785,434.06

LIABILITIES

Accounts Payable		
- Calpine	38,681.40	
- The Energy Authority	1,109,793.01	
- White Rabbit Group	2,530.00	
Total Accounts Payable		1,151,004.41
Due To Other Funds		
Taxes Payable		
Utility Users Tax- Palm Springs	103,815.74	
Electric Energy Surcharge (CDTFA)	9,247.60	
Total Taxes Payable		113,063.34
TOTAL LIABILITIES		1,264,067.75
FUND BALANCE		
Fund Balance		4,521,366.31
TOTAL LIABILITIES AND FUND BALANCE		5,785,434.06

REVENUES

Electricity Sales		2,194,957.11
Carbon Free	1,906,203.84	
Carbon Free- CARE/FERA	260,982.86	
Desert Saver	29,397.17	
NEM- Carbon Free	(1,626.76)	
Other revenue		199,854.48
Investment Income		74,639.16
TOTAL REVENUES		2,469,450.75

EXPENDITURES

Cost of Electricity		
Electricity Purchase	1,710,960.00	
Low Carbon Settlement	268,800.00	
Market Charges	351,736.09	
Total Cost of Electricity		2,331,496.09
Accounting / Bank Services		1,274.33
Legal Services		0.00
Professional Services		89,072.90
Consultants		254,381.65
Outreach		144,109.63
Postage		53,468.01
Printing		33,278.73
Registrations/Memberships		0.00
Interest Expense		0.00
TOTAL EXPENDITURES		2,907,081.34
Excess of Revenues over Expenditures		(437,630.59)
Fund Balance - Beginning of the Year		4,958,996.90
Fund Balance - End of the Year		4,521,366.31

ITEM 7C

Desert Community Energy Board June 15, 2020



Staff Report

Subject: **Formation of a Regional Energy Network**

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

Recommendation: Information only.

Background: At their June meeting, the CVAG Executive Committee approved a cooperative cost sharing agreement to form an Inland Empire Regional Energy Network (REN), with Western Riverside Council of Governments and San Bernardino Council of Governments. Board member Jonathan asked that an explanation of this program and its relationship to Desert Community Energy be placed on the DCE agenda. This staff report summarizes the REN program and how it might compliment DCE activities.

Regional Energy Networks (REN's) are a pilot program approved in 2012 and overseen by the CPUC to supplement and enhance the energy efficiency support provided to local governments. The CPUC's intent is for RENs to undertake programs that the Investor Owned Utilities (IOUs), cannot or do not intend to do. Existing RENs work with the utilities to ensure their programs do not overlap. RENs can target hard to reach areas, low-income customers, and design programs that have the potential to be scaled to larger geographic areas. Additionally, the CPUC directed the RENs to address the areas of Workforce Education & Training, technology development, and Water – Energy Nexus. The REN program is funded through public goods charges collected from customers of IOUs including Southern California Edison and SoCal Gas. The public goods charge funds available for RENs are separate from other “pots of money” used to fund energy efficiency programs through the CPUC. Participating in a REN would not compete with the potential to apply for other programs funded through the public goods charge (e.g. local government partnerships, Community Choice Aggregation agencies).

In 2018, CVAG learned that funding sources from the CPUC for Local Government Partnerships and energy efficiency programs would be phased out and its ten-year Desert Cities Energy Partnership funding would be going away. The Desert Cities Energy Partnership ended in December 2019. Because of the loss of funding, CVAG, Western Riverside Council of Governments (WRCOG), and San Bernardino Council of Governments (SBCOG) began collaborating to discuss the possibility of creating a new joint REN for the Inland Empire to fill some of the gaps in funding for energy efficiency programs and to better service the Riverside County and San Bernardino County jurisdictions. Regional Energy Networks are becoming a viable model that many local governments are looking towards to replicate and implement within their service territory to continue providing energy efficiency support to their communities.

SoCal REN was one of the first REN's to begin servicing customers and reaching out to local governments to see if those cities had energy projects they needed help with. In 2015, CVAG provided outreach to our member agencies about SoCalREN through the Desert Cities Energy Partnership. Ultimately, SoCalREN worked with the City of Rancho Mirage to perform energy audits on their municipal buildings to determine what measures would benefit them. The projects the City of Rancho Mirage chose to improve on were street lighting replacements for 200 fixtures,

a boiler replacement at their City Hall building, and two variable speed pumps for their Housing Authority. After their assessments, SoCalREN assisted the City of Rancho Mirage by completing some energy use assessments, providing technical assistance, and filling out incentive forms for the rebates on those projects. The costs to install more efficient streetlights, pumps, and the boiler were covered by the City of Rancho Mirage. No other projects in CVAG's jurisdiction were completed by SoCal REN after that.

To initiate formation of the Inland Empire REN, WRCOG, CVAG, and SBCOG cooperatively funded hiring a consultant to aid with the planning and development of a business plan for a Regional Energy Network. Frontier Energy, Inc. partnered with BluePoint Planning has been working with our three agencies to guide us through the process of developing a business plan to submit to the CPUC for a REN program that will provide our communities with the best benefits through energy efficiency programs. It was decided that the new REN should begin with its focus on two specific areas, 1) the public sector (including city facilities) and 2) Workforce, Education & Training.

It is estimated that the time to complete the CPUC application and approval process is a year or more. A draft Business Plan is in preparation and will be submitted before September 2020. The business plan explains the ideas of the new REN and describes which sectors it plans on targeting. As part of the process, on May 14, 2020 the business plan was presented to the California Energy Efficiency Coordinating Committee (CAEECC) for comments before being submitted to the CPUC for consideration. The CAEECC is a venue for stakeholders to discuss energy efficiency matters transparently. If the business plan is approved, phase 2 begins with the development of an implementation plan, which is then submitted to the CPUC for final approval and assignment of a budget. The current estimate is that our new REN will have an annual budget between \$5-10 million dollars.

Several Regional Energy networks overlap with the territories of Community Choice Aggregation programs. The Bay Area Regional Energy Network, which is run by the Association of Bay Area Governments, collaborates with Marin Clean Energy on projects. Marin Clean Energy and BayREN actively coordinate their efforts to avoid duplication and overlap of programs and to leverage resources. Lancaster Clean Energy (LCE) works with SoCalREN which seeks to achieve high levels of energy savings by providing services to residents, businesses, and public agencies throughout the areas served by SCE and SoCalGas, including LCE customers. A benefit of the REN program is it brings additional resources to the region it serves, over and above what is available through the IOUs. Programs can be tailored to the needs of the local communities. The Inland Empire REN will involve the cities in the CVAG region in SCE territory for electricity programs and all cities served by SoCalGas for programs to promote natural gas savings. CVAG will continue to lead this effort for the benefit of all cities within its jurisdiction. Staff expects there to be opportunities for collaboration and leveraging of resources between DCE and the new Regional Energy Network.

Fiscal Analysis: No fiscal impact.