

ATTENTION: DCE VOTING MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL. PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.



DESERT COMMUNITY ENERGY BOARD MEETING AGENDA

**Monday, October 19, 2020
2:30 p.m.**

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

INSTRUCTIONS FOR PUBLIC PARTICIPATION

Online:

<https://us02web.zoom.us/j/86244776087?pwd=WkNFT25ESXZ2L3J6c3NkUGN6VWg0UT09>

Passcode: 264314

One tap mobile:

US: +16699009128,,86244776087#

By Phone:

Dial In #: +1 669 900 9128

Webinar ID: 862 4477 6087

Passcode: 264314

This will provide listening access and ability to address the DCE Board when called upon.

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127

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 September 21, 2020

[P5](#)

B. Authorize the Executive Director to sign a Client Ad-Hoc Request Agreement with Calpine Energy Solution to develop and implement a web-based bill comparison tool for a not-to-exceed amount of \$28,000, and authorize the Executive Director and/or Legal Counsel to make clarifying changes prior to execution

[P8](#)

C. Approve Amendment No. 1 to Task Order 4 with The Energy Authority, authorizing additional work on the 2020 Integrated Resource Plan, as required by the California Public Utilities Commission, for an amount not to exceed \$5,000

[P14](#)

D. Authorize the DCE Chair and/or Executive Director to sign letters of support for CalCCA's request for changes to the Power Charge Indifference Adjustment (PCIA)

[P17](#)

6. DISCUSSION / ACTION

A. Election of DCE Officers – Tom Kirk

[P24](#)

Recommendation: Elect a Desert Community Energy Chair and Vice Chair for Fiscal Year 2020/2021

B. Update on Recent Power Market Events and Impact on DCE – Jaclyn Harr, The Energy Authority

Recommendation: Information

C. Revenue Stabilization Mechanisms – Don Dame, DCE Energy Consultant [P25](#)

Recommendation: Information

D. Update on DCE Post-Launch Activities – Katie Barrows [P28](#)

Recommendation: Information

7. INFORMATION

A. Attendance Record [P31](#)

B. Unaudited Financial Report for July 1 to September 30, 2020 [P32](#)

C. Executive Director Spending Authority [P35](#)

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

The next regular DCE meeting is scheduled for November 16, 2020 at 2:30 p.m. via Zoom.

10. ADJOURN

Item 2A

Desert Community Energy Board Member Roster	
Voting Members	Representative
City of Cathedral City	Mayor John Aguilar, Vice Chair <i>Alternate: Councilmember 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 Members	Representative
City of Desert Hot Springs	-
DCE Staff	
Tom Kirk, Executive Director	
Katie Barrows, Director of Energy & Environmental Resources	
Benjamin Druyon, Management Analyst	
Valdemar Galeana, Accounting Manager	
Erica Felci, Assistant to the Executive Director	
Trisha Stull, Program Assistant II	

ITEM 5A

Desert Community Energy Board

Meeting Minutes

September 21, 2020

2:30 pm

Held via Zoom videoconference



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, City of Palm Springs, at 2:31 p.m. via Zoom meeting, which was pursuant to Gov. Newsom's executive order governing how meetings are held during the COVID-19 pandemic.

2. ROLL CALL

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

Members Present

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

Agency

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

DCE Staff & Consultants

Katie Barrows
Benjamin Druyon
Trisha Stull
Joanna Stueckle
Valdemar Galeana
Erica Felci
Jaclyn Harr
Jeff Fuller
Don Dame

DCE
DCE
DCE
DCE
DCE
DCE
The Energy Authority
The Energy Authority
Energy Consultant

Others Present

David Freedman
Kim Floyd
Lindsay Busk
Jeff Godtland

Community Advisory Committee
Community Advisory Committee

3. PUBLIC COMMENTS ON AGENDA ITEMS

There were no public comments made.

4. BOARD MEMBER / DIRECTOR COMMENTS

There were no board member or director comments made.

5. CONSENT CALENDAR

The members addressed the consent calendar items with separate motions.

A. Approve Minutes from Board Meetings of August 17, 2020

IT WAS MOVED BY MAYOR AGUILAR AND SECONDED BY COUNCILMEMBER JONATHAN TO APPROVE THE BOARD MEETING MINUTES OF AUGUST 17, 2020.

THE MOTION CARRIED WITH 3 AYES.

Mayor Aguilar	Aye
Councilmember Jonathan	Aye
Mayor Kors	Aye

B. Authorize the Executive Director to process the Financial Security Requirement payment to California Public Utilities Commission for a total amount of \$147,000 ensuring it is paid within 30 days of the approval of CPUC Resolution E-5059.

A brief member discussion ensued to clarify the action being taken.

IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR AGUILAR TO AUTHORIZE THE EXECUTIVE DIRECTOR TO PROCESS THE FINANCIAL SECURITY REQUIREMENT PAYMENT TO CALIFORNIA PUBLIC UTILITIES COMMISSION FOR A TOTAL AMOUNT OF \$147,000 ENSURING IT IS PAID WITHIN 30 DAYS OF THE APPROVAL OF CPUC RESOLUTION 3-5059.

THE MOTION CARRIED WITH 3 AYES.

Mayor Aguilar	Aye
Councilmember Jonathan	Aye
Mayor Kors	Aye

6. DISCUSSION / ACTION

A. Presentation on recent heatwave and its impact on DCE and other utilities

Jaclyn Harr of The Energy Authority discussed the financial impacts of the recent heatwave. Don Dame, an energy consultant for DCE, provided an overview of general financial principals. Member discussion ensued.

No action was taken as this was an informational item.

B. DCE Long Term Renewable Energy Procurement

Ms. Harr presented the staff report and explained need to adjust the scope of contract negotiations for DCE's Long Term Renewable Energy Procurement.

IT WAS MOVED BY MAYOR AGUILAR AND SECONDED BY COUNCILMEMBER JONATHAN TO AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE ACTIONS TO ADJUST THE SCOPE OF CONTRACT NEGOTIATIONS FOR DESERT COMMUNITY ENERGY'S LONG TERM RENEWABLE ENERGY PROCUREMENT AS MAY BE NECESSARY TO MEET COMPLIANCE REQUIREMENTS AND RENEWABLE ENERGY GOALS, WITH FINAL CONTRACTS TO BE APPROVED BY DCE BOARD AT A FUTURE MEETING.

THE MOTION CARRIED WITH 3 AYES.

Mayor Aguilar

Councilmember Jonathan

Mayor Kors

Aye

Aye

Aye

C. Update on DCE Post-Launch Activities

Ms. Barrows presented an update on DCE's post-launch activities. No action was taken.

7. INFORMATION

A. Attendance Record

B. Unaudited Financial Report for July 1 to August 31, 2020

C. Letter outlining the Planned Scope and Timing of the Audit for Fiscal year Ended June 30, 2020

D. Utility Discount (CARE/FERA) Program Update

E. Recent opinion article from San Francisco Chronicle

These items were placed on the agenda for the Board's information.

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

There were no public comments made on non-agenda items.

9. ANNOUNCEMENTS

The next DCE Board meeting will be held on October 19, 2020 at 2:30 p.m. via Zoom videoconference.

10. ADJOURN

The meeting was adjourned at 3:24 p.m.

Respectfully submitted,

Trisha Stull

Desert Community Energy Board
October 19, 2020



STAFF REPORT

Subject: **Creation of an Online Bill Comparison Tool**

Contact: Valdemar Galeana, Accounting Manager, vgaleana@cvag.org

Recommendation: Authorize the Executive Director to sign a Client Ad-Hoc Request Agreement with Calpine Energy Solution to develop and implement a web-based bill comparison tool for a not-to-exceed amount of \$28,000, and authorize the Executive Director and/or Legal Counsel to make clarifying changes prior to execution.

Background: Since the April launch of DCE in the City of Palm Springs, DCE staff has received a number of inquiries from customer asking about how their bill would compare with the other DCE program or with Southern California Edison (SCE). DCE staff sees a benefit in creating a web-based tool that will allow individual customers to perform an estimated bill comparison showing the expected cost of receiving electricity service through DCE's programs versus SCE, based on user-defined values for any particular month and rate. The bill comparison tool will estimate charges for CCA and SCE generation, SCE delivery charges, as well as the Power Charge Indifference Adjustment (PCIA), which is also known as the "exit fee."

Many CCA's have shown interest in offering a bill comparison tool to their customers, given that pricing and billing are one of the main concerns for customers. Currently, Clean Power Alliance – located in Los Angeles and Ventura Counties – is offering an online tool to its approximately 1 million existing customers. According to their reports, approximately 0.5% of its eligible customer base is using this tool. Staff at Clean Power Alliance has expressed the value of this tool in making it easier for customers to compare rates and understand their bill. In western Riverside County, Western Community Energy is expecting to begin offering a bill comparison tool developed by Calpine later this year.

Fiscal Analysis: Staff is recommending an agreement for \$28,000 with Calpine in order to create this tool. The price of this project includes a one-time cost setup fee of \$18,000, plus a yearly maintenance fee of \$10,000.

This contract is not linked to the scope of services outlined in the Master Services Agreement already in place between DCE and Calpine. The amount to be paid to Calpine Energy Solutions was considered from the consulting line item of the DCE FY 20/21 budget.

Client Ad-Hoc Request Agreement

Request Type: ☒ Project ☐ Custom Rate Design

Client: Desert Community Energy (DCE)

Client Request: Bill Comparison Web Tool

I. Overview

i. Project Purpose:

DCE is interested in making available to its customers a web-based tool that will allow individual customers to perform, on a self-serve basis, an estimated bill comparison showing the expected cost of receiving electricity service through DCE's CCA program versus Southern California Edison (SCE), based on user-defined values for any particular month and rate. The bill comparison tool will estimate charges for CCA and SCE generation, PCIA, and SCE delivery charges.

ii. Current Functionality: (if applicable)

Currently, any bill comparisons requested by DCE customers are performed manually by Calpine Energy Solutions' Contact Center Agents, Calpine Energy Solutions Account Team or by DCE Staff in the event customers contact them directly. Calpine Energy Solutions Account Team members provide support for DCE staff on an as needed, manual basis for generation and PCIA components only.

iii. Proposed Functionality

DCE would like Calpine Energy Solutions to make available an instance of its Bill Comparison web tool for DCE to publish via its website.

iv. Scope

The following section outlines the scope of the project.

In-Scope:

- Calpine Energy Solutions will setup and deploy an instance of its Bill Comparison web tool for DCE.
- The tool will provide end-users the ability to perform bill comparisons showing the estimated cost of electricity service under the DCE-offered programs and the corresponding SCE base program, including SCE delivery charges, based on user-defined values for any particular usage month and rate.
- The tool will include the following DCE rates (if applicable):
 - D-CARE
 - D-CARE MED BSLN
 - D-CARE-SDP

- D-FERA
- D-SDP
- DOMESTIC
- DOMESTIC MED BSLN
- TOU-D-4
- TOU-D-5
- TOU-D-A
- TOU-D-B
- TOU-EV-1
- TOU-GS-1-A
- TOU-GS-1-B
- TOU-GS-1-D
- TOU-GS-1-E
- TOU-GS-2-B
- TOU-GS-2-D
- TOU-GS-2-E
- TOU-GS-2-R

- Branding for DCE colors, fonts, and logo is included.

Out-of-Scope:

- NEM rate comparisons.
- Demand response rate comparisons.
- Any rates not currently listed above as in-scope.
- Any changes to existing functionality.
- Any changes to existing design beyond the branding items noted above as in-scope.

II.Functional Requirements

i. The requirements for the Bill Comparison web tool are as follows:

REQ-01

Calpine Energy Solutions will setup an instance of its Bill Comparison tool for use by DCE.

REQ-02

Calpine Energy Solutions will configure the Bill Comparison tool with the DCE Desert Saver and Carbon Free generation rates as listed above in the in-scope section of this document.

REQ-03

Calpine Energy Solutions will deploy the Bill Comparison tool onto a Calpine Energy Solutions hosted production server, allowing DCE to make the tool available to its customers on its own website, with any additional information WCE desires.

REQ-04

Calpine Energy Solutions will periodically update both DCE and IOU rates within the Bill Comparison database as follows:

- DCE generation rates will be updated in the tool within one month after they have been updated in Calpine Energy Solutions' billing system per the terms of the Master Services Agreement
- SCE rates will be updated within one month of an SCE rate change

REQ-05

Calpine Energy Solutions performs, as needed, maintenance to ensure the Bill Comparison tool remains operational.

ii. Assumptions and Risks

Assumptions:

- DCE will provide two buttons or links on its website that will direct users to the Calpine Energy Solutions provided link to the Bill Comparison web tool. One link will be for the Residential comparison tool and the other for the Commercial comparison tool.
- Large commercial and industrial customers will still need to contact Calpine Energy Solutions contact center or DCE staff for rate comparisons, adhering to the current escalation protocols.

Risks:

- Due to the timing of when DCE changes rates and when SCE changes rates, as well as when the tool is updated with the corresponding rates, customers may obtain results that do not reflect the rates currently in effect for DCE and/or SCE.

III. Estimate of Hours & Costs

I. Pricing

This request falls outside the scope of services outlined in the Master Services Agreement between DCE and Calpine Energy Solutions, as such, pricing is being provided for this discrete effort as follows.

Setup Phase	Description
Setup, Configuration, and Deployment – Req. 01, 02, and 03	Setup a new instance of Calpine Energy Solutions’ Bill Comparison web tool for DCE, configure the tool to include DCE’s generation rates, and deploy the tool to a production environment whereby DCE can make it available to its customers via its own website.
Total One-Time Cost	\$18,000

Operational Phase	Description
Operational Maintenance – Req. 04 and 05	Ongoing maintenance including: <ul style="list-style-type: none">• DCE rate updates• IOU rate updates• Bill Comparison tool software updates and maintenance
Recurring Yearly Cost	\$10,000

IV. Approvals

The approval and sign-off below denote that the project requirements have been accurately and completely documented in this Requirements Specification. Changes to the requirements subsequent to this sign-off may alter the scope, timeline and cost of the project, and will require a project change request form to be completed.

Calpine		Date:	
DCE		Date:	

V. Appendices (if applicable)

Appendix I: Revision History

Appendix II: Operational Maintenance

Appendix I

Revision History

This appendix should be used to capture any changes or modifications that occur after sign-off of this Request Agreement. Any revisions should be detailed below and will not be considered final until both Calpine and client have provided sign-off. Any revisions may impact the development timeline and may be subject to additional fees. Additional fees should be captured in Appendix II.

Date	Revision Request Detail	Sign-Off	
		Client	
		Calpine	

Item 5C

Desert Community Energy Board October 19, 2020



Staff Report

Subject: Additional Work Required for DCE's 2020 Integrated Resource Plan

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

Recommendation: Approve Amendment No. 1 to Task Order 4 with The Energy Authority, authorizing additional work on the 2020 Integrated Resource Plan, as required by the California Public Utilities Commission, for an amount not to exceed \$5,000

Background: The Integrated Resource Plan (IRP) is a requirement for all load serving entities including DCE and other community choice aggregation programs. A focus of the IRP is to ensure that DCE is providing enough energy to serve DCE's load and to quantify greenhouse gas emissions reduction objectives. The significance of the IRP process and coordination of this statewide planning effort has gained more significance as energy resources have been strained during recent heat events.

In May 2020, the DCE Board approved Task Order 4 with The Energy Authority (TEA) for preparation and completion of DCE's 2020 IRP. TEA has a direct contract with MRW & Associates, LLC. MRW prepared the 2018 DCE Integrated Resource Plan which was well received by the CPUC and held up as an example for other CCAs. The next IRP will be prepared in 2022; staff anticipates a competitive request for proposals process for a consultant to complete the 2022 DCE IRP.

The DCE Board approved the IRP at the August 2020 meeting, and it was submitted to the CPUC before the September 1 deadline. Prior to submittal of the IRP, the California Public Utilities Commission (CPUC) added last minute changes that required additional work by MRW to meet the requirements. Since the IRP was submitted, the CPUC has reviewed DCE's IRP and requested minor revisions, which had to be submitted within a week of the notice. Staff is anticipating that the CPUC will likely have additional revisions and information requests before the DCE IRP is accepted.

Fiscal Impact: In anticipation of additional revisions or data requests from the CPUC, staff is recommending an amendment to the not-to-exceed budget of \$50,000 that authorizes up to \$5,000 for this additional work. It is anticipated that the need for additional work will be much less. However, the requests from the CPUC often require a short turnaround to provide the response.

The additional work required by the CPUC resulted in expenses from MRW of \$1,731.50 to complete work necessary for the final submittal. Since submittal, MRW made revisions at a cost of \$274.50. These expenses total \$2,006 to date.

Any additional work by MRW will be authorized by the Executive Director before it is completed. MRW and TEA have reviewed and agreed to this amendment.

Attachment:

1. Amendment 1 to TEA Task Order 4 for Integrated Resource Plan Services

Amendment No. 1 to Task Order 4

This **Amendment No. 1 to Task Order 4** (“Amendment No. 1”) is entered into effective as of the 19th day of October, 2020 (the “Amendment No. 1 Effective Date”), subject to the terms and conditions of the Resource Management Agreement (“RMA”) dated January 22, 2018 and Task Order 4 (“Task Order 4”) dated May 22, 2020, between **The Energy Authority, Inc.** (“TEA”), and **Desert Community Energy** (“DCE”). TEA and DCE are sometimes referred to herein individually as a “Party,” or collectively as the “Parties.” Capitalized terms used, which are not defined herein, shall have the meanings ascribed to them in the RMA and Task Order 4.

Recitals

WHEREAS, the Parties have previously entered into the RMA and Task Order 4;

WHEREAS, on February 21, 2020, the California Public Utilities Commission (“CPUC”) pursuant to Senate Bill 350, established a new Rulemaking (R. 16-02-007) addressing the Integrated Resource Planning requirements of the statute;

WHEREAS, Section 2.1 of the RMA provides that TEA shall provide services to DCE as described in one or more task orders to be executed by the Parties and incorporated as part of the RMA;

WHEREAS, Section 2.0 of Task Order 4 to the RMA, approved by DCE on May 22, 2020, provides that TEA, through MRW & Associates, LLC (MRW) shall prepare the 2020 Integrated Resource Plan that will meet CPUC requirements, as well as provide a planning document and guide for DCE to follow;

WHEREAS, the approval of Task Order 4 by the DCE Board was for an amount not to exceed \$50,000;

WHEREAS, the Parties have previously entered into Task Order 4; and

WHEREAS, the Parties wish to further amend Task Order 4, as hereinafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties agree to amend Task Order 4, as follows:

Terms and Conditions

1. Amendment 1 to Task Order 4.

The following is hereby added to the end of Section 3 (Compensation for Services):

“As of the Amendment No. 1 Effective Date, professional fees for this Task Order 4 are amended from a not to exceed amount of \$50,000 to a not to exceed amount of \$55,000 to allow for additions, revisions, data requests, and other requirements of the CPUC. The additional \$5,000 in expenses will be billed on an hourly basis at the MRW professional rates and itemized on a monthly invoice as such Services are performed. Services provided under this Amendment No. 1 will require advance approval of the DCE executive director.”

2. Representations.

Each Party agrees that all representations made by it pursuant to Task Order 4 and this Amendment No. 1 are true and accurate as of the Amendment No. 1 Effective Date.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to be executed by their respective authorized representatives to be effective as of the date first above written.

THE ENERGY AUTHORITY, INC.

DESERT COMMUNITY ENERGY

By: _____
Name: Joanie C. Teofilo
Title: President and CEO

By: _____
Name: Geoff Kors
Title: DCE Board Chair

Item 5D

Desert Community Energy Board October 19, 2020



STAFF REPORT

Subject: Support Letters on Power Charge Indifference Adjustment (PCIA)

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

Recommendation: Authorize the DCE Chair and/or Executive Director to sign letters of support for CalCCA's request for changes to the Power Charge Indifference Adjustment (PCIA)

Background: DCE is a member of California Community Choice Association (CalCCA), which advocates for legislative changes and regulatory reforms that support the general goals of its member agencies. In late September, a group of CCAs submitted a letter to the California Public Utilities Commission (CPUC) requesting that the Commission take action to reduce volatility and cost impacts of the Power Charge Indifference Adjustment (PCIA). The PCIA is the "exit fee," or the "departing load charge," which is charged to CCA customers and other customers to allocate the costs of power purchased on their behalf prior to their departure from one of the Investor Owned Utilities. The PCIA is included in the charges that DCE customers see on their bill from Southern California Edison (SCE).

In June 2017, the CPUC initiated a proceeding to "Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment." In a 2018 decision, the CPUC adjusted the rules for the PCIA in an effort to provide transparency and stability. The CCA letter expresses the concern that these goals have not been met. It also outlines a number of concerns with the status quo regulatory policies. It identifies the need to address not only a regulatory issue but also a consumer fairness issue

The CCA letter, which is attached, was circulated as a "sign-on" letter among CCA members. But there was a very short turnaround time before it was sent to the CPUC on September 24. The letter was co-signed by 98 elected officials from 10 CCAs throughout the state.

Since the letter was sent to the CPUC, there has been a request for additional letters to be sent by individual CCAs. They have also offered the opportunity for individual elected officials to be added to the list of supporters, which will be included in a second, updated letter. These letters are designed to demonstrate a groundswell of support for changes needed at the CPUC around the PCIA. The letter makes two specific asks of the CPUC to reduce volatility and cost impacts:

- 1) Adopt the recommendation proposed by CalCCA and SCE in the public working group that requires utilities to allocate resources to load serving entities whose customers pay for them, and to encourage the optimization of supply portfolios; and,
- 2) Adopt transparency measures on exit fees that give consumers more information on what they are paying for.

Staff recommends that the DCE Board affirm its support for the CCA letter, and also send a letter to that effect directly to the CPUC. These letters will lay the groundwork for enhanced advocacy at the CPUC and in the State Legislature's next session in 2021. Board members may also choose to have their names listed on a second "sign-on" letter that could be sent to the Governor, state legislators and others.

Individual city councils could consider a letter as well. San José Mayor Sam Liccardo and Los Angeles County Supervisor Sheila Kuehl laid out similar concerns and requests in a recent op-ed piece [published in the San Francisco Chronicle](#). This op ed was included in the September 2020 DCE agenda packet.

Fiscal Analysis: There is no fiscal impact to signing the letters.

Attachments:

1. CCA letter to CPUC regarding PCIA, September 24, 2020

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

[Transmitted via Email]

September 24, 2020

Dear President Batjer and Commissioners Randolph, Rechtschaffen, Guzman Aceves, and Shiroma:

California is a national leader in addressing climate change. We write to you today as leaders of communities rising to meet the climate emergency in partnership with the state. We are engaging in this fight as local public agencies – Community Choice Aggregators – focused on providing affordable, clean, and reliable power through the proven model of community choice aggregation and offering innovative transportation and building-electrification programs.

Today, our public agencies provide energy services to more than 10 million Californians across the state from Humboldt County to Southern California and from the coast to the Sierra and deserts. Collectively, our communities reflect the socioeconomic and racial diversity of California.

The California Public Utilities Commission plays a critical role in supporting de-carbonization efforts by ensuring regulatory policies support and foster community level engagement in this fight. In your role as a CPUC Commissioner, one of the most important levers you have is to ensure that the investor-owned utilities (IOUs) – PG&E, SCE, and SDG&E – operate and manage their energy portfolios to achieve the lowest possible costs.

To date, the framework the IOUs operate under does not achieve that result. For instance, the Power Charge Indifference Adjustment (PCIA), known as the utility “exit fee,” now has risen more than 600 percent since 2013 in the PG&E service area, and nearly doubled since the CPUC changed the rules in 2018.

Raising exit fees by hundreds of millions of dollars a year, now in the middle of a global pandemic and its accompanying economic crisis, is entirely unacceptable.

The 2018 PCIA decision promised stakeholders transparency and stability. Neither outcome has occurred. The heart of the problem is that the current regulatory structures governing exit fees provide no incentive for the IOUs to reduce their portfolio costs – an outcome that hurts all energy consumers in the state, customers of the IOUs and the CCAs. Instead, we need a system that requires IOUs to maximize the value of their energy portfolios and minimize their over-market procurement costs and share the financial risk if this is not accomplished.

With that in mind, we call on the Commission to immediately take actions to reduce the PCIA for all customers (IOU & CCA) and smooth PCIA volatility. Affordability and rate certainty are two guiding principles that should apply to all customers equally, and we respectfully ask that the Commission immediately:

- 1) Adopt the recommendation proposed by the California Community Choice Association (CalCCA) and SCE in the public working group requiring utilities to allocate resources to load serving entities whose customers pay for them, and to encourage the optimization of supply portfolios; and,
- 2) Adopt transparency measures on exit fees that give consumers more information on what they are paying for.

The goal is to take actions immediately to reduce volatility and cost impacts for all customers.

Climate change is not a problem for tomorrow; it already is here. Just this summer we have experienced extreme heat storms and electric blackouts, thunderstorms, and firestorms. California has been a leader on clean energy for decades. It is time to continue that work by fully partnering with CCAs and the equitable, resilient, and clean-energy future they are building.

Sincerely,

London Breed
Mayor of San Francisco

Shamann Walton
Supervisor, City and County of San Francisco

Norman Yee
San Francisco Board of Supervisors President

Sam Liccardo
Mayor, City of San José

Matt Haney
Supervisor, City and County of San Francisco

Debra Lucero
Butte County Board of Supervisors

Rafael Mandelman
Supervisor, City and County of San Francisco

Don Saylor
Yolo County Board of Supervisors

Gordon Mar
Supervisor, City and County of San Francisco

Gary Sandy
Yolo County Board of Supervisors, Chair

Aaron Peskin
Supervisor, City and County of San Francisco

Gloria Partida
Mayor and City Councilmember, City of Davis

Dean Preston
Supervisor, City and County of San Francisco

Lucas Frerichs
Vice Mayor, City of Davis

Sandra Lee Fewer
Supervisor, City and County of San Francisco

Dan Carson
City Councilmember, City of Davis

Hillary Ronen
Supervisor, City and County of San Francisco

Tom Stallard
Woodland City Council, Mayor Pro Tem

Ahsha Safai
Supervisor, City and County of San Francisco

Bruce McPherson
Santa Cruz County Supervisor, Fifth District

Catherine Stefani
Supervisor, City and County of San Francisco

Jane Parker
Monterey County Supervisor, Fourth District

Das Williams
Santa Barbara County Supervisor, First District

Joan Hartman
Santa Barbara County Supervisor, Third District

Mark Medina
San Benito County Supervisor, First District

Ryan Coonerty
Santa Cruz County Supervisor, Third District

Ariston Julian
Mayor, City of Guadalupe

Ian Oglesby
Mayor, City of Seaside

Justin Cummings
Mayor, City of Santa Cruz

Jeff Lee
Mayor, City of Grover Beach

Alice Patino
Mayor, City of Santa Maria

Kyle Richards
Mayor Pro Tempore, City of Goleta

Trina Coffman
Mayor Pro Tempore, City of Watsonville

Alan Haffa
Vice Mayor, City of Monterey

Derek Timm
Vice Mayor, City of Scotts Valley

Jack Dilles
Vice Mayor, City of Scotts Valley

Steve McShane
Councilmember, City of Salinas

John Freeman
City Councilperson of San Juan Bautista

Todd Rigby
Councilmember, City of Eastvale

Ted Hoffman
Councilmember, City of Norco

Russ Brown
Mayor, City of Hemet

Nancy Smith
Vice Mayor, City of Sunnyvale

Gustav Larsson
Councilmember, City of Sunnyvale

Jon Robert Willey
Councilmember, City of Cupertino

Rod Sinks
Councilmember, City of Cupertino

Margaret Abe-Koga
Mayor, City of Mountain View

Javed Ellahie
Councilmember, City of Monte Sereno

Liz Gibbons
Vice Mayor, City of Campbell

Rob Rennie
Councilmember, City of Los Gatos

George Tyson
Councilmember, City of Los Altos Hills

Yvonne Martinez Beltrán
Mayor Pro Tem, City of Morgan Hill

Neysa Fligor
Vice Mayor, City of Los Altos

Greg Janda
Mayor of Rocklin

Cheryl Maki
Auburn City Council

Kirk Uhler
Chair, Placer County Board of Supervisors

Jim Holmes
Placer County Supervisor

Peter Gilbert
Lincoln City Councilmember

Jeff Duncan
Loomis Town Councilmember

Jesse Loren
Winters City Councilmember

Bruce Okrepkie
Councilmember, Town of Windsor

Jonathan Torrez
Councilmember, City of Point Arena

Patrick Slayter
Mayor, City of Sebastopol

Una Glass
Vice Mayor, City of Sebastopol

Dave King
Councilmember, City of Petaluma

Jack Tibbetts
Councilmember, City of Santa Rosa

Melanie Bagby
Councilmember, City of Cloverdale

Mark Landman
Councilmember, City of Cotati

Pradeep Gupta
Former Mayor, City of South San Francisco

Michael Salazar
Vice Mayor, City of San Bruno

Sheri Woo
Director, Humboldt Bay Municipal Water
District

John Goodwin
Mayor, Town of Colma

Jeff Aalfs
Mayor, Town of Portola Valley

Catherine Carlton
City Council Member, Menlo Park

Dr. Rod Daus-Magbual
Council Member, Daly City

Deirdre Martin
Councilmember, City of Pacifica

Rick DeGolia
Mayor, Town of Atherton

Flor Nicolas
Councilmember, City of South San Francisco

Harvey Rarback
Councilmember, Half Moon Bay

Giselle Hale
Councilmember, Redwood City

Betsy Nash
Councilmember, City of Menlo Park

Julia E. Mates
Councilmember, City of Belmont

Ian Bain
Councilmember, City of Redwood City

John Keener
Former Mayor, Pacifica

Laura Parmer-Lohan
Vice Mayor, City of San Carlos

Carole Groom
San Mateo County Supervisor

Mike Wilson
Vice Chair, Humboldt County Board of
Supervisors

Daniel Yost
Councilmember, Town of Woodside

Estelle Fennell
Chair, Humboldt County Board of Supervisors

Sam Hindi
Councilmember, City of Foster City

Chris Curran
Councilmember, City of Blue Lake

Summer Daugherty
Councilmember, City of Blue Lake

Michael Winkler
Mayor, City of Arcata

Michael Sweeney
Mayor, City of Ferndale

Stephen Avis
Councilmember, City of Ferndale

David Grover
Councilmember, City of Trinidad

Frank Wilson
Councilmember, City of Rio Dell

Austin Allison
Councilmember, City of Eureka

Kim Douglass
Colfax City Council

Joe Mosca
Councilmember, City of Encinitas

Item 6A

**Desert Community Energy Board
October 19, 2020**



STAFF REPORT

Subject: Election of DCE Officers

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

Recommendation: Elect a Desert Community Energy Chair and Vice Chair for Fiscal Year 2020/2021

Background: The DCE Board annually elects from its membership a Chair and Vice Chair to serve for a one-year term, as described in the Joint Powers Agreement. The DCE Board does not have a formal officer rotation, or a set policy for how to select the Chair and Vice Chair.

The first Chair of Desert Community Energy was Shelley Kaplan of Cathedral City, who served from the first meeting of DCE on October 30, 2017 until after the city's council elections in 2018. On February 4, 2019, Sabby Jonathan of Palm Desert was elected Chair and Geoff Kors of Palm Springs was elected Vice Chair. Since October 2019, Mayor Kors has served as Chair and John Aguilar of Cathedral City has been the Vice Chair.

Staff recommends that the DCE Board provide nominations and elect its officers for this fiscal year.

Desert Community Energy Board
October 19, 2020



STAFF REPORT

Subject: Revenue Stabilization Mechanisms

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

Recommendation: Information

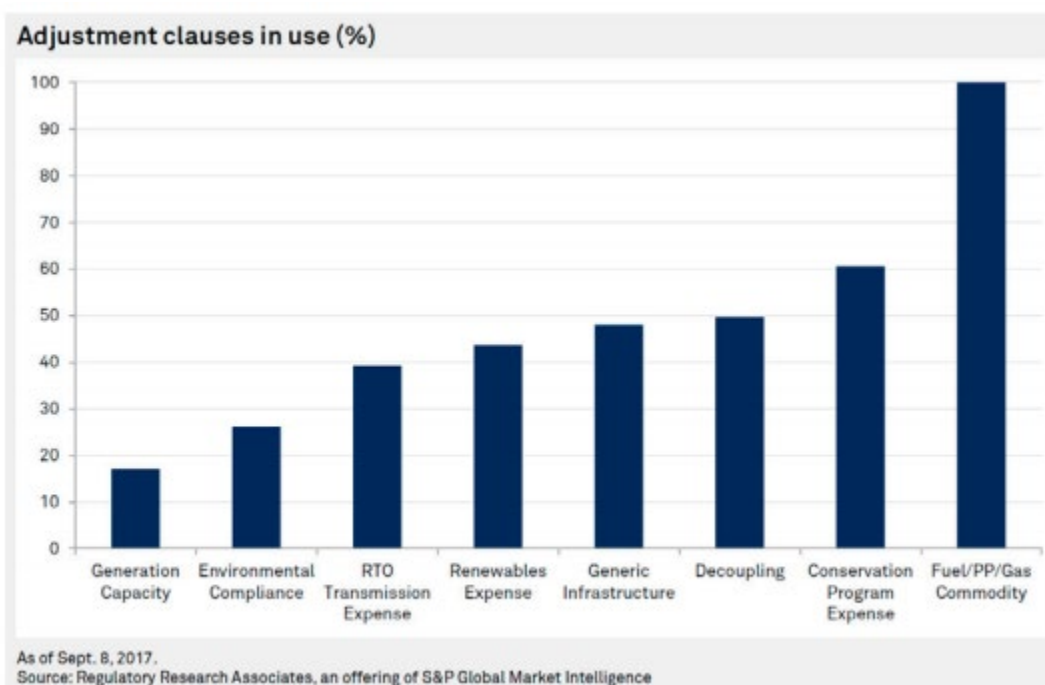
Background: One of DCE's primary financial objectives is to maintain revenues sufficient to recover all operating costs in a timely manner. Rate levels set in advance of actual retail sales, however, inevitably result in receipts above or below actual cost of service. This is especially true in the power business, which is subject to heat storms and corresponding price/load volatility (as witnessed in August and September of this year) with a likely result that actual cost will exceed budgeted cost. Many utilities have adopted automatic rate adjustment clauses to compensate for these types of circumstances. Business interests are served in that revenues more closely match actual cost; and customer interests are served in that rates more accurately reflect cost of service.

Electric utilities, and particularly community choice utilities like DCE, face many cost categories beyond direct business control. Three examples for DCE are power market volatility; the subsidy to provide qualified low-income customers 100% Carbon Free power at Desert Saver rates; and changes in Southern California Edison (SCE) rates and Power Charge Indifference Adjustment (PCIA). Automatic revenue adjustment approaches explicitly acknowledge these situations and actions, and provide a vehicle for the utility to recoup costs it would have otherwise included in rates if it had perfect foresight, as well as to reduce rates in the instance forecast costs exceed as-incurred costs.

This staff report provides information on automatic rate adjustment practices and reviews three mechanisms which may be prudent and practical for DCE consideration.

Automatic Rate Adjustment Mechanisms: Automatic rate adjustment mechanisms allow a utility to tune revenues in response to actual costs which are greater or lesser than projected costs. During the late 20th century, adjustment clauses were widely implemented to respond to frequent fuel price swings associated with coal, fuel oil and natural gas fired power plant operations. More recently, conventional and renewable market power supply and renewable resource costs, inter alia, have also been included. CCAs like MCE Clean Energy have adopted practices that allow timely revenue/rate responses to PCIA and rate changes promulgated by Pacific Gas and Electric (PG&E), its host Investor Owned Utility (IOU). SCE's rate activities and PCIA levels directly impact DCE revenue and pricing objectives, and upward or downward rate adjustments are necessary in response.

Nearly all utilities have adopted one or more automatic adjustment mechanisms. The below chart demonstrates widespread utilization:

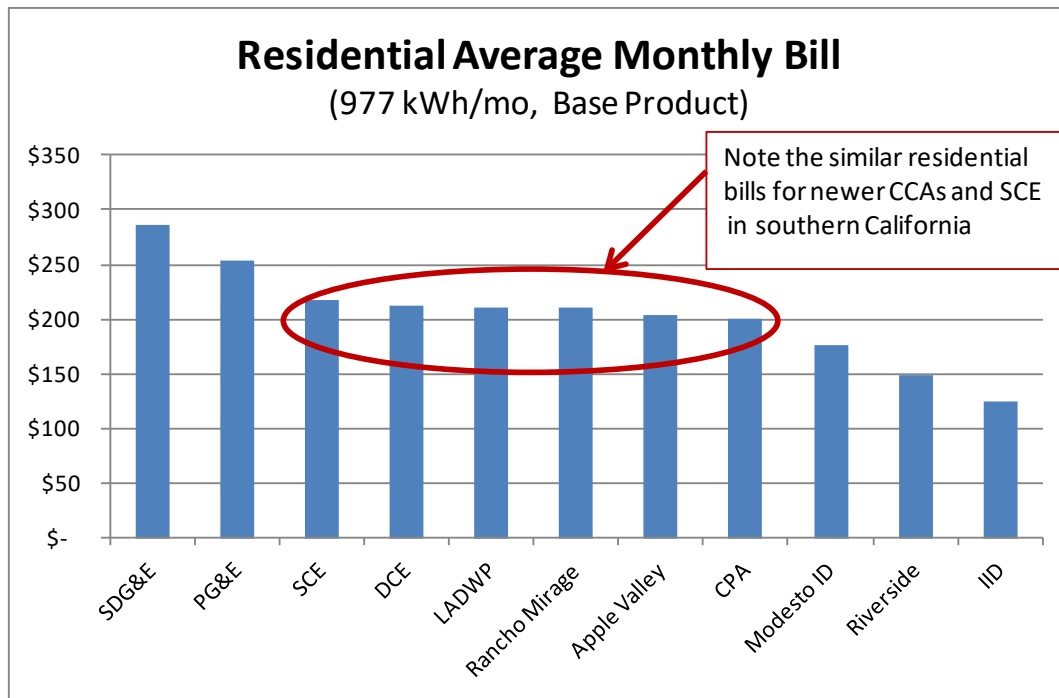


The chart displays the percentage of U.S. electric utilities using one or more automatic revenue adjustment tools. Nearby utilities using such approaches include Imperial Irrigation District, Los Angeles Department of Water and Power and SCE (and most of the publicly owned utilities as well). Fuel and purchase power adjustment mechanisms are used by virtually all companies. For most of these companies, such expenses comprise the preponderance of operating costs. DCE's physical wholesale power supply cost, for example, constitutes approximately 90 percent of its operating budget.

Governing boards approve and implement automatic adjustment mechanisms to respond to cost categories beyond the utility's control and which can be readily calculated and tracked over time. These adjustments are then applied to customer rates by way of one or more rate schedule line items and or debits/credits, almost always applied volumetrically on a per kWh basis.

There are three cost categories which DCE may consider for automatic adjustment: 1) wholesale energy cost; 2) low income subsidy; and 3) IOU related impacts. From an oversight perspective, automatic adjustment clauses allow for the timely tracking and collection of costs which must be recovered and are the responsibility of DCE and its ratepayers. Today's weather, power market, IOU and CPUC environments are in near constant flux, with commensurate impacts on utility costs and revenues, resulting in the need for constant revenue oversight. Any proposed adjustment practices would adhere to existing financial and operating policies.

Comparative DCE Base Product Rates: The following chart illustrates the current, relatively similar base product monthly bills for DCE and nearby utilities.



(Estimated from available rate data published on or after June 1, 2020)

Several observations arise from the chart. First, the three California investor owned utilities (SDG&E, PG&E and SCE) have the highest rates. Second, Imperial Irrigation District and the City of Riverside have the lowest rates, perhaps stemming in part from their long time performance as publicly owned utilities. Third, the "tightly cost clustered" center utilities, including SCE, likely rely heavily on market power sources and thus the relatively close monthly average residential bills. Finally, of the CCAs, Clean Power Alliance (CPA) shows the lowest bill amongst the highlighted group, which may reflect large scale economies. And further note, over time the relative positions/ranking of these utilities will likely shift somewhat based on short- and long-term resource supply commitments and then existing market conditions.

DCE's Desert Saver (base) product compares closely with SCE and those CCAs within its peer group, suggesting that all face similar power supply circumstances and have adopted comparable management practices.

Timing and Rate Considerations: Current and ongoing rate actions by SCE, as well as changing PCIA calculations, will require corresponding adjustments to DCE rates. Over the next two months, as more reliable information becomes available, DCE staff will continue to evaluate such impacts on DCE, review current revenue projections, and bring a rate update and proposal to the Board for consideration, likely at the December Board meeting.

Fiscal Analysis: DCE's power supply and operating costs are recovered by way of retail rate setting and collecting corresponding customer revenues. DCE's financial objectives include recovery of all operating costs and building ample reserve funds. During budgeting and forecasting processes, DCE estimates many costs which inevitably vary based on then existing circumstances, and DCE may accordingly over- or under-recover such costs during actual operations. If DCE were to establish one or more automatic adjustment mechanisms to timely true-up certain variable expenses, revenues and rates would more closely and timely track costs, a responsible business outcome.

Item 6D

Desert Community Energy Board October 19, 2020



STAFF REPORT

Subject: Update on DCE Post-Launch Activities

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

Recommendation: Information

Background: The following staff report provides a recap of the efforts that are underway as it pertains to consumer engagement following the April 2020 launch in the City of Palm Springs.

Community Outreach & Post-Launch Activities: Following the completion of DCE enrollment for Palm Springs, community engagement continues to focus on ensuring that customers understand their bills and their options with DCE. The latest opt-out/opt-down statistics are presented below. Nearly 90% of all Palm Springs residents and businesses are enrolled in DCE and approximately 83% are carbon free, which is the default product choice.

The customer service team continues to respond to customers directly and address any questions, including bill-specific questions. The volume of calls to the DCE customer service line has decreased from 1,929 calls in June 2020 – the busiest month since launch – to 1,120 calls in September. With the welcome drop in temperatures, it is expected that customer concerns related to high bills will continue to decrease.

Six months have passed since DCE launched in Palm Springs. The DCE outreach team now is reviewing the customer data as it pertains to opt outs and considering ways to keep encouraging customers to stay with DCE or even returning if they chose to stay with Edison. The outreach team is also working on a program to highlight businesses that are 100% carbon free, with hopes of launching this fall.

DCE website updates are made on an ongoing basis. Updates highlight program benefits, encourage energy conservation, and showcase the positive environmental impact of DCE's carbon free plan. As addressed in a separate agenda item, a bill comparison tool is in development that will allow customers to compare their options with DCE to the default SCE rate. Staff anticipates having this tool available on the website by the end of this year.

The DCE website also serves as a resource for information for customers to understand their bill, and other information about DCE, including:

- “Understanding Your Bill” page provides a sample typical customer bill and a Net Energy Metering (NEM) bill for solar customers. These sample bills can be found at: <https://desertcommunityenergy.org/understanding-your-bill/>.
- 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.

Community Advisory Committee (CAC): In recent months, DCE staff has been working with a Palm Springs working group of the CAC to target efforts related to the launch. The full CAC will

meet on October 15 via Zoom. DCE staff is working with the CAC to review potential CCA programs that could be offered to DCE customers, including electric vehicle incentives for vehicle purchase and charging stations, energy efficiency programs, solar rebates and ways to promote battery storage. CalCCA provides a comprehensive review of the programs offered by CCAs statewide on their website at <https://cal-cca.org/cca-programs/> which will serve as a useful resource for the CAC.

The CAC also is discussing and taking a look at programs that focus on climate and energy resilience. DCE staff continues to explore potential funding sources and grants that could support such programs. A verbal update from the CAC conversation will be provided at the October 19 Board meeting.

Energy Conservation in Response to Heat Wave: The California Independent System Operator (CAISO) issued another GRID Alert Notice and statewide Flex Alert effective Thursday, October 1 from 6 to 7 p.m. due to high temperatures and high demand. This flex alert focused on a voluntary call for consumers to conserve electricity during peak times to alleviate stress on the electrical grid. DCE again notified customers with energy saving tips through social media outlets and the website, which also offers a Home Energy Yardstick, an EPA tool where customers can compare their energy use to similar homes.

CAISO credits energy conservation from consumers for averting expected power outages during the severe heat events of this summer. With cooling temperatures, the impacts of extreme heat will be reduced. DCE outreach will continue to offer customers information about what they can do to conserve.

Opt-down and Opt-out Status: As of September 2020, there have been a total of 4,605 opt-outs, or 10.89% of the 42,270 total eligible customers in Palm Springs. In addition, 2,801 customers, or 6.63%, chose to opt down to the Desert Saver product. Nine customers have chosen to opt-up from Desert Saver to 100% Carbon Free since DCE launched in April.

The pattern of opt outs and opt downs is consistent with what has been seen for other CCAs in California, especially given the current uniquely challenging times. The number of DCE opt outs continues to trend downward, with the number of opt outs decreasing almost 73% from June (785) to September (212) 2020.

***Desert Community Energy Monthly Contact Center
and Opt-Action Statistics Summary
September 2020***

Stats by Month	May 2020	June 2020	July 2020	August 2020	September 2020	Total
Total Calls	1698	1929	1085	1384	1120	10,185
Total Calls Connected to Agents	824	1098	634	655	498	5,061
Average Seconds to Answer	0:00:23	0:00:37	0:00:25	0:00:46	0:00:26	
Average Call Duration	0:08:48	0:09:15	0:09:10	0:09:31	0:08:53	
Total Eligible Customers	42,167	42,207	42,234	42,250	42,270	42,270
Monthly Opt-Outs	833	785	356	356	212	4,605
Opt-Out Percentage	1.98%	1.86%	0.84%	0.84%	0.50%	10.89%
Total Opt-Down	528	463	285	244	133	2,801
Opt-Down Percentage	1.25%	1.10%	0.67%	0.58%	0.31%	6.63%
Total Opt-Up (from Desert Saver)	0	4	2	0	1	9
Opt-Up Percentage	0.000%	0.009%	0.005%	0.000%	0.002%	0.021%

Desert Community Energy
Opt-Action Statistics by Rate Category
September 2020

		Opt-Out	% Opt-Out	Opt-Down	% Opt-Down
Total Eligible Customers	42,270	4,605	10.89%	2,801	6.63%
Residential		3,158	7.47%	2,133	5.05%
Small Commercial		519	1.23%	251	0.59%
Medium Commercial		56	0.13%	39	0.09%
Large Commercial		7	0.02%	1	0.00%
Street Lights		2	0.00%	3	0.01%
Agriculture & Pumping		35	0.08%	1	0.00%
Solar/Net Energy Metering (NEM)		828	1.96%	373	0.88%

This total includes 685 (10.58%) CARE/FERA/Medical Baseline customers who opted out and 203 (3.14%) customers who opted down. For all customers, the reasons given for opting out include:

Opt-Out Reason	Total
Concerns about Government-Run Power Agency	175
Decline to Provide	860
Dislike being automatically enrolled	1160
Have renewable Energy Reliability Concerns	42
Other	483
Rate or Cost Concerns	1638
Service or Billing Concerns	247
Total	4605

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.

ITEM 7A

**DESERT COMMUNITY ENERGY BOARD
FY2020-2021 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 *

DESERT COMMUNITY ENERGY
UNAUDITED BALANCE SHEET
FROM JULY 1, 2020 TO SEPTEMBER 30, 2020

	<u>GENERAL</u>		<u>PALM SPRINGS</u>		<u>TOTAL</u>	
<u>ASSETS</u>						
River City Bank						
- Operating Account	0.00		36,188.54		36,188.54	
- Money Market Account	1,533,920.15		866,000.00		2,399,920.15	
- ICS Account	1,313,779.82		0.00		1,313,779.82	
- Lockbox Account	1,031,771.69		1,307,000.03		2,338,771.72	
Total Cash		3,879,471.66		2,209,188.57		6,088,660.23
Accounts Receivable						
- Southern California Edison			4,430,156.32		4,430,156.32	
- Bad Debt			(51,036.49)		(51,036.49)	
Total Accounts Receivable				4,379,119.83		4,379,119.83
Accrued Revenue				2,552,379.77		2,552,379.77
Deposits/Bonds						
- CPUC	100,000.00		0.00		100,000.00	
Total Deposits/Bonds		100,000.00		0.00		100,000.00
TOTAL ASSETS		3,979,471.66		9,140,688.17		13,120,159.83
<u>LIABILITIES</u>						
Accounts Payable						
- Calpine			47,833.10		47,833.10	
- Donald D. Dame	434.44		1,303.31		1,737.75	
- Southern California Edison			40,404.69		40,404.69	
- The Energy Authority			2,292,799.50		2,292,799.50	
Total Accounts Payable		434.44		2,382,340.60		2,382,775.04
Due to Other Governments						
Coachella Valley Association of Governments	147,180.84		115,642.09		262,822.93	
Utility Users Tax			367,549.70		367,549.70	
Electric Energy Surcharge			60,502.59		60,502.59	
Total Due to Other Governments		147,180.84		543,694.38		690,875.22
Vendor security deposits						
Terra-Gen			116,000.00		116,000.00	
Total Vendor security deposits				116,000.00		116,000.00
TOTAL LIABILITIES		147,615.28		3,042,034.98		3,189,650.26
<u>FUND BALANCE</u>						
Reserve (Restricted requirement for Credit Solutions TEA)			750,000.00		750,000.00	
Fund Balance		3,831,856.38		5,348,653.19		9,180,509.57
TOTAL LIABILITIES AND FUND BALANCE		3,979,471.66		9,140,688.17		13,120,159.83
		(0.00)		0.00		0.00

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

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Electricity Sales ⁽¹⁾	0.00	13,931,701.31	13,931,701.31
Bad Debt	0.00	(34,521.00)	(34,521.00)
Other Revenue	0.00	180,115.82	180,115.82
Investment Income	5,874.73	0.00	5,874.73
TOTAL REVENUES	5,874.73	14,077,296.13	14,083,170.86
<u>EXPENDITURES</u>			
Cost of Electricity			
Electricity Purchase	0.00	7,042,416.00	7,042,416.00
Low Carbon Settlement	0.00	274,178.25	274,178.25
Renewable Energy Credit Settlement	0.00	0.00	0.00
Market Charges	0.00	3,414,840.94	3,414,840.94
Total Cost of Electricity	0.00	10,731,435.19	10,731,435.19
Accounting / Bank Services	156.44	156.44	312.87
Professional Services			
- Arthur J Gallaguer Insurance & co	233.13	233.13	466.25
- LSL, CPAs	0.00	0.00	0.00
- Lift to Rise	0.00	0.00	0.00
- Southern California Edison	0.00	6,934.17	6,934.17
Total Professional Services	233.13	7,167.30	7,400.42
Insurance			
- Directors & Officers	3,000.00	3,000.00	6,000.00
- General Liability	250.00	250.00	500.00
Total Insurance	3,250.00	3,250.00	6,500.00
Consultants			
- Donald D. Dame	791.00	2,373.00	3,164.00
- Calpine Energy Solutions	0.00	143,472.85	143,472.85
- CVAG	0.00	0.00	0.00
- The Energy Authority	0.00	309,654.22	309,654.22
- White Rabbit Group	625.00	625.00	1,250.00
Total Consultants	1,416.00	456,125.07	457,541.07
Outreach			
- Burke Rix Communications	0.00	9,045.52	9,045.52
Total Outreach	0.00	9,045.52	9,045.52
Postage			
- Ace Printing	766.44	766.44	1,532.87
Total Printing	766.44	766.44	1,532.87
Printing			
- Ace Printing	1,137.25	1,137.25	2,274.49
Total Printing	1,137.25	1,137.25	2,274.49
Registrations/Memberships			
- CA Community Choice Association	5,433.50	16,300.50	21,734.00
Total Registration/Memberships	5,433.50	16,300.50	21,734.00
TOTAL EXPENDITURES	12,392.74	11,225,383.69	11,237,776.43
Excess of Revenues over Expenditures	(6,518.01)	2,851,912.44	2,845,394.43
Fund Balance - Beginning of the Year	4,588,374.39	2,496,740.75	7,085,115.14
Fund Balance - End of the Year	4,581,856.38	5,348,653.19	9,930,509.57

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed

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

ASSETS

River City Bank		
- Operating Account	36,188.54	
- Money Market Account	2,399,920.15	
- ICS Account	1,313,779.82	
- Lockbox Account	2,338,771.72	
Total Cash		6,088,660.23
Due From Other Funds		
Accounts Receivable		
- Southern California Edison	4,430,156.32	
- Bad Debt	(51,036.49)	
Total Accounts Receivable		4,379,119.83
Accrued Revenue		2,552,379.77
Deposits/Bonds		100,000.00
TOTAL ASSETS		13,120,159.83

LIABILITIES

Accounts Payable		
- Calpine	47,833.10	
- Donald D. Dame	1,737.75	
- Southern California Edison	40,404.69	
- The Energy Authority	2,292,799.50	
Total Accounts Payable		2,382,775.04
Due To Other Funds		
Due to Other Governments		
Coachella Valley Association of Governments	262,822.93	
Utility Users Tax- Palm Springs	367,549.70	
Electric Energy Surcharge (CDTFA)	60,502.59	
Total Due to Other Governments		690,875.22
Vendor security deposits		
Terra-Gen	116,000.00	
Total Vendor security deposits		116,000.00
TOTAL LIABILITIES		3,189,650.26

FUND BALANCE

Reserve (Restricted requirement for Credit Solutions TEA)	750,000.00
Fund Balance	9,180,509.57
TOTAL LIABILITIES AND FUND BALANCE	13,120,159.83

REVENUES

Electricity Sales ⁽¹⁾	13,897,180.31
Carbon Free	12,204,660.40
Carbon Free- CARE/FERA	1,872,268.98
Desert Saver	1,284,311.22
NEM- Carbon Free	(1,429,539.29)
Bad Debt	(34,521.00)
Other revenue	180,115.82
Investment Income	5,874.73
TOTAL REVENUES	14,083,170.86

EXPENDITURES

Cost of Electricity	
Electricity Purchase	7,042,416.00
Low Carbon Settlement	274,178.25
Market Charges	3,414,840.94
Total Cost of Electricity	10,731,435.19
Accounting / Bank Services	312.87
Professional Services	7,400.42
Insurance	6,500.00
Consultants	457,541.07
Outreach	9,045.52
Postage	1,532.87
Printing	2,274.49
Registrations/Memberships	21,734.00
Interest Expense	0.00
TOTAL EXPENDITURES	11,237,776.43
Excess of Revenues over Expenditures	2,845,394.43
Fund Balance - Beginning of the Year	7,085,115.14
Fund Balance - End of the Year	9,930,509.57

(1) Electricity sales revenue includes revenues actually billed yo customers as well as estimated customer usage during the reporting period that has not been billed

**Desert Community Energy Board
October 19, 2020**



STAFF REPORT

Subject: Executive Director Spending Authority

Contact: Valdemar Galeana, Accounting Manager (vgaleana@cvag.org)

Recommendation: Information only

Background: According to Section 3.13 of the approved Joint Powers Authority (JPA) Agreement and Desert Community Energy's Policy #18-02, the DCE Executive Director has the signing authority to execute any agreement if the total payable is less than \$100,000 in any fiscal year. This staff report provides a recap of the contracts signed during the first quarter of the current fiscal year.

Contracts signed:

- In July 2020, a contract for \$7,116.25 was signed with Arthur J Gallaguer & Co, Insurance Brokers of CA, Inc. This is related to the directors & officers and general liability insurance policies for the period of July 7, 2020 to July 7, 2021.

Fiscal Analysis: The amount paid was part of the DCE budget, under the line-item for "other wholesale services."