

**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, April 19, 2021  
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/86034898681?pwd=ZnFqZDNZZUtQVFBVWWVWkODIMT2tgZz09>

Passcode: 760970

**One tap mobile:**

**US: +16699009128,,86034898681#**

**By Phone:**

**Dial In #: +1 669 900 9128**

**Webinar ID: 860 3489 8681**

**Passcode: 760970**

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](mailto: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**

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**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 March 15, 2021**

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**6. DISCUSSION / ACTION**

**A. DCE Fiscal Year 2021/2022 Budget Preview – Don Dame, Energy Consultant**

[P9](#)

**Recommendation:** Provide direction to staff on DCE’s Fiscal Year 2021/2022

**B. Carbon Free Subsidy for Low-Income Customers – Katie Barrows**

[P11](#)

**Recommendation:** Suspend the existing subsidy providing DCE’s Carbon Free energy to customers in low-income assistance programs, and maintain these customers at the Desert Saver rate

**C. Environmental Content for Carbon Free Product – Jaclyn Harr, The Energy Authority**

[P13](#)

**Recommendation:** Adjust the Environmental Content for the Carbon Free product to target 100% carbon-free procurement with a renewable content target of no less than the annualized state Renewable Portfolio Standard requirements and authorize staff to make the necessary modifications when procuring power

**D. SB 612 and Fair Access to Legacy Energy Resources – Katie Barrows**

[P16](#)

**Recommendation:** Support Senate Bill 612 and authorize the Chair and/or Executive Director to sign letters of support and advocate for its approval

**7. INFORMATION**

- A. Attendance Record** [P22](#)
- B. Unaudited Financial Report for July 1, 2020 to March 31, 2021** [P23](#)
- C. Update on DCE Program Activities** [P26](#)
- D. Bill Assistance Program for DCE Customers Impacted by COVID-19** [P29](#)
- E. Exploring Options for Local Battery Storage Projects** [P31](#)

**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 DCE meeting will be held May 17, 2021 at 2:30 p.m. via Zoom webinar.

**10. ADJOURNMENT**

**Item 2A**

<b>Desert Community Energy Board Member Roster</b>	
<b>Voting Members</b>	<b>Representative</b>
City of Cathedral City	Mayor Raymond Gregory <i>Alternate: Councilmember Rita Lamb</i>
City of Palm Desert	Councilmember Sabby Jonathan, Vice Chair <i>Alternate: Mayor Kathleen Kelly</i>
City of Palm Springs	Councilmember Geoff Kors, Chair <i>Alternate: Mayor Pro Tem Lisa Middleton</i>
<b>DCE Staff</b>	
Tom Kirk, Executive Director	
Katie Barrows, Director of Energy & Environmental Resources	
Benjamin Druyon, Management Analyst	
Valdemar Galeana, Accounting Manager	
Trisha Stull, Program Assistant II	

## **ITEM 5A**

**Desert Community Energy Board  
Meeting Minutes  
March 15, 2021  
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 videoconferencing, 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 Geoff Kors, Chair  
Mayor Raymond Gregory  
Councilmember Sabby Jonathan, Vice Chair

#### **Agency**

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

#### **DCE Staff & Consultants**

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

The Energy Authority  
DCE Consultant

#### **Others Present**

David Freedman  
Kim Floyd  
Shelley Kaplan  
Councilmember Rita Lamb  
Charlie McClendon  
Lindsey Busk

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

### **3. PUBLIC COMMENTS ON AGENDA ITEMS**

None

**4. BOARD MEMBER / DIRECTOR COMMENTS**

Katie Barrows shared photos of solar + storage projects, which had been requested by Board members at a recent meeting.

**5. CONSENT CALENDAR**

**A. Approve Minutes from Board Meeting of February 23, 2021**

**B. Approve DCE Policy 2021-01 outlining the Net Energy Metering program for DCE customers with onsite solar or other renewable generation systems**

**IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR GREGORY TO APPROVE THE CONSENT CALENDAR, WITH MAYOR GREGORY ABSTAINING FROM ITEM 5A.**

**THE MOTION ON ITEM 5A CARRIED WITH 2 AYES AND 1 ABSTENTION.**

<b>Mayor Gregory</b>	<b>Abstain</b>
<b>Councilmember Jonathan</b>	<b>Aye</b>
<b>Councilmember Kors</b>	<b>Aye</b>

**THE MOTION ON ITEM 5B CARRIED WITH 3 AYES.**

<b>Mayor Gregory</b>	<b>Aye</b>
<b>Councilmember Jonathan</b>	<b>Aye</b>
<b>Councilmember Kors</b>	<b>Aye</b>

**6. DISCUSSION / ACTION**

**A. Presentation of DCE’s Quarterly Financial Report – Jaclyn Harr, The Energy Authority**

Jaclyn Harr, of The Energy Authority, shared updated financial forecasts and possible actions for the Board to consider. Member discussion ensued.

No action was taken as this was an informational item.

**B. Credit Agreement with River City Bank – Valdemar Galeana**

Valdemar Galeana described the terms of the proposed line of credit to provide short-term capital. Member discussion ensued, and members expressed an interest in exploring transfers between DCE’s own accounts in the future.

**IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR GREGORY TO ADOPT RESOLUTION 2021-02, GRANTING THE EXECUTIVE DIRECTOR AUTHORITY, IN CONSULTATION WITH LEGAL COUNSEL, TO NEGOTIATE AND EXECUTE A CREDIT AGREEMENT WITH RIVER CITY BANK FOR \$2 MILLION LINE OF CREDIT TO ADDRESS SHORT-TERM WORKING CAPITAL REQUIREMENTS, AND ALSO TO DIRECT STAFF TO EXPLORE THE FEASIBILITY OF INTERDEPARTMENT TRANSFERS TO INCREASE WORKING CAPITAL.**

**THE MOTION CARRIED WITH 3 AYES.**

<b>Mayor Gregory</b>	<b>Aye</b>
<b>Councilmember Jonathan</b>	<b>Aye</b>
<b>Councilmember Kors</b>	<b>Aye</b>

**C. Revisions to Existing Agreement Regarding DCE’s Credit Banking – Katie Barrows**

Katie Barrows presented the staff report, which outlined adjustments needed on the existing TEA contract to meet River City Bank’s credit agreement terms.

**IT WAS MOVED BY MAYOR GREGORY AND SECONDED BY COUNCILMEMBER JONATHAN TO AUTHORIZE THE CHAIR TO EXECUTE AMENDMENTS TO THE RESOURCE MANAGEMENT AGREEMENT, TASK ORDER 2 WITH THE ENERGY AUTHORITY (TEA), AND TO THE DEPOSIT ACCOUNT CONTROL AGREEMENT BETWEEN TEA AND RIVER CITY BANK.**

**THE MOTION CARRIED WITH 3 AYES.**

<b>Mayor Gregory</b>	<b>Aye</b>
<b>Councilmember Jonathan</b>	<b>Aye</b>
<b>Councilmember Kors</b>	<b>Aye</b>

**D. March 2021 Rate Adjustment**

Don Dame, DCE Energy Consultant, described changes to be made to Desert Saver rates due to changes in SCE’s rates based on Board policies. Member discussion ensued.

No action was taken as this was an informational item.

**E. Carbon Free Subsidy for Low-Income Customers**

Katie Barrows briefly reviewed the financial impact of subsidy options. Member discussion ensued. Chair Kors indicated an interest in bringing this item back to the Palm Springs City Council for additional input.

DCE staff indicated it would work with the City of Palm Springs before bringing the item back to the Board for action.

**F. Bill Assistance Program for DCE Customers Impacted by COVID-19**

Katie Barrows noted that, amid the ongoing pandemic and resulting economic conditions, there has been an increase in delinquent customers. Ms. Barrows outlined the proposed bill assistance program. Member discussion ensued.

**IT WAS MOVED BY MAYOR GREGORY AND SECONDED BY COUNCILMEMBER JONATHAN TO AUTHORIZE A BILL ASSISTANCE PROGRAM FOR RESIDENTIAL AND NON-RESIDENTIAL CUSTOMERS IMPACTED BY COVID-19, SUBJECT TO THE SPECIFIED PROGRAM CRITERIA, AND APPROVE A BUDGET REALLOCATION FOR \$70,000, CONTINGENT ON SUPPORT OF THE CITY OF PALM SPRINGS, WITH ALL EXPENSES ALLOCATED TO THE PALM SPRINGS FUND IN THE DCE BUDGET.**

**THE MOTION CARRIED WITH 3 AYES.**

<b>Mayor Gregory</b>	<b>Aye</b>
<b>Councilmember Jonathan</b>	<b>Aye</b>
<b>Councilmember Kors</b>	<b>Aye</b>

**7. INFORMATION**

The following items were put in the agenda packet for members’ information :

- A. Attendance Record**
- B. Unaudited Financial Report for July 1 to January 31, 2021**
- C. Unaudited Financial Report for July 1 to February 28, 2021**
- D. Update on DCE Program Activities**

## **8. PUBLIC COMMENT ON NON-AGENDA ITEMS**

Kim Floyd outlined the legislative advocacy work by the Sierra Club and thanked the DCE Board for their efforts. Councilmember Jonathan suggested the Board be provided an update at an upcoming meeting.

## **9. ANNOUNCEMENTS**

The next DCE meeting will be held April 19, 2021 at 2:30 p.m. via Zoom webinar.

## **10. ADJOURNMENT**

The meeting was adjourned at 4:16 p.m.

Respectfully submitted,

*Trisha Stull*



## ITEM 6A

Desert Community Energy Board  
April 19, 2021



### STAFF REPORT

**Subject:** DCE Fiscal Year 2021/2022 Budget Preview

**Contact:** Katie Barrows, Director of Environmental Resources ([kbarrows@cvaq.org](mailto:kbarrows@cvaq.org)); and Don Dame, Energy Consultant

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#### **Recommendation: Provide direction to staff on DCE's Fiscal Year 2021/2022 Budget**

**Background:** DCE's current budget was approved by the Board at the June 2020 meeting and it covered DCE's first full year of operations for customers in the City of Palm Springs. During this year, DCE experienced economic impacts related to COVID-19, a significant summer heat storm, volatile power markets and multiple changes by Southern California Edison as it pertains to rates and the Power Charge Indifference Adjustment (PCIA). Residual impacts of these events remain as DCE enters its second full year of operations.

The April meeting provides an opportunity for the Board to ask questions, comment, and provide input to staff prior to final budget development and approval at the June Board meeting. Staff will continue to coordinate with The Energy Authority (TEA) to update estimated power supply costs, projected retail sales revenues, economic impacts and other factors, as warranted, that may affect the budget forecast and DCE financial performance over the next budget year. The budget is intended to portray the most current expected business outcome for Fiscal Year 2021/2022, but many uncertainties remain and will require active monitoring throughout the year.

#### *Proposed Budget Assumptions*

Staff is developing DCE's FY 2021/2022 budget based on key assumptions and forecasts including:

- Palm Springs remains active in DCE, and Palm Desert considers its launch options.
- TEA's latest Financial Model output for load, resource, revenue and cost projections.
- The overall opt-out rate is around 12% and the opt-down rate is around 7%.
- Desert Saver rate is about 0.5% less than SCE's bundled base rate and meets full RPS compliance.
- The Carbon Free rate is unchanged but DCE revises 100% carbon free mix for added economies.
- Rates are sufficient for DCE to:
  - a. Yield positive net margin.
  - b. Build cash reserves.
  - c. Meet applicable loan terms and conditions.
  - d. Fully repay River City Bank loan arrangement.
- DCE meets regulatory, legislative and operating requirements.
- There is ongoing collaboration with other CCAs and public power groups.
- DCE maintains necessary and adequate internal staffing.

- DCE maintains a contract relationship with the Coachella Valley Association of Governments (CVAG).
- DCE will assess and implement low-income subsidy options.
- DCE continues to monitor and adjust forecast retail loads, revenues and costs based on experience and expectations with regard to COVID-19 and general economic and market conditions.
- The budget adheres to adopted Board policies and objectives.

*Preliminary Notional Macro Budget Values Fiscal Year 2021/2022:*

Total Revenues:	\$44.4 million
Total Costs:	<u>\$41.7 million</u>
Unadjusted Net Revenue:	\$ 2.7 million
Adjusted Net Revenue:	\$ 1.2 million (due to uncollected accounts)
Cumulative Net Revenue	\$ 8.0 million (since initial launch)

Budget development incorporates multiple assumptions regarding CCA program participation, retail loads, wholesale supply cost, and the economic impacts related to COVID-19. Further, SCE is expected to submit further rate 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.

DCE staff will present and discuss a complete draft Fiscal Year 2021/2022 budget projection at DCE's May Board meeting and present the final budget for consideration at the June Board meeting.

**Fiscal Analysis:** The fiscal impact will be built into DCE's Fiscal Year 2021/2022 budget.

## **ITEM 6B**

Desert Community Energy Board  
April 19, 2021



### **STAFF REPORT**

**Subject:** Carbon Free Subsidy for Low-Income Customers

**Contact:** Katie Barrows, Director of Environmental Resources ([kbarrows@cvag.org](mailto:kbarrows@cvag.org)),  
and Benjamin Druyon, Management Analyst ([bdruyon@cvag.org](mailto:bdruyon@cvag.org))

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**Recommendation:** Suspend the existing subsidy providing DCE's Carbon Free energy to customers in low-income assistance programs, and maintain these customers at the Desert Saver rate

**Background:** Approximately 6,500 DCE customers participate in rate assistance programs authorized by the California Public Utilities Commission and offered by Southern California Edison (SCE) and SoCalGas. Eligible customers include those who participate in California Alternate Rates for Energy (CARE<sup>1</sup>), Family Electric Rate Assistance (FERA), and Medical Baseline assistance programs (CARE/FERA customers). Since DCE's launch in April 2020, CARE/FERA customers in the City of Palm Springs have been enrolled in DCE's Carbon Free product but have been paying the lower cost Desert Saver rate. This decision was made by the DCE Board to reduce the potential financial burden on CARE/FERA customers who would otherwise incur the rate premium for Carbon Free energy.

At the March 15 meeting, the DCE Board discussed options for the 100% Carbon Free energy subsidy. One of the options discussed by the Board in March was suspending the subsidy. The discussion focused on consideration of a number of financial policies to address challenges related to the ongoing COVID-19 pandemic, which has led to a rise in customer delinquency, as well as increased costs. Suspending the subsidy would result in a cost reduction for DCE of approximately \$120,000. As this decision affects Palm Springs customers, DCE Chair Geoff Kors asked that the DCE Board seek additional feedback from the Palm Springs City Council before making a decision on the subsidy.

The Palm Springs City Council met on April 8 and was provided an update on DCE operations. The Council supported suspension of the CARE/ FERA subsidy on the 100% Carbon Free plan. Suspending the subsidy would have no financial impact on CARE/FERA customers, as they would continue to pay Desert Saver rates. It was noted that removing the subsidy would provide some relief in challenging economic times for non-CARE/FERA customers who currently subsidize the added premium for a 100% carbon-free product. The DCE Board could reinstate the subsidy at a future date if/when it may deem it prudent to do so.

**Fiscal Analysis:** If the Board approves suspension of this subsidy, CARE/FERA customers will continue to pay the same Desert Saver rates as they have since launch. In short, CARE/FERA

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<sup>1</sup> 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.

customer bills will not change, and the financial benefit of lower Desert Saver rates will continue for CARE/FERA customers. Desert Saver rates also provide DCE customers a savings compared to SCE's rates.

While revenue from Carbon Free customers has offset the cost of the subsidy thus far, the cost savings from subsidy suspension would be realized within DCE's budget and individual customers' bills would be unaffected. DCE staff estimates that if DCE no longer purchases 100% carbon-free electricity for Desert Saver low-income customers, DCE's wholesale power supply costs will be reduced approximately \$120,000 per year.

**Item 6C**

**Desert Community Energy Board  
April 19, 2021**



**STAFF REPORT**

**Subject: Environmental Content for Carbon Free Product**

**Contact: Jaclyn Harr, The Energy Authority**

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**Recommendation: Adjust the Environmental Content for the Carbon Free product to target 100% carbon-free procurement with a renewable content target of no less than the annualized state Renewable Portfolio Standard requirements and authorize staff to make the necessary modifications when procuring power**

**Background:** At the March 15 meeting, the DCE Board discussed options for adjustments to the basic Desert Saver and 100% Carbon Free products offered to customers to reduce power costs and build financial reserves. This is especially important as the desert heads into the summer months: summer peak power costs are now nearly 75% higher than they were last summer, an increase unseen since California's energy crisis nearly 20 years ago. These rising prices will only add to the economic challenges DCE is already facing related to the COVID-19 pandemic, including customer delinquencies. At the March meeting, Chair Kors asked that the potential adjustment to the Carbon Free Environmental Content be presented to the Palm Springs City Council for their input before a decision was made by the DCE Board.

The decision to enroll Palm Springs customers in the 100% Carbon Free product when DCE launched in April 2020 has brought significant results in meeting DCE's broader environmental objectives. Additionally, during its first year of operation DCE kept customer rates significantly lower than planned to reduce financial challenges on its customers during a time of economic downturn due to COVID-19. To ensure DCE continues to meet its financial goals – which will enable the development of more community energy programs and procurement of local energy resources by DCE – the DCE Board requested staff develop power procurement options that would continue to offer some environmental benefits while reducing power costs.

DCE's Carbon Free product currently provides 100% carbon-free electricity, with 50% of that power coming from renewable electricity sourced entirely from in-state renewables. DCE's Desert Saver product also sources its renewable power entirely from in-state renewables, but at an amount (e.g. 35.75% or higher for 2021) that is still compliant with state Renewable Portfolio Standard (RPS) requirements. The options proposed in the following table would adjust the environmental targets of the Carbon Free product and offer cost savings for DCE. The goals expressed by both the DCE Board and the City of Palm Springs in selecting the Carbon Free product focused on climate mitigation and sustainability. The Carbon Free product has met those goals by providing electricity that does not contribute greenhouse gases to the Earth's atmosphere.

As a start-up in the Community Choice Energy business, DCE must be cost conscious as well as environmentally conscious. The following table shows the options discussed in March. Procuring energy from renewable *and* in-state *and* carbon-free resources costs more than procuring carbon-free energy alone, which in turn costs more than conventional power – all of which contributes to the cost and rate pressures facing DCE today. The three options presented below reduce the

amount of renewable energy and/or carbon-free energy in the Carbon Free product to provide significant cost savings. Option 1 maintains the 100% carbon-free electricity content, while adjusting the renewable content of that carbon-free energy from a goal of 50% in-state renewable power to a goal of in-state renewable power at or exceeding the State of California’s annualized RPS requirements (e.g., 35.75% in 2021). Option 2 maintains 100% carbon-free electricity as well, while adjusting the renewable content down to state RPS requirements met with a mixture of in-state and out-of-state renewable sources in line with state RPS compliance requirements. In Option 3, the amount of carbon-free energy procured is reduced to 80% with a target renewable content at state compliance levels.

Product	Option	Renewable Content in 2021	Carbon-Free Content in 2021	Estimated 2021 Cost Savings
Carbon Free	1	At least 35.75% RPS with 100% In-State Renewables	100%	\$636,462
	2	At least 35.75% RPS with “Compliant Mix” of Renewables (75% In-State Renewables, 15% Out-of-State Renewables, 10% Unbundled Renewable Energy Credits) <sup>1</sup>	100%	\$738,608
	3	At least 35.75% RPS with “Compliant Mix” of Renewables <sup>1</sup>	80%	\$1,085,436

<sup>1</sup> This mix of renewable energy products would meet or exceed California state compliance requirements. Staff would target the same RPS mixture for the Desert Saver product if the Carbon Free product’s mixture changed from its current 100% In-State goal.

The Palm Springs City Council discussed the DCE Carbon Free Environmental Content at their meeting of April 8, 2021 and provided input to Councilmember Kors as chair of DCE. The city council was supportive of the adjustments shown in Option 2, which maintains the carbon-free content at 100% and reduces the renewable content from 50% to no less than 35.75% in 2021, while meeting or exceeding state compliance requirements, at an estimated cost savings of \$738,608. DCE staff supports this approach.

The proposed adjustment in the environmental content is considered temporary to help DCE maintain financial health during challenging times. Additionally, the proposed adjustment in the goals provide staff the flexibility to increase renewable procurement for the Carbon Free and/or Desert Saver product if market conditions improve. It should be noted that as part of its overall procurement strategy, DCE has recently approved four long-term power purchase agreements for renewable energy projects to enter DCE’s portfolio over the coming years. Three of these are Terra-Gen wind energy projects located in north Palm Springs. The other is a solar plus battery storage project in Tulare County. These long-term power sources will result in significant savings for DCE and its customers, as well as bring incremental new renewables onto California’s grid, which is arguably of longer-term environmental value than the short-term procurement of renewable or carbon-free power from already-generating facilities.

With this approach, DCE is following a three-pronged strategy to power resource acquisition that offers climate benefits, budget feasibility, and community benefits such as local jobs. Reductions in short-term environmental goals will allow DCE to improve its fiscal health in light of the recent challenges, giving the program the opportunity to procure these and other additional incremental renewables in the coming years.

**Fiscal Analysis:** The adjustment in the Carbon Free environmental content would result in significant cost savings to DCE. If the Board approves the adjustments outlined in Option 2, DCE's wholesale power supply costs will be reduced an estimated \$738,608 per year.

## Item 6D

Desert Community Energy Board  
April 19, 2021



### STAFF REPORT

**Subject:** SB 612 and Fair Access to Legacy Energy Resources

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

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**Recommendation:** Support Senate Bill 612 and authorize the Chair and/or Executive Director to sign letters of support and advocate for its approval

**Background:** As reported at the March 2021 meeting, the California Community Choice Association (CalCCA) has been supporting community choice aggregators (CCAs) across the state by developing proposals for long-term fixes to the Power Charge Indifference Adjustment (PCIA). Under existing law, CCA customers pay for legacy resources through the PCIA, which is commonly called the “exit fee,” but are not allowed to access the benefits of the resources themselves. In February 2021, California Senator Anthony Portantino introduced Senate Bill 612 to ensure fair and equal access to the benefits of legacy energy resources held in investor-owned utility (IOU) portfolios, and to ensure these resources are managed to maximize value for all customers.

The issue of legacy resources relates to contracts entered into by the IOUs to procure renewable energy and resource adequacy for their customers. Some of these contracts were executed a long time ago, in response to the Renewable Portfolio Standard that became law in 2002. These renewable resources were very expensive at the time and, as renewable prices have declined, the result has been billions of dollars in stranded costs. With the progress of CCAs, more than 11 million customers have transitioned from IOU service to CCAs, including the residents and businesses in the City of Palm Springs that are now served by DCE. CCA customers share in the responsibility and cost of the “legacy” resources purchased prior to the transition to CCA service by paying the PCIA. The utility’s full-service customers pay through their generation charges. Due to the significant increase in recent years, the PCIA impact on ratepayers continues to be a major concern.

According to advocates for SB 612, the legislation would help ensure that all customers are treated equally by providing all customers with fair access and fair value for legacy resource benefits. The bill would add new sections to the Public Utilities Code to:

- Require the IOUs to offer their excess power from legacy resources to CCAs when their customers are paying for it, in proportion to their share of the load.
- Require the utilities to offer in an annual solicitation any remaining excess to the wholesale market for sale and credit customers for any funds recovered.
- Require the CPUC to recognize the value of carbon-free electricity and credit customers for the full value, including the value of carbon-free energy.
- Require IOUs to manage their legacy contracts to maximize the value for all customers and to make efforts to minimize the amount of excess power and costs in their supply contracts.

This is not the first time that there’s been an effort to address the issue of legacy energy resources as it pertains to CCAs. The CPUC initiated an effort to address the issue in 2017, with CalCCA



taking the lead with CCAs and IOUs. The effort focused on developing a strategy that would allow CCAs to increase transparency into the PCIA rate setting process. Central to this effort was finding a way to reduce PCIA charges and benefit all customers in the form of lower charges. A proposal was submitted to the CPUC in February 2020 for consideration, but the recommendations have not been acted on yet.

The full text of SB 612, *Electrical corporations and other load-serving entities: allocation of legacy resources*, is available here: [SB 612 bill text](#). The bill is scheduled for its first legislative hearing when the Senate's Energy, Utilities and Communications Committee meets on April 26, 2021. DCE staff recommends that the DCE Board adopt a support position for SB 612, which would authorize the Chair and/or the Executive Director to advocate for its adoption through letters and outreach to lawmakers. CalCCA is also working with stakeholders to encourage support for the bill and the League of California Cities recently adopted a support position.

**Fiscal Analysis:** There is no cost to DCE for adopting a support position for SB 612.

**Attachment:**

1. Support letter for SB 612
2. SB 612 Fact Sheet

## DCE Letterhead

April 19, 2021

The Honorable Anthony Portantino  
State Capitol, Room 3086  
Sacramento, CA 95814

### **RE: SB 612 (Portantino) – SUPPORT**

Dear Senator Portantino,

On behalf of Desert Community Energy (DCE), I am writing to express support for SB 612, which would ensure that resources held in the Investor-Owned Utility (IOU) portfolios are managed to maximize value for all customers and would ensure fair and equal access to the benefits of these legacy resources.

Over the last ten years, millions of utility customers have transitioned from IOUs to Community Choice Aggregators (CCAs). Desert Community Energy's purpose is to offer competitive rates to electricity customers and develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources available in the region. Most of our customers are receiving 100% carbon-free power. DCE has made a commitment to reducing our carbon footprint and offering a choice in electricity service providers for the first time to our customers.

When a customer transitions to a CCA, the customer continues to pay for resources, like energy, that were procured on their behalf through the power charge indifference adjustment (PCIA). However, unlike an IOU customer, CCA customers receive no benefits from these resources. This inequity has been exacerbated in recent years as the cost of this payment has risen by hundreds of millions of dollars, with no sign of decreasing. The impacts of COVID-19 have made the importance of righting this inequity and lowering costs for all customers even more urgent.

DCE supports the provisions in the bill that ensure fair and equal access to the benefits of the resources that all customers pay for and would ensure that these legacy contracts are managed in a way that maximizes benefits for everyone. The bill would also require the California Public Utilities Commission (CPUC) to recognize the value of GHG-free energy in legacy contracts. However, time is of the essence. The longer the Legislature

takes to act, the less valuable these legacy contracts will be, and the less value customers will gain from access to them.

That is why we strongly support this bill and thank you for moving forward with this important legislation.

If you have questions, or wish to discuss our position, please do not hesitate to contact Katie Barrows at [kbarrows@cvag.org](mailto:kbarrows@cvag.org) or (760) 346-1127.

Sincerely,

Geoff Kors  
Chair, Desert Community Energy

cc: Senator Ben Hueso, 40<sup>th</sup> Assembly District

The Honorable Members of the Senate Energy, Utilities and Communications Committee

Assemblymember Chad Mayes, 42<sup>nd</sup> Assembly District

Senator Melissa Melendez, 28<sup>th</sup> Senate District

# SB 612 (Portantino) Ratepayer Equity

## PROBLEM

Over the last decade, more than 11 million investor-owned utility (IOU) customers have transitioned from IOU electric service to Community Choice Aggregators (CCAs), local government-owned utilities choosing to purchase electricity on behalf of their communities.

As part of this transition, CCA customers must share in the cost responsibility with IOU customers for the resource contracts entered into by IOUs prior to their departure for CCA service.

While CCA customers must pay their fair share of the contracts, they do not have access to any of the benefits the resources from these contracts provide as those benefits are retained by the IOU for their customers.

As a result, CCA customers must pay for redundant resources to meet compliance requirements even though they already pay for the products as part of their obligation for transitioning to a CCA. There is no good policy rationale for this inequitable treatment of CCA customers versus their IOU counterparts.

## BACKGROUND

Early state mandated procurement of renewable energy by IOUs resulted in California's rapid transition to renewable energy. As renewable resources have grown to scale, both prices and market value for renewable energy have declined, leaving a significant portion of the IOU initial renewable contracts underwater. These contracts, often referred to as "legacy contracts" have produced billions of dollars of above-market costs that are recovered from all ratepayers.

While these resources produce high costs, they also produce valuable products such as renewable energy, greenhouse gas free energy, and resource adequacy, products needed by all energy providers to meet their clean energy goals and remain in com-

pliance with reliability requirements. However, under the current structure, these products are retained by the IOU for its own compliance purposes.

## SUMMARY

This bill ensures fair and equal access to the benefits of legacy contracts resources for all customers and ensures that IOU portfolios are managed to maximize value and reduce unnecessary costs for all customers. Specifically, this bill:

- 1) Provides customers equal access to the legacy products they are paying for in proportion to what they are paying.
- 2) Requires the CPUC to recognize the value of GHG-free energy in the same way renewable energy or RA products are recognized.
- 3) Requires IOUs to annually sell any remaining excess legacy resource products not taken by former customers to the wholesale market.
- 4) Requires IOUs to transparently engage legacy resource holders in re-negotiating, buying out, or otherwise reducing costs from these contracts.

## SUPPORT

California Community Choice Association  
California Choice Energy Authority  
Central Coast Community Energy  
Clean Power Alliance  
East Bay Community Energy  
MCE  
Pioneer Community Energy  
Redwood Coast Energy Authority  
San Jose Clean Energy  
Silicon Valley Clean Energy  
Sonoma Clean Power  
City of Agoura Hills  
City of Arcadia

Office of Senator Anthony J. Portantino  
SB 612– Fact Sheet

Contact: Ben Edelstein– (916) 651-4025 or [Ben.Edelstein@sen.ca.gov](mailto:Ben.Edelstein@sen.ca.gov)

City of Berkeley  
City of Hayward  
City of Oakland  
City of San Jose  
City of Santa Monica  
City of Thousand Oaks  
City of West Hollywood


**Version:** 3/19/2021



**ITEM 7A**

**DESERT COMMUNITY ENERGY BOARD  
FY2020-2021 ATTENDANCE RECORD**

<b>Voting Members</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUNE</b>
City of Cathedral City	✓	✓	✓	✓	✓	✓	*	✓	✓			
City of Palm Desert	✓	✓	✓	✓	✓	✓	*	✓	✓			
City of Palm Springs	✓	✓	✓	✓	✓	✓	*	✓	✓			

Absent   
No Meeting \*

**DESERT COMMUNITY ENERGY  
UNAUDITED BALANCE SHEET  
FROM JULY 1, 2020 TO MARCH 31, 2021**

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
River City Bank			
- Operating Account		9,169.57	9,169.57
- Money Market Account	439,749.09	0.00	439,749.09
- ICS Account	1,317,525.26	0.00	1,317,525.26
- Lockbox Account	2,567,168.66	(1,858,864.19)	708,304.47
- Restricted Cash (PPA Collateral)	0.00	1,845,000.00	1,845,000.00
- SCE FSR Letter of Credit Collateral	147,000.00	0.00	147,000.00
Total Cash	4,471,443.01	(4,694.62)	4,466,748.39
Accounts Receivable			
- Southern California Edison		2,556,224.78	2,556,224.78
- Southern California Edison (Escrow account)		2,677,674.88	2,677,674.88
- Bad Debt		(90,986.42)	(90,986.42)
Total Accounts Receivable		5,142,913.24	5,142,913.24
Accrued Revenue		1,204,094.77	1,204,094.77
Deposits/Bonds			
- CPUC	100,000.00		100,000.00
Total Deposits/Bonds	100,000.00		100,000.00
<b>TOTAL ASSETS</b>	4,571,443.01	6,342,313.39	10,913,756.40
<b><u>LIABILITIES</u></b>			
Accounts Payable			
- Ace Printing	666.25	666.24	1,332.49
- Burke Rix	0.00	0.00	0.00
- Calpine	0.00	97,158.90	97,158.90
- Donald D. Dame	682.50	2,047.50	2,730.00
- Southern California Edison	0.00	1,750,000.00	1,750,000.00
- The Energy Authority	0.00	2,780,609.79	2,780,609.79
- White Rabbit Group	0.00	0.00	0.00
- Net Energy Metering payables	0.00	1,618.68	1,618.68
- Lance, Soll & Lunghard	187.50	562.50	750.00
- CA Community Choice Association	0.00	0.00	0.00
Total Accounts Payable	1,536.25	4,632,663.61	4,634,199.86
Due to Other Governments			
Utility Users Tax- Palm Springs		161,813.01	161,813.01
Electric Energy Surcharge (CDTFA)		26,399.12	26,399.12
Total Due to Other Governments		188,212.13	188,212.13
Vendor security deposits			
Terra-Gen		1,845,000.00	1,845,000.00
Total Vendor security deposits		1,845,000.00	1,845,000.00
<b>TOTAL LIABILITIES</b>	1,536.25	6,665,875.74	6,667,411.99
<b><u>FUND BALANCE</u></b>			
Fund Balance	4,569,906.76	(323,562.35)	4,246,344.41
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	4,571,443.01	6,342,313.39	10,913,756.40

**DESERT COMMUNITY ENERGY  
UNAUDITED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FROM JULY 1, 2020 TO MARCH 31, 2021**

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Electricity Sales <sup>(1)</sup>	0.00	27,521,244.58	27,521,244.58
Bad Debt	0.00	(74,470.93)	(74,470.93)
Other Revenue	0.00	571,404.89	571,404.89
Investment Income	12,449.11	0.00	12,449.11
<b>TOTAL REVENUES</b>	<u>12,449.11</u>	<u>28,018,178.54</u>	<u>28,030,627.65</u>
<b>EXPENDITURES</b>			
Cost of Electricity			
Electricity Purchase	0.00	14,478,018.50	14,478,018.50
Resource Adequacy	0.00	5,355,792.20	5,355,792.20
Low Carbon Settlement	0.00	1,393,690.00	1,393,690.00
Renewable Energy Credit Settlement	0.00	3,023,732.00	3,023,732.00
Market Charges	0.00	5,191,909.86	5,191,909.86
Total Cost of Electricity	<u>0.00</u>	<u>29,443,142.56</u>	<u>29,443,142.56</u>
Accounting / Bank Services	969.12	969.12	1,938.24
Office Supplies	299.86	899.57	1,199.43
Professional Services			
- Arthur J Gallaguer Insurance & co	233.13	233.13	466.25
- LSL, CPAs	1,875.00	5,625.00	7,500.00
- Lift to Rise	0.00	0.00	0.00
- Southern California Edison	0.00	32,332.18	32,332.18
Total Professional Services	<u>2,108.13</u>	<u>38,190.31</u>	<u>40,298.43</u>
Insurance			
- Directors & Officers	3,000.00	3,000.00	6,000.00
- General Liability	250.00	250.00	500.00
Total Insurance	<u>3,250.00</u>	<u>3,250.00</u>	<u>6,500.00</u>
Consultants			
- Donald D. Dame	5,310.38	15,931.13	21,241.50
- Calpine Energy Solutions	0.00	450,972.70	450,972.70
- CVAG	0.00	0.00	0.00
- The Energy Authority	0.00	810,051.53	810,051.53
- White Rabbit Group	950.00	950.00	1,900.00
Total Consultants	<u>6,260.38</u>	<u>1,277,905.36</u>	<u>1,284,165.73</u>
Outreach			
- Burke Rix Communications	0.00	24,087.39	24,087.39
Total Outreach	<u>0.00</u>	<u>24,087.39</u>	<u>24,087.39</u>
Postage			
- Ace Printing	1,433.14	1,433.14	2,866.28
Total Printing	<u>1,433.14</u>	<u>1,433.14</u>	<u>2,866.28</u>
Printing			
- Ace Printing	2,139.37	2,139.37	4,278.74
Total Printing	<u>2,139.37</u>	<u>2,139.37</u>	<u>4,278.74</u>
Registrations/Memberships			
- CA Community Choice Association	14,456.75	43,370.25	57,827.00
Total Registration/Memberships	<u>14,456.75</u>	<u>43,370.25</u>	<u>57,827.00</u>
Interest Expense	0.00	3,094.58	3,094.58
<b>TOTAL EXPENDITURES</b>	<u>30,916.74</u>	<u>30,838,481.64</u>	<u>30,869,398.38</u>
Excess of Revenues over Expenditures	(18,467.63)	(2,820,303.10)	(2,838,770.73)
Fund Balance - Beginning of the Year	4,588,374.39	2,496,740.75	7,085,115.14
Fund Balance - End of the Year	<u>4,569,906.76</u>	<u>(323,562.35)</u>	<u>4,246,344.41</u>

(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 MARCH 31, 2021**

**ASSETS**

River City Bank		
- Operating Account	9,169.57	
- Money Market Account	439,749.09	
- ICS Account	1,317,525.26	
- Lockbox Account	708,304.47	
- Restricted Cash (PPA Collateral)	1,845,000.00	
- SCE FSR Letter of Credit Collateral	147,000.00	
Total Cash		4,466,748.39
Accounts Receivable		
- Southern California Edison	2,556,224.78	
- Southern California Edison (Escrow account)	2,677,674.88	
- Bad Debt	(90,986.42)	
Total Accounts Receivable		5,142,913.24
Accrued Revenue		1,204,094.77
Deposits/Bonds		100,000.00
<b>TOTAL ASSETS</b>		<b>10,913,756.40</b>

**LIABILITIES**

Accounts Payable		
- Ace Printing	1,332.49	
- Calpine	97,158.90	
- Donald D. Dame	2,730.00	
- Southern California Edison	1,750,000.00	
- The Energy Authority	2,780,609.79	
-Net Energy Metering payables	1,618.68	
- Lance, Soll & Lunghard	750.00	
Total Accounts Payable		4,634,199.86
Due to Other Governments		
Utility Users Tax- Palm Springs	161,813.01	
Electric Energy Surcharge (CDTFA)	26,399.12	
Total Due to Other Governments		188,212.13
Vendor security deposits		
Terra-Gen	1,845,000.00	
Total Vendor security deposits		1,845,000.00
<b>TOTAL LIABILITIES</b>		<b>6,667,411.99</b>

**FUND BALANCE**

Reserve (Restricted requirement for Credit Solutions TEA)		
Fund Balance		4,246,344.41
<b>TOTAL FUND BALANCE</b>		<b>4,246,344.41</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>10,913,756.40</b>

**REVENUES**

Electricity Sales <sup>(1)</sup>		27,446,773.65
Carbon Free	22,162,100.58	
Carbon Free- CARE/FERA	3,203,953.39	
Desert Saver	2,155,190.61	
Bad Debt	(74,470.93)	
Other revenue		571,404.89
Investment Income		12,449.11
<b>TOTAL REVENUES</b>		<b>28,030,627.65</b>

**EXPENDITURES**

Cost of Electricity		
Electricity Purchase	14,478,018.50	
Resource Adequacy	5,355,792.20	
Low Carbon Settlement	1,393,690.00	
Renewable Energy Credit Settlement	3,023,732.00	
Market Charges	5,191,909.86	
Total Cost of Electricity		29,443,142.56
Accounting / Bank Services		1,938.24
Office Supplies		1,199.43
Professional Services		40,298.43
Insurance		6,500.00
Consultants		1,284,165.73
Outreach		24,087.39
Postage		2,866.28
Printing		4,278.74
Registrations/Memberships		57,827.00
Interest Expense		3,094.58
<b>TOTAL EXPENDITURES</b>		<b>30,869,398.38</b>

Excess of Revenues over Expenditures	(2,838,770.73)
Fund Balance - Beginning of the Year	7,085,115.14
Fund Balance - End of the Year	4,246,344.41

(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

## Item 7C

### Desert Community Energy Board April 19, 2021



#### STAFF REPORT

**Subject:** Update on DCE Program Activities

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

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#### **Recommendation: Information**

**Background:** DCE staff regularly provides an update on the activities underway, particularly as it pertains to the service to customers in the City of Palm Springs since April 2020. Some overall highlights include:

- ✓ April marks the one-year anniversary of DCE's launch in Palm Springs. Our thanks to the city council, residents and businesses of Palm Springs!
- ✓ About 88% of Palm Springs customers continue to stay with DCE and approximately 80 percent are enrolled in DCE's Carbon Free plan (7.4% are enrolled in Desert Saver); and
- ✓ Carbon Free customers have reduced greenhouse gases the equivalent of taking more than 20,000 cars off the road.
- ✓ The Terra-Gen Coachella Hills II project – one of the long-term power purchase agreements DCE has approved – is scheduled to “flip the switch” and begin operations soon.

**Community Outreach & Engagement:** Community engagement continues to focus on responding to customers inquiries, resolving issues where they occur, and providing informative messages about DCE on social media and the website.

The website continues to highlight how DCE customers in the City of Palm Springs have contributed to combatting climate change, eliminating the equivalent of 20,000 cars off the road. Reminders about the lower cost Desert Saver product are also featured. A new tab soon to be added to the website will focus on tips for saving energy and money; it will also include information about energy saving programs and rebates that DCE customers can take advantage of. The online bill comparison tool is being updated to reflect recent SCE rate adjustments and will be online again this month. Information to help customers understand the COVID-19 bill assistance program, which the DCE Board approved at the March 2021 meeting, is being added.

The outreach team has developed some short videos to be used on the website and in social media. The videos highlight noteworthy DCE benefits, such as noting that the Desert Saver product costs less than SCE's product. They also feature the DCE's purchase of Palm Springs wind energy and the program's carbon footprint reduction. Members of the Community Advisory Committee have also offered their help in enhancing DCE outreach efforts to encourage more visits to the website and social media.

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 was the lowest since DCE launched in Palm Springs with 262 calls, down from 311 calls in February 2021. No complaints from customers have been reported by the customer service team

in recent months.

**GRID Alternatives Outreach:** Collaboration with GRID Alternatives to encourage eligible property owners to take advantage of funding available through the Single-family Affordable Solar Homes (SASH) program continues. GRID Alternatives is a non-profit which is a leader in helping economic and environmental justice communities nationwide get clean, affordable renewable energy, transportation, and jobs. The SASH program, managed by Grid Alternatives, provides up-front rebates to defray the cost of installing rooftop solar for low-income households. Letters to 54 eligible property owners in the City of Palm Springs were sent out in March 2021 with a 13% response rate to date. Grid is working with property owners who are in the process of getting prequalified. GRID is also planning to send additional mailers to the eligible Palm Springs property owners, including a GRID postcard and a follow-up letter to the City letter from the Mayor. Letters from Palm Desert are scheduled to go out in the coming weeks. Cathedral City has requested a presentation from Grid Alternatives, which is scheduled to be on the City Council agenda in May 2021. Members of the CAC have volunteered to support the effort to enroll eligible property owners in the GRID Alternatives SASH program, including making phone calls after letters have been received to assist those interested.

**Community Advisory Committee (CAC):** The Palm Springs Working Group held a meeting on April 5, 2021 via Zoom videoconference. The meeting gave the members an opportunity to provide input on several DCE items that were discussed at the Palm Springs City Council on April 8, including the Carbon Free subsidy for CARE/FERA customers and the bill assistance program. The working group also discussed ways to enhance the reach of DCE social media and ideas for outreach. Staff is working with CAC members to add information on no-cost programs that customers can take advantage of to reduce their energy use and increase energy efficiency to the DCE website and promote via other outreach tools.

**Customer Participation Rates:** The participation rate has remained relatively stable with almost 88% of eligible customers in Palm Springs choosing to stay with DCE. More than 80% of those customers are receiving 100% carbon-free electricity. As of March 2021, there has been a total of 5,082 opt-outs, or 11.98%, of the 42,420 total eligible customers in Palm Springs. In addition, 3,134 customers, or 7.39%, 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 2020. The following table shows the participation rates based on opt-out rates since June 2020.

***Desert Community Energy  
Participation Percentage: June 2020 to March 2021***

Month	Total Accounts	Opt-Out %	Participation %
June 2020	42,207	8.72%	91.28%
September 2020	42,270	10.89%	89.11%
December 2020	42,347	11.51%	88.49%
January 2021	42,367	11.70%	88.30%
February 2021	42,378	11.86%	88.14%
March 2021	42,420	11.98%	88.02%

The pattern of opt outs and opt downs is being factored into the FY 2021/2022 budget. The following table shows opt-out and opt-down rates since the Palm Springs launch.

**Desert Community Energy Monthly Contact Center  
and Opt-Action Statistics Summary – March 2021**

Stats by Month	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 20	Oct. 20	Nov. 20	Dec. 20	Jan. 21	Feb. 21	March 21	Total
Total Calls	283	980	1706	1698	1929	1085	1384	1120	793	596	547	645	311	262	<b>13,339</b>
Total Calls Connected to Agents	115	450	787	824	1098	634	655	498	291	162	150	212	170	168	<b>6,214</b>
Average Seconds to Answer	0:00:15	0:00:18	0:00:18	0:00:23	0:00:37	0:00:25	0:00:46	0:00:26	0:00:26	0:00:22	0:00:15	0:00:11	0:00:09	0:00:08	
Average Call Duration	0:08:11	0:08:04	0:07:11	0:08:48	0:09:15	0:09:10	0:09:31	0:08:53	0:08:53	0:09:22	0:09:47	0:09:34	0:09:15	0:10:14	
Total Eligible Customers	40,618	40,618	42,136	42,167	42,207	42,234	42,250	42,270	42,299	42,333	42,347	42,367	42,378	42,420	<b>42,420</b>
Monthly Opt-Outs	193	812	1058	833	785	356	356	212	141	68	61	81	71	55	<b>5,082</b>
Opt-Out Percentage	0.48%	2.00%	2.51%	1.98%	1.86%	0.84%	0.84%	0.50%	0.33%	0.16%	0.14%	0.19%	0.17%	0.13%	<b>11.98%</b>
Total Opt-Down	54	231	847	518	453	281	239	131	105	48	41	57	57	72	<b>3,134</b>
Opt-Down Percentage	0.13%	0.57%	2.01%	1.23%	1.07%	0.67%	0.57%	0.31%	0.25%	0.11%	0.10%	0.13%	0.13%	0.17%	<b>7.39%</b>
Total Opt-Up (from Desert Saver)	0	1	1	0	4	1	0	1	0	0	0	1	0	0	<b>9</b>
Opt-Up Percentage	0.000%	0.002%	0.002%	0.000%	0.009%	0.002%	0.000%	0.002%	0.000%	0.000%	0.000%	0.002%	0.000%	0.000%	<b>0.021%</b>

**Desert Community Energy  
Opt-Action Statistics by Rate Category – March 21**

		Opt-Out	% Opt-Out	Opt-Down	% Opt-Down
<b>Total Eligible Customers</b>	<b>42,420</b>	<b>5,082</b>	<b>11.98%</b>	<b>3,134</b>	<b>7.39%</b>
<b>Residential</b>		3,535	8.33%	2,316	5.46%
<b>Small Commercial</b>		60	0.14%	296	0.70%
<b>Medium Commercial</b>		564	1.33%	35	0.08%
<b>Large Commercial</b>		7	0.02%	1	0.00%
<b>Street Lights</b>		2	0.00%	4	0.01%
<b>Agriculture &amp; Pumping</b>		35	0.08%	1	0.00%
<b>Net Energy Metering (NEM)</b>		879	2.07%	481	1.13%

The number of CARE/FERA/Medical Baseline customers who opted down or out did not change from February 2021 to March 31, 2021. This total includes 737 (10.2%) who opted out and 225 (3.1%) of these customers who opted down. For all customers, the primary reasons given for opting out include a dislike for being automatically enrolled, rate or cost concerns, and service/billing concerns. Many customers did not provide a reason for their decision to opt out.

## Item 7D

Desert Community Energy Board  
April 19, 2021



### STAFF REPORT

**Subject:** Bill Assistance Program for DCE Customers Impacted by COVID-19

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

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#### **Recommendation: Information**

**Background:** The COVID-19 pandemic has been ongoing for more than a year, creating widespread financial hardships for individuals, families and businesses. DCE customers have experienced it first-hand, including residential customers who are unemployed or had their work hours significantly reduced, or small business that shuttered or were forced to limit their operations. This has resulted in large numbers of customers falling behind on their electricity payments.

At the end of January 2021, DCE had 1,037 active residential accounts and 124 small business accounts – accounting for almost 3 percent of total DCE’s customer base – that were at least 90 days past due, with a total outstanding balance of approximately \$523,000. As reported in March 2021, there were 542 residential and small business accounts that are 60 days past due, creating a total outstanding balance of \$32,000. This may fall under the bad debt threshold in the coming months.

DCE’s delinquency rates for customers have increased significantly during this period as well. On April 2020, DCE’s original delinquency rate was estimated to be around 0.3% for the FY 2019/2020 Budget. Based on the current conditions, at the end of January 2021, the delinquency rate was around 3% and is projected to keep increasing.

At the March 2021 meeting, the DCE Board authorized a bill assistance program for residential and non-residential customers impacted by COVID-19. The program, which is modeled after similar initiatives in the state, will help DCE customers re-engage and get current on their bill. While penalties and shut offs are prohibited due to a statewide moratorium, past due balances still must be repaid when the moratorium ends in June 2021. Providing a bill assistance program would allow DCE to retain these customers in the long run and provide them the resources that would help them start to become current on their past due balances. The program targets specific classes of customers who are likely to need assistance, including those who are requesting assistance for the first time. At the same time, it encourages these customers, through the automatic application of a bill credit, to access sustained forms of financial assistance.

The DCE Board’s approval of the bill assistance program was contingent on approval by the City of Palm Springs. The Palm Springs City Council met on April 8, 2021 and discussed a number of issues related to DCE, including this program. Council members were supportive of the approach, and DCE staff is working to implement the program with Southern California Edison. Under the program, customers (residential and small businesses) will sign up for payment plans, via SCE.

DCE will receive a weekly report on these customers and will work with its billing manager, Calpine, to automatically apply a bill credit to those customers, in most cases, on their next bill.

The bill assistance program provides modest but immediate bill relief, while steering particularly vulnerable customers towards sustained forms of help. Disconnections will resume statewide this summer. Keeping customers current on their bills – either through reduced rates like Desert Saver or payment plans – can help customers improve DCE’s delinquency rate. Outreach to eligible customers will include direct mail, email, and promotion through social media. Outreach materials will let eligible customers know about the bill assistance program and the payment plan programs available to them. Outreach will also provide information about the lower cost Desert Saver program and how to opt-down. The program will remain in place until funds run out or the Board decides that funds should be used in a different manner.

**Fiscal Analysis:** Bill credits range from \$30 to \$55, depending on the class of customer. The bill assistance program would result in up to \$70,000 to be applied in credits plus marketing/outreach expenditures. DCE recommends allocating \$15,000 of this for bill credits for payment plans, and the remaining \$55,000 for bill credits for customers newly enrolled in financial assistance or payment plans. The expenses for this program will be allocated to the Palm Springs fund in the DCE budget.

The costs are covered by the DCE Board’s approval to reallocate funds previously assigned in the existing budget to a contract with Lift to Rise, who was hired in January 2020 to conduct outreach to CARE/ FERA customers. The contract with Lift was ended in June 2020 amid the changing customer circumstances seen during COVID-19. This meant DCE never expended the total amount budgeted, which was \$168,000.

## Item 7E

Desert Community Energy Board  
April 19, 2021



### STAFF REPORT

**Subject:** Exploring Options for Local Battery Storage Projects

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

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#### **Recommendation: Information**

**Background:** At the February 2021 meeting, the DCE Board discussed the potential for renewable projects – especially those featuring storage – to be developed in the Coachella Valley. The potential for larger renewable projects that incorporate storage, or ways to encourage and incentivize residential scale storage would help with grid resilience. It also would help meet DCE's goals to promote local projects and local jobs, encourage investment in the desert and increase the clean energy profile of the Coachella Valley.

DCE staff is exploring the potential for development of renewable energy + battery storage projects in the Coachella Valley region. These could include solar, wind or other renewable projects. Staff is reaching out to local partners including the Coachella Valley Economic Partnership, local solar companies, as well as larger scale solar and wind developers to get their input on the requirements for such projects, available resources and the viability. Discussions will include the potential for expanding battery storage at the residential scale, small commercial and utility scale projects. Updates will be provided to the Board as progress is made.

Another related item staff is exploring is a new resource developed by the National Renewable Energy Laboratory (NREL), a solar app for permitting. The SolarAPP is a collaborative effort to foster rooftop solar adoption by making it easier for local governments overwhelmed by residential solar applications to approve most rooftop projects quickly and safely. The goal of the project is to streamline and unify solar + battery storage permitting for local jurisdictions. NREL has brought together solar industry groups, cities and counties, code bodies, environmental organizations as well as government entities in the development of an online permitting platform that will automate rooftop solar plan review and produce compliant approvals instantly. SolarApp is designed to help make the permitting process for rooftop solar installation and storage more effective. Local governments would benefit from greater resilience, flexibility, and localized economic development. Staff will return to the Board when it has additional information and insight on the potential for SolarApp to be used in the Coachella Valley.

At the same time, DCE staff has been exploring the potential for programs that could be offered by DCE to promote clean energy and drive rooftop solar plus battery adoption. The installation of solar photovoltaic systems continues to grow, and solar installers are seeing increased demand for solar + battery storage as customers look to enhance the resilience of their systems. The customer desire for resiliency presents an opportunity to deploy innovative programs that promote solar + battery storage projects. One of the challenges with continued deployment of these systems in California is that it reduces the demand for retail electricity service as provided by DCE and other CCAs, and thus decreases sales revenue. DCE staff is in the process of working with local solar companies and energy firms to explore some of the opportunities. Staff would work with the Community Advisory Committee before bringing any proposals back to the Board.

**Fiscal Analysis:** Resources for these efforts are covered under existing DCE staff time.