

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, June 21, 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/85969436091?pwd=WIV5UIBFcHFvWG0vTTdJSUNxYUc3dz09>

Passcode: 513658

One tap mobile:

US: +16699009128,,85969436091#

By Phone:

Dial In #: +1 669 900 9128

Webinar ID: 859 6943 6091

Passcode: 513658

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 April 19, 2021

[P5](#)

B. Amend DCE Policy #18-11, the Delinquent Accounts, Collections and Bad Debt Policy, and set a reserve at 3 percent of revenues

[P9](#)

C. Approve continued participation as an operational member in the California Community Choice Association as part of the annual membership review by the DCE Board of Directors

[P11](#)

6. DISCUSSION / ACTION

A. Presentation: Statewide Perspectives on Community Choice – Beth Vaughan, CalCCA Executive Director

B. DCE's Fiscal Year 2021/2022 Budget – Valdemar Galeana

[P13](#)

Recommendation: Adopt Resolution 2021-03 approving Desert Community Energy Fiscal Year 2021/2022 Budget.

C. DCE's 2021 Summer Readiness Outreach Strategy – Ben Druyon

[P20](#)

Recommendation: Information

7. INFORMATION

A. Attendance Record

[P22](#)

B. Update on DCE Program Activities	<u>P23</u>
C. Legislative Update	<u>P27</u>
D. Spotlight on Renewable Energy Development in City of Palm Springs	<u>P31</u>
E. Unaudited Financial Report for July 1, 2020 to May, 31 2021	<u>P34</u>
F. Member Survey on CVAG Meetings in Post-COVID Environment	<u>P36</u>
G. Meeting Calendar for Fiscal Year 2021/2022	<u>P37</u>
H. Selection of Independent Auditor for CVAG, CVCC and DCE	<u>P38</u>
I. Renewable Portfolio Standard (RPS) Procurement Plan	<u>P39</u>

8. PUBLIC COMMENTS ON NON-AGENDA ITEMS

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

9. ANNOUNCEMENTS

The next DCE meeting will be held July 19, 2021 at 2:30 p.m. either via Zoom webinar or in-person.

10. ADJOURNMENT

Item 2A

Desert Community Energy Board Member Roster	
Voting Members	Representative
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>
DCE Staff	
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
April 19, 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

Tom Kirk
Katie Barrows
Benjamin Druyon
Valdemar Galeana
Trisha Stull
Erica Felci
Oscar Vizcarra
Jeff Fuller
Jaclyn Harr
Don Dame

The Energy Authority
The Energy Authority
DCE Consultant

Others Present

David Freedman
Shelley Kaplan
Charlie McClendon
Patrick Tallarico
Erin Rode
Brad Anderson

Community Advisory Committee
Community Advisory Committee
City of Cathedral City
City of Palm Springs
The Desert Sun

3. PUBLIC COMMENTS ON AGENDA ITEMS

David Freedman, Chair of the DCE Community Advisory Committee, commented on Items 6B and 6C. He stated that the CAC agreed with the staff recommendations on these items.

Brad Anderson, resident of Rancho Mirage, stated he was listening and wanted to have the chance to comment if desired.

4. BOARD MEMBER / DIRECTOR COMMENTS

Chair Kors thanked Katie Barrows for presenting a DCE update to the Palm Springs City Council at their recent meeting.

Ms. Barrows explained that DCE staff were sharing energy efficiency opportunities with DCE customers, including opportunities available to them through Southern California Edison. Ms. Barrows also recognized the one-year anniversary of DCE's launch in the City of Palm Springs, and shared program highlights and recognized Earth Day.

5. CONSENT CALENDAR

A. Approve Minutes from Board Meeting of March 15, 2021

IT WAS MOVED BY MAYOR GREGORY AND SECONDED BY COUNCILMEMBER JONATHAN TO APPROVE THE CONSENT CALENDAR.

THE MOTION CARRIED WITH 3 AYES.

Mayor Gregory	Aye
Councilmember Jonathan	Aye
Councilmember Kors	Aye

6. DISCUSSION / ACTION

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

Don Dame, Energy Consultant, shared a broad overview of the Fiscal Year 2021/2022 DCE budget and asked for direction from the Board. Member discussion ensued, with the Board providing general direction to staff on costs that would be factored into DCE's Fiscal Year 2021/22 budget.

There was no action taken. DCE staff acknowledged the input and said it would be included in the budget, which will return to the Board in May for review and in June for adoption.

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

Ms. Barrows provided an update on the Carbon Free subsidy that has been provided to CARE/ FERA customers. It was explained that the City of Palm Springs' Council was supportive of suspending the subsidy.

IT WAS MOVED BY MAYOR GREGORY AND SECONDED BY COUNCILMEMBER JONATHAN TO 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.

THE MOTION CARRIED WITH 3 AYES.

Mayor Gregory	Aye
Councilmember Jonathan	Aye
Councilmember Kors	Aye

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

Jaclyn Harr, The Energy Authority, outlined the environmental content options and the price savings for each option. Member discussion ensued.

IT WAS MOVED BY COUNCILMEMBER JONATHAN AND SECONDED BY MAYOR GREGORY TO 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.

THE MOTION CARRIED WITH 3 AYES.

Mayor Gregory	Aye
Councilmember Jonathan	Aye
Councilmember Kors	Aye

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

Ms. Barrows outlined SB 612 and its benefits to DCE Customers. Member discussion ensued.

IT WAS MOVED BY MAYOR GREGORY AND SECONDED BY COUNCILMEMBER JONATHAN TO SUPPORT SENATE BILL 612 AND AUTHORIZE THE CHAIR AND/OR EXECUTIVE DIRECTOR TO SIGN LETTERS OF SUPPORT AND ADVOCATE FOR ITS APPROVAL.

THE MOTION CARRIED WITH 3 AYES.

Mayor Gregory	Aye
Councilmember Jonathan	Aye
Councilmember Kors	Aye

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 March 31, 2021**
- C. Update on DCE Program Activities**
- D. Bill Assistance Program for DCE Customers Impacted by COVID-19**
- E. Exploring Options for Local Battery Storage Projects**

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

Brad Anderson discussed DCE's future membership and voting.

9. ANNOUNCEMENTS

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

10. ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Respectfully submitted,

Trisha Stull

ITEM 5B

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: Amendment to Delinquent Accounts, Collections and Bad Debt Policy

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

Recommendation: Amend DCE Policy #18-11, the Delinquent Accounts, Collections and Bad Debt Policy, and set a reserve at 3 percent of revenues

Background: The purpose of the Delinquent Accounts, Collections and Bad Debt Policy is to define when delinquent accounts will be returned to Southern California Edison (SCE), how the collection will be collected, and define a reserve level for bad debt.

DCE's original policy was adopted by the Board in July 2018. Policy #18-11 states that residential customer accounts with balances exceeding \$200 in charges and overdue for more than 90 days are notified and have 60 days to make payment arrangements with DCE after the notice has been received. If a payment is not made, the account is closed and returned to SCE. Non-residential customer accounts with balances exceeding \$400 in charges overdue for more than 60 days, are notified and have 30 days to make payment arrangements with DCE after a notice has been issued. If a payment is not made, the account is closed and returned to SCE.

The initial reserve established under Policy #18-11 assumed that 0.30% of revenues were going to be considered as part of the bad debt allowance. Policy #18-11 also states that the Board may modify the bad debt reserve as part of the annual budget process, and factor in actual collections experience. The COVID-19 pandemic has resulted in considerable increases in customer delinquency rates. A State-imposed moratorium has prohibited disconnections since March 2020. However, the moratorium is set to expire on June 30, 2021, which will give SCE the ability to address past due accounts of DCE customers.

Delinquency rates as of March 31, 2021 represent approximately 3.0% of the revenues. DCE staff does not anticipate that delinquency rates will remain at current levels, since the economic conditions are improving and assistance programs are being provided to DCE customers who are behind with their bills.

In order to present a more accurate projection for the next fiscal year, DCE staff recommends amending Policy #18-11 to increase the reserve from 0.30% of revenues to 3.0% of revenues. The recommended change is highlighted in the attached Amended DCE Policy #18-11. DCE staff will keep tracking customer behavior and delinquency rates going forward and bring back additional recommendations when considered necessary.

Fiscal Analysis: The recommended change has been factored into the proposed Fiscal Year 2021/2022 budget, which is being presented for consideration at the June meeting.

Attachment: Amended DCE Policy #18-11



POLICY #18-11- Amendment

Delinquent Account, Collections and Bad Debt Policy

Subject: Delinquent Accounts, Collections and Bad Debt Policy

Delinquent Accounts:

DCE accounts, whether Residential or Non-Residential, identified in the monthly aging accounts receivable report, as provided by SCE, with outstanding balances over 90 days are eligible to be returned to SCE service.

Residential Accounts: Desert Community Energy customer accounts exceeding \$200 in charges overdue for more than 90 days will be sent a late payment notification by DCE. Such customer(s) will be noticed and provided 60 days to pay in full or to make other payment arrangements acceptable to DCE. If payment in full is not received within 60 days from the date of notification, or terms of an activated payment arrangement are not fulfilled, the DCE customer account may be closed and returned to SCE bundled generation service on the next account meter read date. Residential customers returned to SCE will be charged any applicable DCE opt-out fee and are subject to applicable terms and conditions imposed by SCE for return of service.

Non-residential Accounts: Non-residential customer accounts exceeding \$400 in aggregate unpaid charges for 60 days or more will be sent a late payment notification by DCE. Such customer(s) will be provided 30 days to pay in full or to make other payment arrangements acceptable to DCE. If payment in full is not received within 30 days of the date of notification, or the terms of an activated payment arrangement are not fulfilled, the DCE customer account may be closed and returned to SCE bundled generation service on the next account meter read date. Non-residential customers returned to SCE will be charged any applicable DCE opt-out fee and are subject to applicable terms and conditions imposed by SCE for return of service.

Collections:

Closed Desert Community Energy customer accounts with overdue amounts greater than \$50 may be referred to a collection agency. Amounts of \$50 or less may be written off. If SCE closes delinquent customer accounts, these accounts are also simultaneously closed in the DCE program. In these cases, the thresholds outlined in the preceding paragraphs apply in either referring closed accounts to collections or writing off balances. Collection agencies retained by DCE shall be vetted to ensure all consumer protection laws are strictly followed.

Bad Debt:

DCE shall include an annual budgetary reserve for bad debt. **The reserve shall, as of June 2021, be established at 3.00% of revenues.** Thereafter, on an annual basis and subject to actual collections experience, DCE's bad debt reserve percentage may be modified appropriately as part of the annual budget approval process.

Item 5C

Desert Community Energy Board June 21, 2021



Staff Report

Subject: California Community Choice Association Operational Membership

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

Recommendation: Approve continued participation as an operational member in the California Community Choice Association as part of the annual membership review by the DCE Board of Directors

Background: In June 2020, the DCE Board approved an operational membership in the California Community Choice Association (CalCCA), a non-profit association of Community Choice Aggregators (CCAs). CalCCA serves its members and strengthens their collective voice through education, technical guidance, and regulatory and legislative advocacy. CalCCA's mission is to create a legislative and regulatory environment that supports the development and long-term sustainability of locally operated CCAs in California. CalCCA represents the interests of CCAs in the legislature and at state regulatory agencies, including the California Public Utilities Commission, California Energy Commission, and California Air Resources Board. CalCCA's membership is comprised of the 24 CCAs serving customers in California, with membership expected to increase as CCAs continue to launch. CalCCA members are reliably serving upwards of 11 million customers in more than 200 California cities and counties. More information about CalCCA and the resources they offer is available at <https://cal-cca.org>.

There are wide-ranging benefits to being actively connected to the other CCAs in California. CalCCA has a diverse array of committees that offer opportunities for education and collaboration to CCA members. CalCCA committees that are open to DCE include regulatory, legislative, compliance, billing, procurement, and marketing. Given DCE's small staff, participating in these committees offers great value. Having the assistance from CalCCA in tracking regulatory and legislative issues affecting CCAs is an important benefit. The compliance committee offers insight and guidance on the compliance reports and plans that DCE is required to submit. The marketing committee offers a valuable opportunity to share ideas, best practices and challenges with other CCAs. As an operational member, DCE has access to a large compilation of CalCCA resources including sample agreements, data analysis, contracts, and regulatory tracking. DCE staff also participates in CalCCA's new directors' meeting on a monthly basis; this opportunity to speak with CCA pros as well as other newer CCAs is extremely beneficial. CalCCA is actively engaged with the legislature and CPUC on issues important to DCE. Their current work on SB 612 to identify long-term fixes to the Power Charge Indifference Adjustment and ensure fair and equal access to the benefits of legacy energy resources held by investor-owned utilities will benefit DCE and all CCAs.

DCE started as an Affiliate Member of CalCCA in 2017 and became an operational member with the launch in the City of Palm Springs in 2020. Dues are calculated based on members' fiscal year revenue being multiplied by 0.1918%, as long as it does not exceed a membership cap of \$348,961. There is also a fixed charge for operational members who choose to be voting members of the CalCCA Board of Directors.

The DCE Board has directed staff to review the CalCCA membership on an annual basis. In June 2020, the Board gave the Executive Director the flexibility to determine whether DCE would have a voting position on the CalCCA Board, which comes with an additional membership cost and significant time commitment for meetings. This year, staff recommends that the DCE Board approve continued operational membership in CalCCA and authorize the Executive Director to take all actions necessary to do so. Staff is not recommending the increased level of voting membership.

Fiscal Analysis: CalCCA's membership is based on a formula. DCE's proposed FY 2021/22 budget estimates total DCE revenues of approximately \$45 million. Using the CalCCA formula, the dues would be \$80,566, which is 0.1918% of revenue.

CalCCA invoices DCE quarterly and the proposed cost is included in DCE's proposed Fiscal Year 2021/22 budget. In the current fiscal year, DCE paid membership dues of \$71,925, based on revenue of \$37.5 million.

Staff is not recommending voting membership due to the additional costs and time commitment. For CCAs with annual revenues of \$100 million or less, voting membership costs a fixed fee of \$15,000.

ITEM 6B

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: DCE's Fiscal Year 2021/2022 Budget

Contact: Valdemar Galeana, Accounting Manager (vgaleana@cvag.org) and
Don Dame, Energy Consultant for DCE

Recommendation: Adopt Resolution 2021-03 approving Desert Community Energy Fiscal Year 2021/2022 Budget

Background: Each year, the DCE Board is provided a budget for review and approval. DCE's FY2021 budget was historic as it covered DCE's first full year of operations for customers in the City of Palm Springs. DCE is now in the process of finalizing the budget for Fiscal Year 2021/2022. The budget was previewed at the Board's April 2021 meeting. Staff recommends Board consideration of budget approval at the June 2021 meeting. Staff will continue to monitor costs and revenues and to coordinate with The Energy Authority (TEA), as warranted, to update DCE's budget forecast and financial performance throughout the upcoming budget year.

The proposed budget portrays the most current expected business outcome for FY 2021/2022. Some uncertainties remain, including the effects of the COVID-19 pandemic and likely corresponding economic impacts that may reduce loads, and retail sales. The current power market volatility, including significant price increases in recent weeks, add to the uncertainty. In addition to the aforementioned factors, Southern California Edison's (SCE) retail rates and the Power Charge Indifference Adjustment (PCIA or exit fee) are anticipated to change multiple times during the upcoming year, which may require corresponding rate and budget adjustments by DCE to maintain revenue objectives.

DCE's budget was developed based on the following assumptions and forecasts:

1. Palm Springs is the only City where DCE is actively serving residential and business customers.
2. The budget includes the projected loads, resources, revenues, and costs that were included in TEA's May 19, 2021 financial model output.
3. The budget assumes the opt-out rate will be around 10 percent, and the opt-down rate – customers that choose Desert Saver as opposed to the Carbon Free product – will be around 12 percent.
4. The budget continues current rate-setting goals. The Desert Saver rate is about 0.5% less than SCE's bundled base rate and meets full RPS compliance. The 100% Carbon Free product is to include a renewable content of no less than the annualized state Renewable Portfolio Standard requirements. Under the budget, DCE would also maintain existing 100% Carbon Free rate levels, with periodic reviews throughout the coming fiscal year.
5. Based on the Board's previous direction, DCE will 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.

6. The budget assumes established rates sufficient to yield positive net margin, build cash reserves and meet applicable loan terms, conditions, and financial covenants.
7. Due to market volatility, recent significant increases in energy prices, and DCE's energy costs – combined with uncertainty about the potential for another summer heat wave – staff anticipates that rates considered in the budget may need to be revised at any point, in order to maintain a sound financial position. Staff and TEA are closely watching the current market conditions and will submit any proposed changes to the Board for approval with enough advance to implement these changes.
8. The budget ensures DCE meets regulatory, legislative, and operating requirements.
9. The budget includes ongoing collaboration with other CCAs, CalCCA, and public power groups.
10. The budget ensures necessary and adequate DCE internal staffing, while maintaining the contract relationship with the Coachella Valley Association of Governments (CVAG).
11. The budget assumes DCE will monitor and adjust forecast retail loads, revenues and costs based on experience and expectations regarding lingering COVID-19 financial impacts and general economic conditions.
12. The budget adheres to adopted Board policies and objectives.

The following tables summarize DCE's expenses for the current fiscal year, which goes through June 2021, as well as outline DCE's budget expectations for FY 2021/22.

The first table presents a comparison between the estimated results for the end of FY 2020/21 as compared to the budget. This estimation considers eleven months of actual costs, plus a projection of the last month of FY 2020/21.

Actual/Estimated FY 2020/21 vs Budget FY2020/21

	A	B	C	D	E	F
	Revenues *	Budget 2021	Actual Jul 2020- May 2021	FY2021 Estimated	\$ Over (Under) Budget	% of Budget
1						
2	Retail Sales Revenue	\$ 37,421,409	\$ 30,932,180	\$ 36,355,854	(1,065,556)	97.2%
3	Other Revenues	\$ 549,814	\$ 839,942	\$ 897,585	347,771	163.3%
4	Total DCE Revenue	\$ 37,971,223	\$ 31,772,122	\$ 37,253,439	(717,785)	98.1%
5						
6	Power Costs *					
7	DCE Wholesale Power Supply	\$ 32,426,180	\$ 32,251,519	\$ 35,505,023	3,078,843	109.5%
8						
9	DCE Operating Costs					
10	DCE Position Support	\$ 375,830	\$ -	\$ 404,427	\$ 28,597	107.6%
11	Contract and Other Labor	\$ 147,600	\$ 24,213	\$ 115,041	\$ (32,559)	77.9%
12	CVAG Related facilities support	\$ 76,808	\$ -	\$ 46,574	\$ (30,234)	60.6%
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 2,188,025	\$ 1,571,670	\$ 1,791,553	\$ (396,472)	81.9%
14	Retail Business Support Activities	\$ 86,700	\$ 76,367	\$ 84,781	\$ (1,919)	97.8%
15	CARE / FERA Outreach and Other Programs	\$ 168,000	\$ -	\$ -	\$ (168,000)	0.0%
16	Office Supplies, Dues, Memberships Expenses	\$ 142,200	\$ 77,101	\$ 77,317	\$ (64,883)	54.4%
17	Financial Interest	\$ -	\$ 12,812	\$ 17,499	\$ 17,499	
18	Contingency	\$ 90,000	\$ -	\$ -	\$ (90,000)	0.0%
19	Total non-power Operating Costs	\$ 3,275,163	\$ 1,762,164	\$ 2,537,192	\$ (737,971)	77.5%
20						
21	Total Power and Operating Costs	\$ 35,701,343	\$ 34,013,682	\$ 38,042,215	\$ 2,340,873	
22	Estimated FY2021 Net Result	\$ 2,269,881	\$ (2,241,560)	\$ (788,777)	\$ (3,058,657)	

Although customer loads were forecast accurately and revenues estimated for FY 2020/21 are expected to be somewhat under the estimation, power procurements costs are expected to be about 12 percent above budget as a result of volatility in energy markets and COVID-19 related events. This also includes the excessive heat related impacts during the months of August and September 2020.

It is important to note that, with the exception of power procurement, most expenditure categories are expected to be within or below budget at the end of the current fiscal year.

The second table displays how costs in the coming fiscal year are proposed to be allocated within the budget process between DCE and Palm Springs (PS) as the only active member.

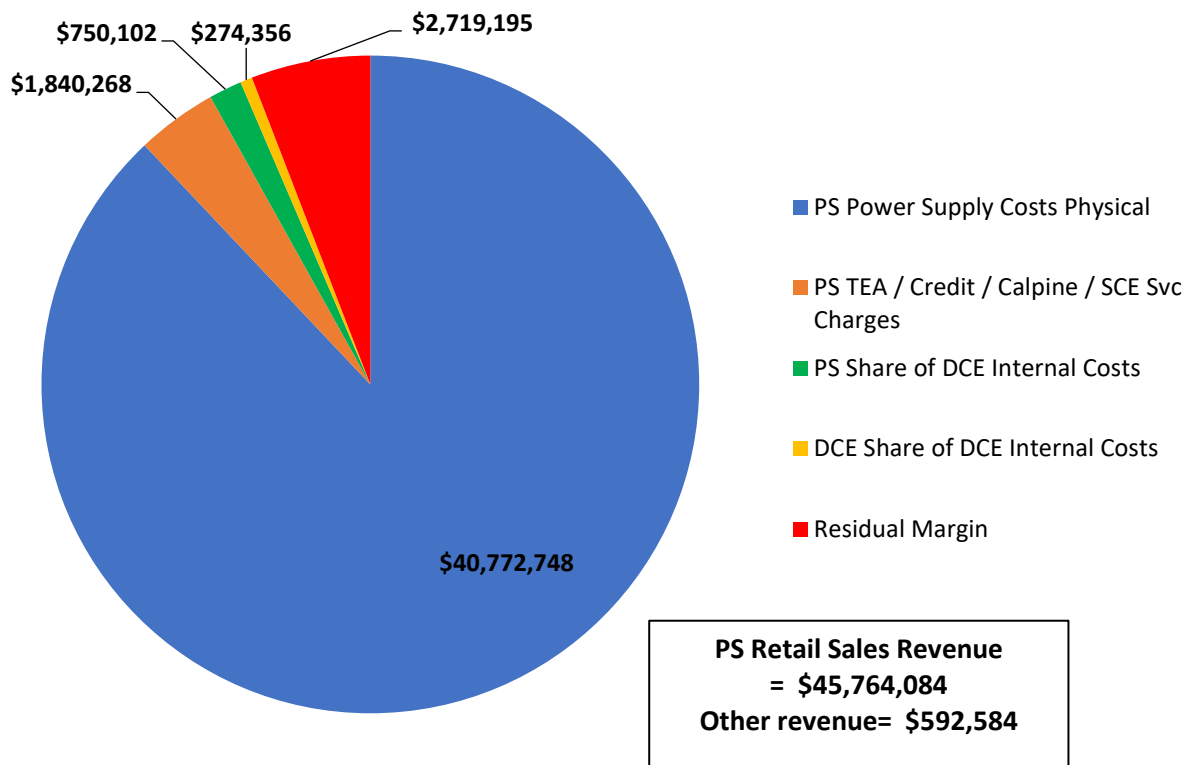
FY 2021/22 Cost Allocation Between DCE and Palm Springs

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

Costs and or revenues specific to the Palm Springs CCA operations are allocated solely to Palm Springs (Use 4). Uses 2 and 3 provide a means to share costs that benefit both DCE and the Palm Springs CCA program. Participation in CalCCA, for example, benefits both DCE members that may start serving customers in the future as well as the existing Palm Springs CCA program. Staff proposes to use best reasonable judgment to fairly allocate budget items attributable to both DCE and the Palm Springs CCA, and to bring to the Board for discussion budget items that may not fall within the four categories.

DCE staff is providing a high-level budget overview for FY 2021/22 in the form of the following pie chart.

FY 2021/22 Macro Budget Summary:



The dark blue, orange and green sections show costs attributable to only Palm Springs' CCA operations. The dark blue area represents total physical power supply costs of more than \$40.8 million. The orange area represents non-DCE wholesale services charges from TEA, Calpine and SCE

attributable to Palm Springs CCA. The green area shows the portion of DCE internal charges attributable to Palm Springs' CCA operations.

The yellow area shows DCE internal costs attributable to all DCE members. The red area shows expected residual of revenues less costs associated with the PS CCA over this fiscal year. The cost splits are based on the percentage allocation mechanism depicted in the previous chart and are shown in more detail the proposed aggregated budget summary for FY2022.

FY 2021/22 Budget Summary Table

		MWh Load: 500,447		USE		
Revenues *		FY2022	Avg \$/Month		DCE	PS CCA
1	Retail Sales Revenue	\$ 45,764,084	\$ 3,813,674	\$ 91.45	4	\$ - \$ 45,764,084
2	Other Revenues	\$ 592,584	\$ 49,382	na	4	\$ - \$ 592,584
3	Total DCE Revenue	\$ 46,356,669	\$ 3,863,056	\$ 92.63		\$ - \$ 46,356,669
4						
5						
6	Power Costs *	FY2022	Avg \$/Month	Avg \$/MWh/h		
7	DCE Wholesale Power Supply	\$ 40,772,748	\$ 3,397,729	\$ 81.47	4	\$ - \$ 40,772,748
8						
9	DCE Operating Costs	FY2022	Avg \$/Month	Avg \$/MWh/h	USE	DCE PS CCA
10	DCE Position Support	\$ 455,390	\$ 37,949	\$ 0.91	3	\$ 113,848 \$ 341,543
11	Contract and Other Labor	\$ 118,493	\$ 9,874	\$ 0.24	3	\$ 29,623 \$ 88,870
12	CVAG Related facilities support	\$ 56,855	\$ 4,738	\$ 0.11	2	\$ 28,428 \$ 28,428
13	Wholesale Support Svcs (TEA, Calpine, SCE chgs, etc)	\$ 1,840,268	\$ 153,356	\$ 3.68	4	\$ - \$ 1,840,268
14	Retail Business Support Activities	\$ 97,900	\$ 8,158	\$ 0.20	2	\$ 48,950 \$ 48,950
15	CARE / FERA Outreach and Other Programs	\$ 63,000	\$ 5,250	\$ 0.13	4	\$ - \$ 63,000
16	Office Supplies, Dues, Memberships Expenses	\$ 124,031	\$ 10,336	\$ 0.25	3	\$ 31,008 \$ 93,024
17	Financial Interest	\$ 18,789	\$ 3,132		4	\$ - \$ 18,789
18	Contingency	\$ 90,000	\$ 7,500	\$ 0.18	3	\$ 22,500 \$ 67,500
19	Total non-power Operating Costs	\$ 2,864,726	\$ 238,727	\$ 5.72		\$ 274,356 \$ 2,590,370
20						
21	Total Power and Operating Costs	\$ 43,637,474	\$ 3,636,456	\$ 87.20		\$ 274,356 \$ 43,363,118
22	Effective DCE / CCA Shares this FY					0.63% 99.37%
23	Estimated FY2022 Net Result	\$ 2,719,195				

* Accrued

Lines 2-7 show revenues and costs associated with PS CCA, as taken from the TEA financial model. Lines 10 - 19 show projected DCE non power supply operating costs. Line 13, 15 and 17 are assigned to PS only as a function of CCA operations. These costs include TEA and Calpine services, TEA credit fee, SCE charges, programs that benefit just the customers of the City of Palm Springs and the financial interest to be paid to River City Bank related to the non-revolving line of credit the Board authorized in March 2021. Lines 10-12 and 14, 16 and 18 are internal DCE costs and are shared between DCE and PS CCA based on expected benefits received.

The total power and operating costs of \$43,363,118 are approximately 4.0% above the estimate of \$41,700,000 that was presented for informational purposes at the April Board meeting.

DCE staff is also budgeting for costs related to staff support in the coming fiscal year. It is anticipated that CVAG's Energy & Environmental Resources Director will be retiring, and a new director will be hired. There will be some overlap in order to retain expertise and consistency for the program.

Fiscal Analysis: The costs and revenues for DCE are outlined in the budget tables. As noted above, the proposed budget incorporates multiple assumptions regarding CCA program participation, retail loads, wholesale supply cost, and economic impacts from the COVID-19 pandemic. Additionally, SCE is expected to submit multiple 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 and as warranted, bring back to the Board any proposed budget revisions deemed prudent and necessary to maintain DCE Board policies and objectives.

Attachments:

1. DCE Fiscal Year 2021/2022 proposed budget with month-by-month detail
2. Resolution No. 2021-03

Fiscal Year 2021/2022 Budget Estimate per month

DCE Load and Accounts (from TEA pro forma)	FY Budget 2020-2021	FY 2020-2021 Actual (May 2021)	FY Estimated 2020-2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	FY Budget 2021-2022
Load Particulars																
DCE Retail Load (MWh) net of opt-outs and losses	504,430	396,998.42	450,040.45	63,349	62,623	49,992	38,208	30,302	31,072	31,910	28,789	33,216	35,163	41,679	54,142	500,447
DCE Wholesale Load (MWh, retail load+ losses)	528,139			66,994	66,226	52,868	40,406	32,045	32,860	33,746	30,445	35,127	37,186	44,077	57,257	529,237
Estimated Distribution Losses (%)	4.7%			5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Losses (MWh)	23,708			3,644	3,603	2,876	2,198	1,743	1,788	1,836	1,656	1,911	2,023	2,398	3,115	28,790
				-5.0%	-5.0%	-5.0%	-4.0%	-3.0%	-3.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	
Revenue Particulars																
Gross Revenue	\$ 37,534,012	\$ 31,478,947	\$ 37,188,077	\$ 6,758,931	\$ 6,691,751	\$ 5,496,111	\$ 3,001,285	\$ 2,354,559	\$ 2,442,363	\$ 2,729,429	\$ 2,453,845	\$ 2,813,862	\$ 2,981,183	\$ 3,451,265	\$ 6,213,663	\$ 47,388,248
Less Uncollectable Accounts	\$ (112,602)	\$ (546,767)	\$ (832,223)	\$ (337,947)	\$ (334,588)	\$ (274,806)	\$ (120,051)	\$ (70,637)	\$ (73,271)	\$ (54,589)	\$ (49,077)	\$ (56,277)	\$ (59,624)	\$ (69,025)	\$ (124,273)	\$ (1,624,164)
Net DCE Total Retail Revenue	\$ 37,421,409	\$ 30,932,180	\$ 36,355,854	\$ 6,420,984	\$ 6,357,163	\$ 5,221,305	\$ 2,881,234	\$ 2,283,923	\$ 2,369,092	\$ 2,674,841	\$ 2,404,768	\$ 2,757,585	\$ 2,921,560	\$ 3,382,240	\$ 6,089,390	\$ 45,764,084
Average Monthly Revenue (\$/MWh)	74.19	77.92	80.78	101.36	101.51	104.44	75.41	75.37	76.24	83.82	83.53	83.02	83.09	81.15	112.47	91.45
Other Revenue	\$ 549,814.00	\$ 839,942	\$ 897,585	\$ 78,609	\$ 84,251	\$ 64,861	\$ 44,933	\$ 32,402	\$ 34,711	\$ 38,020	\$ 37,693	\$ 40,926	\$ 37,283	\$ 38,432	\$ 60,462	\$ 592,584
Other revenue	\$ 549,814.00	\$ 826,372	\$ 882,782	\$ 78,609	\$ 84,251	\$ 64,861	\$ 44,933	\$ 32,402	\$ 34,711	\$ 38,020	\$ 37,693	\$ 40,926	\$ 37,283	\$ 38,432	\$ 60,462	\$ 592,584
Investment Income	\$	\$ 13,570	\$ 14,803													
Accrual Monthly Revenues	\$ 37,971,223	\$ 31,772,122	\$ 37,253,439	\$ 6,499,593	\$ 6,441,414	\$ 5,286,166	\$ 2,926,167	\$ 2,316,325	\$ 2,403,803	\$ 2,712,861	\$ 2,442,462	\$ 2,798,511	\$ 2,958,843	\$ 3,420,672	\$ 6,149,852	\$ 46,356,669
Total DCE Power Cost (w/o DCE Direct)																
Wholesale Power Supply (All Physical Components)	\$ 32,426,180	\$ 32,251,519	\$ 35,505,023	\$ 6,690,023	\$ 7,224,031	\$ 5,203,755	\$ 2,702,550	\$ 2,018,643	\$ 4,549,375	\$ 2,018,154	\$ 1,977,936	\$ 1,444,546	\$ 1,260,066	\$ 2,071,909	\$ 3,611,762	\$ 40,772,748
TEA Services	\$ 626,746	\$ 570,240	\$ 623,635	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 53,395	\$ 54,997	\$ 54,997	\$ 54,997	\$ 645,548
TEA Credit Support	\$ 528,139	\$ 408,044	\$ 463,335	\$ 69,178	\$ 76,030	\$ 57,281	\$ 45,041	\$ 31,619	\$ 31,617	\$ 26,046	\$ 29,635	\$ 34,149	\$ 36,163	\$ 43,043	\$ 56,094	\$ 535,894
Calpine Data Management	\$ 703,787	\$ 548,324	\$ 596,432	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 48,108	\$ 577,297
SCE Billing Services	\$ 329,354	\$ 45,063	\$ 108,151	\$ 6,760	\$ 6,760	\$ 6,760	\$ 6,760	\$ 6,760	\$ 6,760	\$ 6,828	\$ 6,828	\$ 6,828	\$ 6,828	\$ 6,828	\$ 6,828	\$ 81,528
Total Wholesale Cost, Accrual (FIMo)	\$ 35,164,019	\$ 33,823,189	\$ 37,296,576	\$ 6,867,464	\$ 7,408,324	\$ 5,369,299	\$ 2,855,854	\$ 2,158,525	\$ 4,689,255	\$ 2,152,531	\$ 2,115,902	\$ 1,587,026	\$ 1,406,162	\$ 2,224,885	\$ 3,777,788	\$ 42,613,016
Average Wholesale Cost \$/MWh	69.71	85.20	82.87	108.41	118.30	107.40	74.74	71.23	150.92	67.46	73.50	47.78	39.99	53.38	69.78	85.15
Total DCE Internal Operations Charges	\$ 1,087,138	\$ 190,493	\$ 745,640	\$ 107,327	\$ 85,167	\$ 85,076	\$ 105,309	\$ 85,076	\$ 85,167	\$ 91,983	\$ 71,842	\$ 71,842	\$ 91,983	\$ 71,842	\$ 71,842	\$ 1,024,458
DCE Internal, \$ / MWh	2.16	0.48	1.66	1.69	1.36	1.70	2.76	2.81	2.74	2.88	2.50	2.16	2.62	1.72	1.33	2.05
Total Non Power Opr Exp (DCE + All Services)	\$ 3,275,163	\$ 1,762,164	\$ 2,537,192	\$ 284,768	\$ 269,461	\$ 250,621	\$ 258,613	\$ 224,958	\$ 225,048	\$ 226,361	\$ 209,808	\$ 214,322	\$ 238,079	\$ 224,818	\$ 237,868	\$ 2,864,726
Operating Expenses \$/MWh	6.49	4.44		4.50	4.30	5.01	6.77	7.42	7.24	7.09	7.29	6.45	6.77	5.39	4.39	5.72
Expected Accrual Results (w/o revenue lag)																
Revenues	\$ 37,421,409	\$ 31,772,122	\$ 37,253,439	\$ 6,499,593	\$ 6,441,414	\$ 5,286,166	\$ 2,926,167	\$ 2,316,325	\$ 2,403,803	\$ 2,712,861	\$ 2,442,462	\$ 2,798,511	\$ 2,958,843	\$ 3,420,672	\$ 6,149,852	\$ 46,356,669
Power and Operations Costs	\$ 36,251,157	\$ 34,013,682	\$ 38,042,215	\$ 6,974,792	\$ 7,493,492	\$ 5,454,376	\$ 2,961,163	\$ 2,243,601	\$ 4,774,422	\$ 2,244,515	\$ 2,187,743	\$ 1,658,868	\$ 1,498,145	\$ 2,296,727	\$ 3,849,630	\$ 43,637,474
Net Margin Avail After Expenses - Accrual	\$ 1,170,253	\$ (2,241,560)	\$ (788,777)	\$ (475,198)	\$ (1,052,077)	\$ (168,209)	\$ (34,996)	\$ 72,724	\$ (2,370,619)	\$ 468,346	\$ 254,718	\$ 1,139,643	\$ 1,460,698	\$ 1,123,945	\$ 2,300,221	\$ 2,719,195
Cumulative Accrual Revenues	\$ 8,767,062	\$ 31,772,122	\$ 37,253,439	\$ 43,753,032	\$ 50,194,446	\$ 55,480,613	\$ 58,406,780	\$ 60,723,105	\$ 63,126,908	\$ 65,839,769	\$ 68,282,230	\$ 71,080,741	\$ 74,039,584	\$ 77,460,256	\$ 83,610,108	\$ 83,610,108
Cumulative Accrual Power and Operations Cost	\$ 8,438,741	\$ 34,013,682	\$ 38,042,215	\$ 45,017,007	\$ 52,510,499	\$ 57,964,874	\$ 60,926,037	\$ 63,169,638	\$ 67,944,061	\$ 70,188,576	\$ 72,376,319	\$ 74,035,187	\$ 75,533,332	\$ 77,830,059	\$ 81,679,690	\$ 81,679,690
Cumulative Net Position - Accrual	\$ 328,321	\$ (2,241,560)	\$ (788,777)	\$ (1,263,975)	\$ (2,316,052)	\$ (2,484,262)	\$ (2,519,257)	\$ (2,446,534)	\$ (4,817,153)	\$ (4,348,807)	\$ (4,094,089)	\$ (2,954,446)	\$ (1,493,748)	\$ (369,803)	\$ 1,930,418	\$ 1,930,418
Expected Cashflow Results (w/lags & deferrals)																
Revenues	\$ 37,648,628	\$ 31,894,991	\$ 34,621,133	\$ 6,772,265	\$ 6,039,063	\$ 6,181,945	\$ 5,876,256	\$ 3,964,248	\$ 2,720,644	\$ 2,364,864	\$ 2,273,303	\$ 2,669,091	\$ 2,624,132	\$ 2,888,265	\$ 3,103,207	\$ 47,477,282
Power and Operations Costs	\$ 36,988,303	\$ 36,157,059	\$ 38,424,799	\$ 3,598,591	\$ 7,351,455	\$ 6,908,321	\$ 5,081,495	\$ 2,839,342	\$ 2,184,496	\$ 3,409,864	\$ 2,315,548	\$ 1,787,043	\$ 2,988,437	\$ 1,664,795	\$ 2,403,996	\$ 42,533,383
Net Margin Avail After Expenses - Cashflow	\$ 660,324	\$ 138,309	\$ 596,711	\$ 3,173,674	\$ (1,312,392)	\$ (726,376)	\$ 794,760	\$ 1,124,906	\$ 536,147	\$ (1,044,999)	\$ (42,245)	\$ 882,048	\$ (364,305)	\$ 1,223,470	\$ 699,211	\$ 4,943,899
RCB Loan Withdrawals	\$ 1,131,325	\$ 1,500,000	\$ 1,500,000.00		\$ 500,000											\$ 500,000
RCB Loan Payments	\$ 3,160,460				\$ (1,125,000)				\$ (875,000)							\$ (2,000,000)
Annual Net Position - Cashflow	\$ (2,029,135)	\$ 1,638,309	\$ 2,096,711	\$ 3,173,674	\$ (1,937,392)	\$ (726,376)	\$ 794,760	\$ 1,124,906	\$ (338,853)	\$ (1,044,999)	\$ (42,245)	\$ 882,048	\$ (364,305)	\$ 1,223,470	\$ 699,211	\$ 3,443,899
Cummulative Annual Net Position - Cash Flow				\$ 5,270,385	\$ 3,332,993	\$ 2,606,617	\$ 3,401,378	\$ 4,526,284	\$ 4,187,431	\$ 3,142,431	\$ 3,100,186	\$ 3,982,234	\$ 3,617,929	\$ 4,841,399	\$ 5,540,610	\$ 5,540,610
Annual Net Position Cashflow + Accts Rec.																
Retail Accts Rec.	\$ 4,735,746	\$ 5,142,913.24	\$ 5,142,913.24	\$ 2,642,913	\$ 3,038,757	\$ 3,377,146	\$ 3,601,658	\$ 3,737,494	\$ 3,854,115	\$ 3,965,079	\$ 4,071,885	\$ 4,176,262	\$ 4,286,404	\$ 4,404,018	\$ 4,574,064	\$ 4,574,064
Cashflow + Accts Receivable	\$ 2,706,611	\$ 6,781,222.24	\$ 7,239,624.40	\$ 7,913,299	\$ 6,371,750	\$ 5,983,763	\$ 7,003,036	\$ 8,263,777	\$ 8,041,546	\$ 7,107,510	\$ 7,172,071	\$ 8,158,496	\$ 7,904,333	\$ 9,245,417	\$ 10,114,674	\$ 10,114,674

The chart includes DCE's internal costs and expenses, which are displayed in greater detail on the next table.

Fiscal Year 2021/2022 Budget Estimate per month- Detail on DCE Operating Expenses (non Wholesale costs)

Estimated Operating Expenses	FY Budget 2020-2021	FY 2020-2021 Actual (May 2021)	FY Estimated 2020-2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	FY Budget 2021-2022
DCE Positions (Accessed via CVAG) Salary w/Benefits	\$ 375,830	\$ -	\$ 404,427	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 37,949	\$ 455,390
Executive Director	\$ 65,382		70,357	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	7,115	85,386
Director II - DCE	\$ -		-	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	94,216
Finance Director	\$ 13,589		14,623	884	884	884	884	884	884	884	884	884	884	884	884	10,602
Accounting Manager	\$ 117,155		126,069	8,823	8,823	8,823	8,823	8,823	8,823	8,823	8,823	8,823	8,823	8,823	8,823	105,875
Director - CVAG	\$ 71,555		77,000	4,361	4,361	4,361	4,361	4,361	4,361	4,361	4,361	4,361	4,361	4,361	4,361	52,335
Management Analyst	\$ 91,498		102,740	6,689	6,689	6,689	6,689	6,689	6,689	6,689	6,689	6,689	6,689	6,689	6,689	80,269
Program Assistant II	\$ 8,480		9,125	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	16,732
Assistant to the Executive Director	\$ 4,194		4,513	831	831	831	831	831	831	831	831	831	831	831	831	9,976
Accounting Assistant	\$ 3,978		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Power and Contracts Manager	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Program Manager	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Accounts Manager	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leg & Reg Mgr (may share w/LACCE other CCAs)	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing / Customer Communications Manager	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts and Contract Labor (not incl. elsewhere)	\$ 147,600	\$ 24,213	115,041	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	9,874	118,493
Legal Counsel (General Counsel/Special Counsel)	\$ 50,000		32,010	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	32,970
Regulatory Counsel	\$ 50,000		40,177	3,449	3,449	3,449	3,449	3,449	3,449	3,449	3,449	3,449	3,449	3,449	3,449	41,383
Power Contracts Legal Support	\$ 12,500		16,440	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	1,411	16,933
D. Dame CCA Consulting Support	\$ 18,000	\$ 24,213	26,414	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267	27,207
External Rate Design Support	\$ 6,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-
External ROC Participation	\$ 3,600		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit Services and Fees	\$ 7,500		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Contract Labor	\$ -		-	-	-	-	-	-	-	-	-	-	-	-	-	-
CVAG Related Support	\$ 76,808	\$ -	46,574	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	56,855
Lease and Maintenance	\$ 15,000		15,169	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	14,194
General Office Expense	\$ 10,000		4,423	380	380	380	380	380	380	380	380	380	380	380	380	4,556
Insurance	\$ 10,000		470	960	960	960	960	960	960	960	960	960	960	960	960	11,516
Accounting Services / Software	\$ 10,236		5,457	409	409	409	409	409	409	409	409	409	409	409	409	4,903
CVAG Facilities Usage Charge	\$ 12,852		11,400	979	979	979	979	979	979	979	979	979	979	979	979	11,742
Meetings	\$ 6,720		1,505	129	129	129	129	129	129	129	129	129	129	129	129	1,551
Utilities	\$ 2,000		862	74	74	74	74	74	74	74	74	74	74	74	74	888
Overhead Allocation	\$ 10,000		7,287	625	625	625	625	625	625	625	625	625	625	625	625	7,506
Direct Business Support and Transactions Costs	\$ 86,700	\$ 76,367	84,781	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	8,158	97,900
Banking Services	\$ 1,200	\$ 22,220	22,664	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	23,344
Audit Svcs	\$ 6,500	\$ 7,500	7,500	650	650	650	650	650	650	650	650	650	650	650	650	7,800
Burke-Rix Services	\$ 45,000	\$ 28,334	34,000	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	40,020
Insurance	\$ 10,000	\$ 6,966	7,000	601	601	601	601	601	601	601	601	601	601	601	601	7,210
Website Hosting	\$ 6,000	\$ 3,900	4,680	402	402	402	402	402	402	402	402	402	402	402	402	4,820
Communications / Advertising	\$ 18,000	\$ 7,447	8,936	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	14,705
DCE Programs	\$ 168,000	\$ -	-	10,500	10,500	10,500	10,500	10,500	10,500	10,500	-	-	-	-	-	63,000
CARE / FERA Outreach	\$ 168,000															-
Other Programs	\$ -			10,500	10,500	10,500	10,500	10,500	10,500	10,500						63,000
Office Supplies and Other Expenses	\$ 142,200	\$ 77,101	77,317	23,764	3,622	3,622	23,764	3,622	3,622	23,764	3,622	3,622	23,764	3,622	3,622	124,031
Office Supplies	\$ 1,200	\$ 1,199	1,199	103	103	103	103	103	103	103	103	103	103	103	103	1,235
Technology Costs	\$ 5,000			429	429	429	429	429	429	429	429	429	429	429	429	5,150
Community Engagement / Sponsorships	\$ 12,000			1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,360
Travel and Training Expenses	\$ 12,000			1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,360
CalCCA Dues (est @ \$100,000 / year + esc.)	\$ 100,000	\$ 75,686	75,686	20,142			20,142			20,142			20,142			80,566
Other Memberships	\$ 6,000	\$ 216	431	515	515	515	515	515	515	515	515	515	515	515	515	6,180
Miscellaneous Expenses	\$ 6,000			515	515	515	515	515	515	515	515	515	515	515	515	6,180
Interest		\$ 12,812	17,499	4,844	2,826	2,734	2,826	2,734	2,826	-	-	-	-	-	-	18,789
Southern California Edison		\$ 9,687	9,687													-
Financial Interest River City Bank		\$ 3,125	7,813	4,844	2,826	2,734	2,826	2,734	2,826							18,789
Contingency	\$ 90,000			7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Total DCE Internal Operations Charges	\$ 1,087,138	\$ 190,493	745,640	107,327	85,167	85,076	105,309	85,076	85,167	91,983	71,842	71,842	91,983	71,842	71,842	1,024,458
DCE Internal, \$ / MWh	\$ 2.16	\$ 0.48	\$ 1.66	\$ 1.69	\$ 1.36	\$ 1.70	\$ 2.76	\$ 2.81	\$ 2.74	\$ 2.88	\$ 2.50	\$ 2.16	\$ 2.62	\$ 1.72	\$ 1.33	\$ 2.05

RESOLUTION NO. 2021-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DESERT COMMUNITY ENERGY
ADOPTING FISCAL YEAR 2021/2022 ANNUAL BUDGET**

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

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

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

WHEREAS, this budget pertains to Fiscal Year July 1, 2021, through June 30, 2022; and

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

WHEREAS, the DCE Fiscal Year 2021/2022 Budget was presented to the Board of Directors at a duly noticed public meeting for its consideration and adoption.

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

1. The Board of Directors hereby adopts the DCE Fiscal Year 2021/2022 Budget.

ADOPTED AND APPROVED by the Board of Directors of Desert Community Energy on this 21st day of June 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Geoff Kors
Chair, Desert Community Energy

Attest:

Tom Kirk
Secretary, Desert Community Energy

ITEM 6C

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: DCE's 2021 Summer Readiness Outreach Strategy

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

Recommendation: Information

Background: The summer of 2020 was marked with a historic heat storm that impacted the western portion of the United States, putting increased pressure on the power grid at a time when temperatures were soaring. The resulting energy supply shortages led to rotating power outages in mid-August 2020. It also led to renewed calls statewide about encouraging residential and business customers to do their part to reduce energy demands on the grid. California Gov. Gavin Newsom asked the California Independent System Operator (CAISO), California Public Utilities Commission (CPUC), and California Energy Commission (CEC) to deliver action items to mitigate impacts of a power grid under high stress conditions, including collaboration and input from stakeholders. This led to CPUC, CAISO, and CEC also reaching out to Community Choice Aggregation providers such as DCE, asking them to report on their existing efforts to address the increased need to reduce higher energy use that occurs in the summer, and consider a summer readiness strategy.

DCE staff has been working closely with CalCCA and other CCAs to address summer readiness planning and messaging to customers. Flex Alerts, which are issued by the CAISO to request the public to voluntarily conserve electricity in times of combined high demand and low energy supply, generally are not issued with more than a few days – or even hours - of notice. DCE will work with its portfolio manager and scheduling coordinator, The Energy Authority, to prepare its messaging in advance of forecasted heat waves and to ensure all Flex Alert messages are passed on to the public as quickly as possible.

Given the immediacy and urgency of the CAISO Flex Alerts, DCE – like the majority of CCAs – is planning to rely heavily on social media to promote these messages. DCE is working with its communication team, Burke Rix, and members of DCE's Community Advisory Committee (CAC) to further develop and implement this outreach strategy. This will have a heavy emphasis on reducing energy use during peak operating hours, which are typically between 4 p.m. to 9 p.m. The outreach team will broadcast through various social media channels helpful tips and tricks on saving money and energy this summer. DCE will aim to expand its audience by working with other social media accounts and will be coordinating with the City of Palm Springs throughout the summer.

In addition, DCE has also updated its website and added a new page dedicated to saving money and energy. Customers can visit this site <https://desertcommunityenergy.org/save-money-energy/> to learn about energy saving programs offered and cost saving tips to help them survive the heat and lower their electric bills.

Staff would note that DCE, despite its relatively short time as a load-serving entity, has already begun to take steps to help ensure its power supply is prepared for this summer and future

summers. Most notably, DCE has finalized four Purchase Power Agreements (PPAs) for renewable energy, including one new wind energy project located within Palm Springs that will providing incremental new renewable energy this summer to the California grid. The other three contracts – two for local wind energy and one for solar energy plus battery storage – will help stabilize the cost of energy for DCE in future summers after they enter DCE’s portfolio in 2023. The solar plus storage project, in particular, will help reduce grid congestion by allowing DCE to discharge battery power during peak usage times when demand is high. In the meantime, DCE has procured fixed price energy contracts – also known as “energy hedges” to stabilize the vast majority of its energy market costs this summer in advance of expected higher prices.

Looking ahead, there are additional steps DCE could take once its reserves are met and funding is available to do so. Some of the programs DCE could consider are:


- Implement a pilot Critical Peak Pricing Program, which would offer a bill credit “reward” to businesses and residents who reduce usage during peak hours.
- Implement a Demand Response (DR) or Demand Energy Response (DER) Program, which could be set up to offer a business or resident a flat rate fee for energy for the year, rather than paying for frequently shifting rates.
- Offering a Residential Resilient Energy Program for customers with health issues, where a portable battery back-up system would be provided to those who rely on a medical device.
- Offering incentives to those with electric vehicles who charge at non-peak hours.

Along with the programs listed above, DCE will continue to consider adding more battery storage projects to its portfolio, further reducing congestion to the grid and increasing grid reliability during critical peak hours.

Fiscal Analysis: DCE has an existing contract with Burke Rix. The cost for the summer readiness outreach strategy have been incorporated under the marketing & outreach costs in the DCE FY 2021/2022 Budget, which is being recommended for adoption at the June meeting. DCE staff estimates that the costs associated with this outreach strategy will be between \$3,000 to \$5,000 for a summer social media campaign.

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	✓	✓	✓	✓	✓	✓	*	✓	✓	✓	*	

Absent 
No Meeting *

Item 7B

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: Update on DCE Program Activities

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

Recommendation: Information

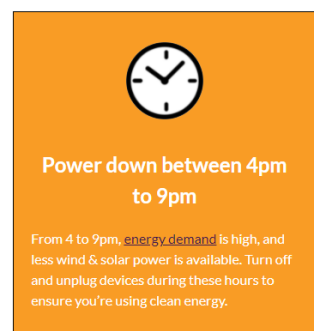
Background: DCE staff provides a regular update to the Board about its ongoing programs. Some recent DCE highlights include:

- ✓ The Terra-Gen Coachella Hills II project – one of the long-term power purchase agreements DCE has approved – flipped the switch and began commercial operation of the new turbines in Palm Springs on May 4, 2021.
- ✓ DCE's 20-year power purchase agreement with Vesper for the Deer Creek 50 MW Solar + 200 MWh Storage project received lots of positive media coverage. An example: [Solar Power World online-DCE-Vesper story](#).
- ✓ The City of Palm Springs was recognized by Boost California, an initiative of the American Clean Power Association, for their Renewable Energy Success Story, including going carbon free with DCE. A copy of the press release is attached as Item 7D in the Board's agenda packet.
- ✓ Nearly 88% of Palm Springs customers continue to stay with DCE and approximately 80 percent are enrolled in DCE's Carbon Free plan (7.5% are enrolled in Desert Saver); and
- ✓ Palm Springs announced in late May that it exceeded California's ambitious goals to reduce greenhouse gas emissions and help fight climate change by 16%. Through a recent greenhouse gas emissions assessment, it was determined that this accomplishment is the direct result of Palm Springs residents and businesses receiving 100% carbon free electricity from Desert Community Energy. Here's more info: [Palm Springs GHG emissions story](#).

Community Outreach & Engagement: Community engagement is currently focused on outreach regarding the DCE Bill Assistance program and providing positive messages about DCE on social media and the website. DCE's customer service team continues to respond to customer inquiries, assisting customers to resolve issues where they occur.

A new feature has been added to the DCE website, the "Save Money & Energy" page which highlights tips for saving energy and money. Customers can find tips on energy-saving measures and reducing their carbon footprint while saving money on energy bills. The online information includes links to SCE programs and other resources so customers can learn more about potential for energy savings. It also includes information about energy saving programs and rebates that DCE customers can take advantage of, which is available at <https://desertcommunityenergy.org/save-money-energy/>.

DCE staff and the outreach team have been working on roll out of the Board-approved Bill Assistance Program. A letter that will go out to all eligible customers has been drafted and the outreach team has developed positive outreach messages to broadcast on social media. Currently, Southern California Edison is undergoing



a new system update called their Customer Service Re-Platform (CSRP) which has had some challenges during its implementation affecting all CCA's within their service territory. Information needed to implement the Bill Assistance Program is still pending from SCE. Calpine and SCE are working together diligently and estimate the challenges will be resolved soon. Staff anticipates the letters to eligible customers will be sent out in late June or July.

The online bill comparison tool has been updated to reflect recent SCE rate adjustments and is 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, has been added.

The customer service team continues to respond to customers directly and address any questions, including bill-specific questions. In the recent months, the volume of calls to the DCE customer service line was the lowest since the April 2020 launch in Palm Springs with 243 calls in April and 244 calls in May 2021, down from 262 calls in March 2021. No complaints from customers have been reported by the customer service team in this recent period.

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 leading efforts in disadvantaged 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. The Board has previously expressed support for this program after presentations were made at DCE meetings.

In mid-March 2021, letters to eligible property owners in the City of Palm Springs were mailed. GRID Alternatives continues to work with those who have responded to assist them in the process of getting prequalified. A second postcard to the eligible Palm Springs property owners is planned for mid-June. The letter to eligible customers in Palm Desert was sent out the last week of May; a postcard will be sent out by the last week of June. GRID will be following up with those who respond. They noted that some of the eligible customers who have responded already have solar installed by a private solar company. Grid Alternatives staff did a presentation to the Cathedral City Council on May 26, 2021; following the presentation, the Cathedral City Council unanimously endorsed the mayor signing a letter to eligible customers to let them know about this opportunity. There are 621 eligible property owners on the deed-restricted affordable housing list in Cathedral City.

CAC members will be engaged to help with outreach to enroll eligible property owners in the GRID Alternatives SASH program, including making phone calls to those who have received letters to assist them as needed. Summer is the best time of the year to market the program and when prospective applicants are more inclined to seek out opportunities to reduce their electric bill and go solar.

Community Advisory Committee (CAC): There are currently two open positions for the City of Palm Springs on the DCE Community Advisory Committee. Current members of the Palm Springs Working Group have been asked to reach out to individuals who might be interested in joining. There is also one open position for Cathedral City on the CAC. However, since Cathedral City will no longer be a member of DCE after July 1, 2021, this position could remain unfilled.

Members of the Palm Springs Working Group are working with our outreach team to enhance the engagement with DCE social media and creative ways to engage customers.

Customer Participation Rates: The participation rate has remained relatively stable with nearly 88% of eligible customers in Palm Springs choosing to stay with DCE. Just over 80% of those customers are receiving 100% carbon-free electricity. As of May 2021, there has been a total of 5,148 opt-outs, or 12.14%, of the 42,407 total eligible customers in Palm Springs. The opt-out rate for 2021, year-to-date, is 0.64%. In addition, 3,198 customers, or 7.54%, chose to opt down to the Desert Saver product. For 2021, the opt-down year-to-date rate since January is 0.58%. Ten 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 May 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%
April 2021	42,327	12.09%	87.91%
May 2021	42,407	12.14%	87.86%

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 - May 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	April 21	May 21	Total
Total Calls	283	980	1706	1698	1929	1085	1384	1120	793	596	547	645	311	262	243	245	13,827
Total Calls Connected to Agents	115	450	787	824	1098	634	655	498	291	162	150	212	170	168	142	142	6,498
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	0:00:07	0:00:07	
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	0:10:02	0:09:40	
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	42,327	42,407	42,407
Monthly Opt-Outs	193	812	1058	833	785	356	356	212	141	68	61	81	71	55	37	29	5,148
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%	0.09%	0.07%	12.14%
Total Opt-Down	53	232	847	518	455	282	239	131	105	48	41	58	57	72	23	37	3,198
Opt-Down Percentage	0.13%	0.57%	2.01%	1.23%	1.08%	0.67%	0.57%	0.31%	0.25%	0.11%	0.10%	0.14%	0.13%	0.17%	0.05%	0.09%	7.54%
Total Opt-Up (from Desert Saver)	0	1	1	0	4	1	0	1	0	0	0	1	0	0	0	1	10
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%	0.000%	0.002%	0.024%

Desert Community Energy
Opt-Action Statistics by Rate Category – May 2021

		Opt-Out	% Opt-Out	Opt-Down	% Opt-Down
Total Eligible Customers	42,407	5,148	12.14%	3,198	7.54%
Residential		3,580	8.44%	2,366	5.58%
Small Commercial		567	1.34%	296	0.70%
Medium Commercial		63	0.15%	35	0.08%
Large Commercial		7	0.02%	1	0.00%
Street Lights		2	0.00%	4	0.01%
Agriculture & Pumping		35	0.08%	1	0.00%
Net Energy Metering (NEM)		894	2.11%	495	1.17%

The pattern of opt outs and opt downs is being factored into the FY 2021/2022 budget. The number of CARE/FERA/Medical Baseline customers who opted down or out changed slightly from March 2021 to

May 2021. This total includes 776 (10.90%) who opted out and 245 (3.44%) 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.

Desert Community Energy Board
June 21, 2021



STAFF REPORT

Subject: Legislative Update

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

Recommendation: Information

Background: DCE is a member of CalCCA, which maintains a Legislative and Regulatory Policy Platform outlining the general goals that CalCCA will advocate for on behalf of member agencies. CalCCA legislative, regulatory, and compliance committees provide regular updates that assist DCE staff in tracking activities that may affect DCE and its customers. This staff report provides a recap on recent legislative activities.

SB 612, CalCCA and Power Cost Indifference Adjustment (PCIA): SB 612 (Portantino), *Electrical corporations and other load-serving entities: allocation of legacy resources*, passed the Senate's Energy, Utilities and Communications Committee at its first legislative hearing on April 26, 2021, by a vote of 11 to 1. Letters of support from DCE – which had voted to endorse the bill in April 2021 – and the City of Palm Springs were submitted to the committee prior to the vote. The CalCCA-sponsored legislation calls for ratepayer equity and better investor-owned utility (IOU) portfolio management to reduce Power Charge Indifference Adjustment (PCIA) costs by implementing the major provision of the PCIA Working Group 3 Final Report from February 2020. CCA customers currently pay for legacy resources through the PCIA, or exit fees, but are not able to access the benefits of the resources themselves. The full text of the bill is available here: [SB 612 bill text](#).

SB 612 passed out of the Senate on June 1 with a vote of 33-6. State Sen. Melissa Melendez (R-Lake Elsinore), whose district includes the Coachella Valley, supported the bill. SB 612 is now in the Assembly and was referred to the Assembly Committee on Utilities and Energy. It may be heard before the committee between June 24 and June 30. CalCCA is asking CCAs re-submit their support letters to the author, Senator Anthony Portantino (D-La Canada-Flintridge) and to the Assembly policy committee so that supporters are listed in the committee analysis. CalCCA is conducting outreach to Assemblymembers to build support for SB 612 in the Assembly. DCE staff will assist member agencies and stakeholders who would like to send a support letter in the coming weeks.

SB 617 (Wiener), Residential Solar Energy Systems: Permitting. This bill would require cities, counties to implement an online, automated permitting platform for solar energy systems that verifies code compliance and issues permits in real time to a licensed contractor. This bill also authorizes the California Energy Commission (CEC) to provide technical assistance and grant funding to cities and counties to comply with the requirements for the online platform. The City of Palm Springs approved a letter of support for SB 617 at the Council's May 6 meeting. [SB 617 bill text](#).

AB 1139 (Gonzalez), Net Energy Metering. AB 1139 failed on a 27-27 vote, with 25 members not voting and 41 votes needed to pass. AB 1139 would require all current NEM customers to be transitioned to the NEM 3.0 tariff now being developed by the CPUC after five years (10 years for CARE/FERA customers) on the current tariff. It would direct the CPUC to issue a new net energy

metering tariff by August 1, 2022, that better protects nonparticipating and low-income ratepayers. This bill together with the NEM 3.0 tariff could result in a substantial increase to solar/Net Energy Metering (NEM) customers. AB 1139 is now a 2-year bill and must pass the Assembly by the end of January 2022 or it will be considered a “dead” bill.

In addition, CalCCA monitors bills that are relevant to CCAs and provided the following bill tracker to members which is constantly updated during the legislative session. This list of bills includes those that are active and moving through the process or have been analyzed by the CalCCA legislative committee.

Bill	Author	Summary	Status	CalCCA Position
AB 33	Ting	Expands the types of projects eligible to receive funding from the California Energy Commission's (CEC) Energy Conservation Assistance Account (ECCA), to include installation of energy storage systems and electric vehicle (EV) infrastructure.	Senate Rules	TBD
AB 322	Salas	Requests the Energy Commission to consider Electric Program Investment Charge (EPIC) funds for bioenergy projects for biomass conversion.	Senate Rules	Watch
AB 339	Lee & C. Garcia	Requires certain city council or county board of supervisor meetings to allow the public to attend and comment via telephone or internet.	Passed Assembly In Senate	TBD
AB 525	Chiu	Establishes aggressive offshore wind planning goals and makes other changes to accelerate the development of offshore wind.	Senate Rules	Support
AB 843	Aguiar-Curry	Allows CCAs to participate on the Bioenergy Market Adjusting Tariff (BioMAT). Bill is sponsored by MCE.	Passed Assembly In Senate	Support
AB 1110	Rivas	Establishes the Office of the California Clean Fleet Accelerator (OCCFA) for the purpose of supporting purchasing state zero-emission fleet vehicles.	Passed Assembly In Senate	TBD
AB 1156	Holden	Spot bill meant to serve as a vehicle should any need arise for wildfires.	Passed Assembly In Senate	TBD

Bill	Author	Summary	Status	CalCCA Position
AB 1500	E. Garcia	\$7 billion resources protection and climate mitigation bond for 2022 general election ballot.	Assembly Rules	TBD
SB 18	Skinner	Requires the ARB in its AB32/SB32 scoping plan to develop a strategy accelerating the development of green hydrogen. Encourages green hydrogen to be used for storage in meeting portfolio diversity requirements.	Assembly Rules	Watch
SB 44	Allen	Establishes expedited administrative and judicial review of environmental review and approvals granted for certain public transit.	Assembly Rules	TBD
SB 45	Portantino	\$6 billion resources protection and climate mitigation bond for 2022 general election ballot.	Senate Floor	TBD
SB 52	Dodd	Adds de-energization events to the definition of "sudden and severe energy shortage" for purposes of classifying de-energization events as natural disasters.	Assembly Committee on Emergency Management	TBD
SB 68	Becker	Authorizes EPIC funds administered by the CEC to be used for building electrification technologies.	Assembly Rules	TBD
SB 99	Dodd	Community Energy Resiliency Act of 2021. Requires the commission to develop and implement a grant program for local governments to develop energy resilience plans.	Assembly Committee on Utilities and Energy	Support
SB 267	Hertzberg	Provides that changes in ownership and profits interests in active solar energy systems financed by partnership flip transactions do not impact property taxes.	Assembly Committee on Revenue and Taxation	TBD
SB 423	Stern	Fosters development and deployment of emerging renewable energy resources.	Passed Senate In Assembly	Watch

Bill	Author	Summary	Status	CalCCA Position
SB 479	Laird	Expands the local government renewable energy self-generation program definition of benefiting account to include accounts meeting specified requirements located within the geographical boundaries of a Native American tribe.	Assembly Committee on Utilities and Energy	TBD
SB 529	Hertzberg	A reintroduction of SB 350 from 2019 that pushes the CPUC to adopt a multi-year resource adequacy process.	Assembly Rules	Watch
SB 533	Stern	Pushes more aggressive microgrid development and deployment.	Passed Senate In Assembly	Watch
SB 612	Portantino	Proposes the adoption of the PCIA Working Group 3 report to ensure fair and equal access to the benefits of legacy resources held in IOU portfolios and address the management of these resources to maximize value for all customers. Bill is sponsored CalCCA.	Passed Senate In Assembly	Support
SB 733	Hueso	Requires the CEC to annually report to the Legislature on various responsibilities.	Assembly Committee on Utilities and Energy	None

Fiscal Impact: This item is for informational purposes only; there is no fiscal impact.



FOR IMMEDIATE RELEASE

May 6, 2021

CONTACT:

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(608) 807-8619

Boost California Recognizes the City of Palm Springs' Renewable Energy Success Story

The City of Palm Spring's forward-thinking renewable energy programs serve as a model for the rest of California and the nation.

Palm Springs, CA—Boost California, an initiative of the [American Clean Power Association](#) (ACP), is recognizing the City of Palm Springs this week as a champion for renewable energy development. The city's continued commitment to identify new ways to reduce its carbon footprint, promote energy efficiency, alternative energy, and engage the community in meeting its sustainability goals were all cited as key leadership qualities. As part of highlighting the community leadership forming around clean energy, Boost California is promoting local success stories like Palm Springs that can serve as a model for development across the state and the nation.

[Read the City of Palm Springs' Case Study on Renewable Energy Leadership here.](#)



"The city of Palm Springs is making incredible strides toward bringing more renewable energy into our economy, and we are proud to be recognized as a model for local leadership," said the Office of Sustainability at the City of Palm Springs. "Achieving a cleaner, brighter, and more sustainable future requires close collaboration, innovative solutions, and a long-term commitment. We thank Boost California in conjunction with the American Clean Power Association for their recognition, and we will continue to look for new ways to bring affordable, clean power to the citizens of Palm Springs."

To make renewable energy more accessible, the City of Palm Springs joined neighboring communities to create the innovative program Desert Community Energy, a move that allowed the communities to source their own clean electricity – including giving residents a choice in the type of energy they use and the ability to bring in more renewable sources.

As noted in the success story, "Although customers had the option to opt down to a 50% carbon-free option or stay with Southern California Edison, about 80% of customers chose to make the bold move to stay with 100% carbon-free energy. With this choice, customers have been able to help Palm Springs achieve carbon reductions equivalent to taking 15,000 cars off the road between April and December of 2020."

Through these unique solutions, the City has elevated its leadership in clean energy and was also awarded the SolSmart Gold designation for its efforts to make solar energy utilization faster, easier, and more affordable.

Palm Springs' efforts are also saving customers on their energy costs. The city's 20-year power purchase agreement with Vesper Energy for a 50-megawatt solar + storage project along with local wind projects local wind energy are set to save Palm Springs residents an estimated \$13 to

\$50 million over the next 20 years.

Boost California will continue to share case studies like Palm Springs to highlight the communities in the state that are leading the way on the clean energy transition.

###

About Boost California

Boost California, an initiative of the American Clean Power Association, is a statewide coalition of wind and solar energy supporters advocating for policies on the local, state, and federal levels that enhance investment in renewable energy to boost our local economy. By highlighting the benefits of investing in California's energy future, Boost California hopes to strengthen our economy, create jobs, and reduce our carbon footprint. Learn more at [Boost-California.com](https://boost-california.com)

About the American Clean Power Association

The American Clean Power Association (ACP) is the voice of companies from across the clean power sector that are providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy and driving high tech innovation across the United States. ACP works to transform the U.S. power grid to a low-cost, reliable and renewable power system. By uniting the power of wind, solar, transmission and storage companies, along with manufacturers and construction companies, developers and owners/operators, utilities, financial firms and corporate purchasers, we are championing policies that enable the continued and aggressive growth in renewable energy in the United States. Visit [ACP's website](https://www.acp.energy) to learn more about the enormous economic benefits renewable energy brings to America and be sure to follow us on [Facebook](https://www.facebook.com/acp.energy), [Twitter](https://twitter.com/acp.energy), and [LinkedIn](https://www.linkedin.com/company/acp-energy).

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

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
River City Bank			
- Operating Account		54,858.21	54,858.21
- Money Market Account	0.00		0.00
- ICS Account	1,317,525.26	(609,130.33)	708,394.93
- Lockbox Account	2,991,266.39	(2,463,210.58)	528,055.81
- 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
- Debt Service Reserve Account	0.00	200,000.00	200,000.00
Total Cash	4,455,791.65	(972,482.70)	3,483,308.95
Accounts Receivable			
- Southern California Edison		3,141,610.45	3,141,610.45
- Southern California Edison (Escrow account)		2,708,882.85	2,708,882.85
- Bad Debt		(563,282.41)	(563,282.41)
Total Accounts Receivable		5,287,210.89	5,287,210.89
Accrued Revenue		1,402,623.79	1,402,623.79
Deposits/Bonds			
- CPUC	100,000.00		100,000.00
Total Deposits/Bonds	100,000.00		100,000.00
TOTAL ASSETS	4,555,791.65	5,717,351.98	10,273,143.63
<u>LIABILITIES</u>			
Accounts Payable			
- Burke Rix	0.00	3,263.75	3,263.75
- Calpine	0.00	97,351.05	97,351.05
- Donald D. Dame	742.87	2,228.63	2,971.50
- Southern California Edison	0.00	0.00	0.00
- The Energy Authority	0.00	1,555,716.99	1,555,716.99
- White Rabbit Group	575.00	575.00	1,150.00
- Net Energy Metering payables	0.00	699.87	699.87
Total Accounts Payable	1,317.87	1,659,835.29	1,661,153.16
Due to Other Governments			
Utility Users Tax- Palm Springs		264,364.15	264,364.15
Electric Energy Surcharge (CDTFA)		19,993.76	19,993.76
Total Due to Other Governments		284,357.91	284,357.91
Loans Payable (short term)			
River City Bank		1,503,125.00	1,503,125.00
Total Loans Payable (short term)		1,503,125.00	1,503,125.00
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
TOTAL LIABILITIES	1,317.87	5,292,318.20	5,293,636.07
<u>FUND BALANCE</u>			
Unrestricted Fund Balance	4,407,473.78	225,033.78	4,632,507.56
Restricted Fund Balance	147,000.00	200,000.00	347,000.00
TOTAL LIABILITIES AND FUND BALANCE	4,555,791.65	5,717,351.98	10,273,143.63

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

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	0.00	31,614,899.88	31,614,899.88
Bad Debt	0.00	(546,766.92)	(546,766.92)
Other Revenue	0.00	826,371.89	826,371.89
Investment Income	13,569.69	0.00	13,569.69
TOTAL REVENUES	13,569.69	31,894,504.85	31,908,074.54
EXPENDITURES			
Cost of Electricity			
Electricity Purchase	0.00	16,388,134.50	16,388,134.50
Resource Adequacy	0.00	6,261,892.20	6,261,892.20
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	5,184,069.91	5,184,069.91
Total Cost of Electricity	0.00	32,251,518.61	32,251,518.61
Accounting / Bank Services	11,110.15	11,110.15	22,220.29
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	45,062.80	45,062.80
Total Professional Services	2,108.13	50,920.93	53,029.05
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	6,053.25	18,159.75	24,213.00
- Calpine Energy Solutions	0.00	548,323.75	548,323.75
- CVAG	0.00	0.00	0.00
- The Energy Authority	0.00	978,283.94	978,283.94
- White Rabbit Group	1,950.00	1,950.00	3,900.00
Total Consultants	8,003.25	1,546,717.44	1,554,720.69
Outreach			
- Burke Rix Communications	0.00	28,333.64	28,333.64
Total Outreach	0.00	28,333.64	28,333.64
Postage			
- Ace Printing	1,486.64	1,486.64	2,973.28
Total Printing	1,486.64	1,486.64	2,973.28
Printing			
- Ace Printing	2,236.87	2,236.87	4,473.74
Total Printing	2,236.87	2,236.87	4,473.74
Registrations/Memberships			
- CA Community Choice Association	18,975.41	56,926.24	75,901.65
Total Registration/Memberships	18,975.41	56,926.24	75,901.65
Interest Expense	0.00	12,811.74	12,811.74
TOTAL EXPENDITURES	47,470.30	33,966,211.82	34,013,682.12
Excess of Revenues over Expenditures	(33,900.61)	(2,071,706.97)	(2,105,607.58)
Fund Balance - Beginning of the Year	4,588,374.39	2,496,740.75	7,085,115.14
Fund Balance - End of the Year	4,554,473.78	425,033.78	4,979,507.56

(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 Board
June 21, 2021



STAFF REPORT

Subject: Member Survey on CVAG Meetings in Post-COVID environment

Contact: Erica Felci, Assistant to the Executive Director (efelci@cvag.org)

Recommendation: Information

Background: The DCE staff is provided by the Coachella Valley Association of Governments (CVAG) through an agreement most recently updated in May 2021. The DCE, as well as all of CVAG's committees, have been meeting via video/teleconferencing since March 2020, when Governor Newsom issued an Executive Order to address public meeting procedures during the COVID-19 pandemic. This has proven to be an efficient way to conduct business for CVAG, which covers an expansive geographic area across eastern Riverside County. Committee and Commission meetings have been well attended, leading to thoughtful and robust conversations on CVAG's and DCE's policies, projects and programs. The 2020 General Assembly – which was held via Zoom – had a record-setting attendance among elected officials. The use of both videoconference and telephone access has also fostered public engagement, as people can join the meetings from a convenient location instead of driving to CVAG's Palm Desert conference room.

State officials recently announced that – as of June 15, 2021 – California will officially reopen and will no longer require social distancing. This will be in line with U.S. Centers for Disease Control and Prevention's new mask guidelines, which state it is safe for fully vaccinated people to skip face coverings and social distancing in nearly all situations, except for crowded indoor locations such as airplanes or public transit.

It remains unclear how the state's new guidance will impact the way public meetings are held. There are certainly benefits to meeting in person, particularly the personal connections and discourse that can occur when everyone is sitting around the same table. However, CVAG has 19 member jurisdictions, meaning it has larger committee membership than most agencies. Its meeting room is relatively small, especially when put in comparison to a city council chamber. CVAG's meeting room is also not set up for the hybrid format that some cities have initiated, with Council members meeting in person and general public participating via telecast or videoconference. Continued use of video conferencing also allows CVAG to help reduce vehicle miles traveled to its meetings, a practice that has demonstrated air quality and other environmental impacts in the last year.

CVAG staff anticipates that the June 2021 meetings will continue to be held virtually, which are the last meetings held before the standing committees go dark for the summer. CVAG staff will, in coming weeks, be seeking feedback from members on meeting formats that could be implemented this fall. CVAG staff will be circulating a survey to gather this input, including exploring the options of continuing with at least some form of videoconferencing, and plans to provide a summary report in September 2021.

Fiscal Analysis: CVAG does not anticipate any costs for the survey.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS SCHEDULE OF MEETINGS

FISCAL YEAR 2021/2022



CVAG STANDING COMMITTEES	DAY	TIME	JULY (Dark)	AUG (Dark)	SEPT	OCT (Dark)	NOV	DEC (Dark)	JAN	FEB	MAR (Dark)	APR	MAY	JUN
EXECUTIVE COMMITTEE	Last Monday	4:30 p.m.	-	-	27	-	H Dec 6	-	31	28	-	25	H June 6	27
TRANSPORTATION COMMITTEE	1 st Monday	10:00 a.m.	-	-	H Aug 30	-	1	-	3	7	-	4	2	6
COACHELLA VALLEY CONSERVATION COMMISSION	2 nd Thursday	10:30 a.m.	-	-	9	-	H Nov18	-	13	10	-	14	12	9
DESERT COMMUNITY ENERGY	3 rd Monday	2:30 p.m.	19	16	20	18	15	-	H Jan 10	H Feb14	21	18	16	20
ENERGY AND ENVIRONMENTAL RESOURCES COMMITTEE	2 nd Thursday	12:00 p.m.	-	-	9	-	H Nov18	-	13	10	-	14	12	9
PUBLIC SAFETY COMMITTEE	2 nd Monday	9:00 a.m.	-	-	13	-	8	-	10	14	-	-	9	13
HOMELESSNESS COMMITTEE	3 rd Wednesday	10:00 a.m.	-	-	15	-	17	-	19	16	-	20	18	15
GENERAL ASSEMBLY	Last Monday in June	6:00 p.m.	-	-	-	-	-	-	-	-	-	-	-	27

H = Holiday * = Special Meeting

AGENDAS CAN BE FOUND AT: www.cvag.org.

UPDATED: June 1, 2021

PLEASE NOTE: When it becomes necessary to have a special meeting or to change the date of a meeting, committee members will be alerted and the change will be noted on the CVAG website calendar.

Item 7H

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: Selection of Independent Auditor for CVAG, CVCC and DCE

Contact: Claude T. Kilgore, Director of Finance/ Administration (ckilgore@cvag.org)

Recommendation: Information

Background: DCE has engaged the Coachella Valley Association of Governments (CVAG) to provide staffing and other administrative tasks since its inception. CVAG's Financial Statements Audit Procurement Policy, adopted on June 3, 2002, requires CVAG to obtain from qualified auditing firms, proposals to perform CVAG's annual financial audit every five years. CVAG's current auditor is Lance, Soll & Lunghard, LLP. In June 2020, the CVAG Executive Committee, at the recommendation of the Finance Committee, approved a one-year extension with LSL for the auditing services. This allowed CVAG to have one auditing firm for the three JPAs — CVAG, DCE and the Coachella Valley Conservation Commission (CVCC). Having one auditing firm is an efficient way to conduct the audit, especially since there are some financial interactions between the agencies.

On March 12, 2021, CVAG issued a request for proposals to select an independent auditor for CVAG, CVCC and DCE for Fiscal Year 2020/21 through Fiscal year 2024/25. The deadline for submissions was April 9, 2021, and six highly qualified proposals were received. CVAG staff within the finance department reviewed the initial proposals and sought input from CVCC Finance Committee Member Kevin McCarthy, who is the Finance Director at the City of Indian Wells. This informal working group unanimously agreed on three firms to invite for interviews. CVAG staff then convened an interview panel with Kofi Antobam, who as Rancho Mirage's Director of Administrative Services served as an alternate for City Manager Isaiah Hagerman, who sits on the CVAG Finance Committee.

Interviews were held via Zoom videoconference on May 5. Upon completion of the interview, the interview panel unanimously recommended the audit firm of Davis Farr LLP for engagement as CVAG/CVCC/DCE independent auditor for the next five fiscal years. The firm has an impressive history of professional work in the Coachella Valley. The firm also demonstrated advanced technical ingenuity as it pertains to councils of governments as well as Community Choice Aggregation programs like DCE. Davis Farr representatives also displayed a keenness for innovation in audit technology, and staff believes was the best fit for CVAG, CVCC and DCE.

The CVAG Executive Committee on June 7 supported the recommendation from the CVAG Finance Committee to approve the selection of Davis Farr.

Fiscal Analysis: The proposed audit services were competitive with other bids. The cost to DCE will be incorporated into each annual budget, and DCE's FY 2021/2022 budget includes \$7,800 for this contract.

Item 7I

Desert Community Energy Board June 21, 2021



STAFF REPORT

Subject: Renewable Portfolio Standard (RPS) Procurement Plan

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

Recommendation: Information

Background: One of the reporting requirements for all CCAs, including DCE, is an annual Renewable Portfolio Standard Procurement Plan (RPS Procurement Plan). This year, the RPS Procurement Plan is due to the California Public Utilities Commission (CPUC) on July 1. The RPS Procurement Plan demonstrates how DCE plans to meet relevant statutory and regulatory requirements including SB 350 (2015) and SB 100 (2018). SB 350 includes requirements for long-term renewable contracts and owned resources that contribute to meeting California's goal of 50 percent renewables by December 31, 2030. SB 100 increased the RPS procurement requirements to 44 percent by December 31, 2024, 52% by December 31, 2027, and 60 percent by December 31, 2030.

DCE's 2021 RPS Procurement Plan will describe how DCE plans to meet the RPS compliance obligations during the coming 10-year timeframe through a mixture of planned long-term contracts with renewable resources resulting from DCE's 2020 Request for Offers (RFO), future RFOs, local renewable programs, and some amount of short-term renewable procurement. Thanks to the four recently signed power purchase agreements for wind and solar+storage, DCE has entered into sufficient long-term renewable contracts to comfortably meet and also somewhat exceed its long-term renewable procurement compliance obligation for Compliance Period 4, spanning the years 2021-2024. Staff anticipates a discussion with the DCE Board at a future meeting about setting a longer-range renewable energy goal, such as seeking to provide 100% renewable energy to all DCE customers by 2035.

The RPS Procurement Plan also describes DCE's action plan for procuring renewable resources that is consistent with CPUC-required RPS procurement activities. Proposed activities include:

- ✓ Procure local/regional renewable resources through the 2020 and future RFOs including solar, wind, small hydro and local geothermal.
- ✓ Procure additional short-duration and/or long-duration energy storage to integrate the renewable resources within the state
- ✓ Explore and implement Demand Response programs through an RFP process.
- ✓ Consider alternative rate designs and NEM enhancements to encourage further distributed energy generation.
- ✓ Explore a feed-in tariff program for local renewable generation.
- ✓ Adopt procurement guidelines for improving service to and providing economic development opportunities for local disadvantaged communities.

Staff is working with The Energy Authority on completing the RPS Procurement Plan for 2021 by the deadline.