

California Community Power

Regular Meeting of the Board of Directors of CC Power

1:00 P.M.

Wednesday, October 19, 2022

Teleconference Meeting

California Community Power

NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Board of Directors of California Community Power will be held on **October 19, 2022, at 1:00 p.m. The meeting will be held via teleconference pursuant to the provisions of Government Code Section 54935(e) (Assembly Bill 361).**

The following information is being provided as the forum by which members of the public may observe the meeting and offer public comment:

Phone number: 1-669-219-2599 or 1-213-338-8477

Webinar ID: 886 5972 6189

Meeting Link: <https://svcleanenergy-org.zoom.us/j/88659726189>

If a member of the public would like to make a comment during the public comment period, please use the 'Raise Hand' function and staff will note your desire to speak. Alternatively, for members of the public joining by telephone (audio only), please email your public comment to comments@cacommunitypower.org. Public comment received by email will be read within the allotted public comment period.

AGENDA

- 1 Call to Order.**
- 2 Verification of Meeting Quorum.**
- 3 Matters subsequent to posting the Agenda.**
- 4 Public Comment** – any member of the public may address the Board of Directors concerning any matter not on the agenda.
- 5 Consent Agenda.**
 - A. Minutes of the Regular Board Meeting held on September 21, 2022.
 - B. Resolution 22-10-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.*
 - C. Resolution 22-10-02 *Acceptance of CC Power 2021 Audited Financials.*
- 6 Regular Agenda Items – Discussion.**
 - A. Presentation from California Independent System Operator CEO Elliot Mainzer.
 - B. Update from Strategic Business Plan *ad hoc* Committee.
 - C. Resolution 22-10-03 *Approval of 2023 Budget and Cash Call and Update of Fiscal Year.*
 - D. Resolution 22-10-04 *Approval of General Manager Authority to Extend and Execute Consulting Contracts in Accordance with CC Power Budgets.*
 - E. General Manager Search Update/Next Steps.
- 7 Discussion of Any Individual Member Items.**
- 8 Adjournment.**

Accessible Public Meetings - Upon request, CC Power will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 3 days before the meeting. Requests should be sent to: Amy Freeman, 555 Capitol Mall, Suite 570, Sacramento, CA 95814 or to info@cacommunitypower.org.

California Community Power

Consent Agenda Items

- A. Minutes of the Regular Meeting of the Directors of CC Power held on September 21, 2022.**
- B. Resolution 22-10-01 *Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency.***
- C. Resolution 22-10-02 *Acceptance of CC Power 2021 Audited Financials.***
- D. 2021 California Community Power Financial Statements with Report of Independent Auditors.**

MINUTES OF THE REGULAR MEETING OF THE DIRECTORS OF
CALIFORNIA COMMUNITY POWER (CC POWER)

September 21, 2022

On this date, a Regular Meeting of the Directors of CC Power was held via teleconference, pursuant to the provisions of Assembly Bill 361.

Representatives:

Member Agency	Director
Central Coast Community Energy (3CE)	Absent
CleanPowerSF	Barbara Hale
East Bay Community Energy (EBCE)	Nick Chaset
Peninsula Clean Energy (PCE)	Jan Pepper
Redwood Coast Energy Authority (RCEA)	Matthew Marshall
San José Clean Energy (SJCE)	Lori Mitchell
Silicon Valley Clean Energy (SVCE)	Girish Balachandran
Sonoma Clean Power Authority (SCP)	Geof Syphers, Chair
Valley Clean Energy	Mitch Sears

Other Participants:

Tim Haines	General Manager, Interim
Brittany Iles	General Counsel
Phyllis Currie	Consultant

1. Call to Order: Chair Syphers called the meeting to order at 1:00 p.m.
2. Verification of Meeting Quorum: Ms. Iles verified that there was a quorum to proceed. Attendance is noted above. Director Chaset joined during agenda item 6A (Update from Strategic Business Plan *ad hoc* Committee.) All Directors present participated via teleconference.
3. Matters Subsequent to Posting the Agenda: None.
4. Public Comment (any matter not on the agenda): None.
5. Consent Agenda:
Public Comment: None.

ACTION: M/S (Sears/Hale) to **approve the Consent Agenda**. Motion carried by a unanimous roll call vote (Absent: Directors Habashi and Chaset).

MINUTES OF THE REGULAR MEETING OF THE DIRECTORS OF
CALIFORNIA COMMUNITY POWER (CC POWER)

6. Regular Agenda Items – Discussion and Possible Action:

A. Update from Strategic Business Plan *ad hoc* Committee.

Mr. Haines introduced this item, along with the *ad hoc* Committee members and Phyllis Currie, who has been hired as a consultant to work with the *ad hoc* Committee and the Board of Directors on this plan. Director Sears and Ms. Currie presented progress updates related to development of the Strategic Business Plan and invited questions and feedback from the Board. A draft plan for consideration is expected to be brought back to the Board before the end of the year.

Public Comment: None.

7. Discussion of Any Individual Member Items: Chair Syphers invited discussion from the Board, and there were no comments.

The Board of Directors adjourned at 1:38 p.m.

Minutes approved on October 19, 2022.

Brittany Iles, Secretary

**California Community Power
Resolution 22-10-01**

**DETERMINATION THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO
THE HEALTH OR SAFETY OF ATTENDEES AS A RESULT OF
THE PROCLAIMED STATE OF EMERGENCY**

WHEREAS, on March 4, 2020 the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 authorizing exemptions to certain notice requirements under the Ralph M. Brown Act to facilitate virtual meetings of a legislative body of a local agency; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-12 extending the provisions of N-29-20 until September 30, 2021; and

WHEREAS, on September 16, 2021, the Governor of California signed Assembly Bill 361 which provides for the continued suspension of certain notice requirements for virtual meeting when a legislative body of a local agency holds a meeting during a declared state of emergency and either:

- (1) state or local officials have imposed or recommended measures to promote social distancing,
- or
- (2) the legislative body holds a meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, pursuant to Government Code Section 54935(e) (Assembly Bill 361), a legislative body of a local agency must, not later than 30 days after teleconferencing for the first time pursuant to Section 54935(e), and every 30 days thereafter, reconsider the circumstances of the state of emergency and determine that the state of emergency continues to directly impact the ability of the members to meet safely in person.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power has reconsidered the state of emergency and hereby determines that meeting in person continues to present imminent risks to the health or safety of attendees as a result of the proclaimed state of emergency.

PASSED AND ADOPTED by the Board of Directors of California Community Power this 19th day of October, 2022.

Chair

Attest by: Secretary

**California Community Power
Resolution 22-10-02**

Acceptance of CC Power 2021 Audited Financials

WHEREAS, California Community Power (“CC Power”) was created by a Joint Powers Agreement (“JPA”); and

WHEREAS, JPA Section 10.02 provides that the Controller of CC Power shall cause an annual independent audit of the accounts and records of CC Power to be made by a certified public accountant, or public accountants in accordance with all applicable laws; and

WHEREAS, the JPA specifies that a report of the financial audit shall be filed as a public record with each Member; and

WHEREAS, CC Power has contracted with Piseni & Brinker, LLP to provide these audit services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby acknowledges and accepts the CC Power 2021 Audited Financials.

PASSED AND ADOPTED by the Board of Directors of California Community Power this 19th day of October, 2022.

Chair

Attest by: Secretary

CALIFORNIA COMMUNITY POWER
FINANCIAL STATEMENTS
FISCAL PERIOD ENDED DECEMBER 31, 2021
WITH REPORT OF
INDEPENDENT AUDITORS

**CALIFORNIA COMMUNITY POWER
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

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Independent Auditor's Report

Board of Directors
California Community Power
Monterey, California

Opinion

We have audited the accompanying financial statements of California Community Power (CC Power), as of and for the period ended December 31, 2021, and the related notes to the financial statements, which collectively comprise CC Power's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CC Power as of December 31, 2021, and the changes in financial position and cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CC Power and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CC Power's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditor's Report (continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CC Power's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CC Power's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pisenti & Brinker LLP

Santa Rosa, California

September 20, 2022

**CALIFORNIA COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

The Management's Discussion and Analysis provides an overview of California Community Power's (CC Power) financial activities from inception to December 31, 2021. The information presented here should be considered in conjunction with the audited financial statements.

BACKGROUND

CC Power is a Joint Powers Agency with members consisting of Community Choice Aggregators (CCAs) and was established on January 29, 2021. CCAs were made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation. CC Power was established to allow its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals. CC Power members represent over 3 million customers across 148 municipalities spanning from Humboldt County to Santa Barbara County.

CC Power is governed by a Board consisting of one director representing each member of CC Power.

**CALIFORNIA COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

Financial Reporting

CC Power presents its financial statements as an enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Contents of this report

This report is divided into the following sections:

- Management's discussion and analysis, which provides an overview of the financial operations.

- The basic financial statements:
 - The *Statement of Net Position* includes all of CC Power's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.

 - The *Statement of Revenues, Expenses, and Changes in Net Position* reports all of CC Power's revenue and expenses for the period shown.

 - The *Statement of Cash Flows* reports the cash provided and used by operating activities, as well as other sources and uses, such as debt financing, if applicable.

 - Notes to the Basic Financial Statements, which provide additional details and information related to the basic financial statements.

**CALIFORNIA COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

FINANCIAL HIGHLIGHTS

The following table is a summary of CC Power's assets, liabilities, and net position as of December 31, 2021:

Current assets	<u>\$ 469,917</u>
Current liabilities	<u>446,474</u>
Net position	
Unrestricted	<u>23,443</u>
Total net position	<u><u>\$ 23,443</u></u>

Current Assets

Current assets are comprised of cash and cash equivalents.

Current Liabilities

Current liabilities consist of trade accounts payable and supplier security deposits.

**CALIFORNIA COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

Results of Operations

The following table is a summary of CC Power's results of operations from inception (January 29, 2021) through December 31, 2021:

Operating revenues	\$ 629,626
Investment income	973
Total income	<u>630,599</u>
Operating expenses	<u>607,156</u>
Change in net position	<u>\$ 23,443</u>

Operating Revenues

Member contributions are included in operating revenues.

Operating Expenses

Expenses for contract services and other general and administrative expenses are included in operating expenses.

**CALIFORNIA COMMUNITY POWER
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD FROM JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

REQUEST FOR INFORMATION

This financial report is designed to provide CC Power's members and creditors with an overview of CC Power's finances and to demonstrate CC Power's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 70 Garden Court, Suite 300, Monterey, CA 93940.

Respectfully submitted,

Tim Haines, Interim General Manager

BASIC FINANCIAL STATEMENTS

**CALIFORNIA COMMUNITY POWER
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021**

ASSETS

Current assets	
Cash and cash equivalents	\$ 112,917
Restricted cash	357,000
Total current assets	<u>469,917</u>

LIABILITIES

Current liabilities	
Accounts payable	89,474
Supplier deposits held	357,000
Total current liabilities	<u>446,474</u>

NET POSITION

Unrestricted	23,443
Total net position	<u><u>\$ 23,443</u></u>

**CALIFORNIA COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021**

OPERATING REVENUES	
Member contributions	<u>\$ 629,626</u>
OPERATING EXPENSES	
Contract services	606,021
General and administration	1,135
Total operating expenses	<u>607,156</u>
Operating income	<u>22,470</u>
NONOPERATING REVENUES	
Investment income	<u>973</u>
CHANGE IN NET POSITION	23,443
Net position at beginning of period	-
Net position at end of period	<u><u>\$ 23,443</u></u>

CALIFORNIA COMMUNITY POWER
STATEMENT OF CASH FLOWS
JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from members	\$ 629,626
Receipts of supplier security deposits	1,557,000
Payments for goods and services	(517,682)
Payments for deposits and collateral	(1,200,000)
Net cash provided by operating activities	468,944

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	973
Net change in cash and cash equivalents	469,917
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	\$ 469,917

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 112,917
Restricted cash	357,000
Cash and cash equivalents	\$ 469,917

CALIFORNIA COMMUNITY POWER
STATEMENT OF CASH FLOWS (CONTINUED)
JANUARY 29, 2021(INCEPTION) TO DECEMBER 31, 2021

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$	22,470
Adjustments to reconcile operating income to net cash provided by operating activities		
Increase (decrease) in:		
Accounts payable		89,474
Supplier security deposits		357,000
Net cash provided by operating activities	<u>\$</u>	<u>468,944</u>

CALIFORNIA COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

California Community Power (CC Power) is a California joint powers authority created on January 29, 2021, and is comprised of the following Community Choice Aggregators (CCAs) as of December 31, 2021:

Central Coast Community Energy
CleanPower SF
East Bay Community Energy
Marin Clean Energy
Peninsula Clean Energy
Redwood Coast Energy Authority
San Jose Clean Energy
Silicon Valley Clean Energy
Sonoma Clean Power
Valley Clean Energy

CC Power is separate from its members and is governed by a Board of Directors consisting of one director from each member of CC Power.

CC Power was formed to join the members together to engage in the exercise of powers they have in common including, but not limited to:

- The acquisition and operating of wholesale power supplies, resource adequacy and renewable attributes.
- The provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products.
- The offering of energy risk management and California Independent System Operator (CAISO) scheduling services; and
- Other energy services or programs which may be of benefit to its members.

CALIFORNIA COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

CC Power's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

CC Power's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, CC Power will use restricted resources first, then unrestricted resources as they are needed.

CASH

For purpose of the Statement of Cash Flows, CC Power has defined cash to include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less. At December 31, 2021, all cash was held in demand deposit and money market accounts.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include consulting and administrative expenses. Expenses not meeting this definition are reported as nonoperating expenses.

INCOME TAXES

CC Power is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CALIFORNIA COMMUNITY POWER
NOTES TO THE BASIC FINANCIAL STATEMENTS
JANUARY 29, 2021 (INCEPTION) TO DECEMBER 31, 2021

2. CASH AND CASH EQUIVALENTS

CC Power maintains its cash in accounts at River City Bank in Sacramento, California. CC Power's deposits with River City Bank are subject to California Government Code Section 16521 which requires that banks collateralize the amount of public funds in excess of the Federal Deposit Insurance Corporation limit of \$250,000 by 110%. CC Power does not have an investment policy but will develop one that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. CC Power monitors its risk exposure on an ongoing basis.

3. PURCHASE COMMITMENTS

In the ordinary course of business, CC Power enters into power purchase agreements to acquire renewable energy for resale to its members. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources. All power purchase agreements entered into by CC Power have a corresponding pass-through agreement with the CC Power members who choose to participate in a particular project.

The following table represents the expected, undiscounted, contractual obligations outstanding as of the reporting date of these financial statements.

Year ended Decemner 31,	
2022	\$ -
2023	-
2024	8,000,000
2025	56,000,000
2026	102,000,000
2027-36	2,030,000,000
	<u>\$ 2,196,000,000</u>

California Community Power

Agenda Item 6B

1. Update from Strategic Business Plan *ad hoc* Committee.

California Community Power

70 Garden Court, Suite 300, Monterey, CA 93940 | cacommunitypower.org

Date: October 19, 2022
From: Tim Haines, Interim General Manager
To: CC Power Board of Directors
CC: General Counsel
Subject: **Strategic Business Plan Update #2**

The CC Power Board of Directors approved development of a three-year Strategic Business Plan in June. The Strategic Business Plan *ad hoc* Committee Members Sears (lead), Balachandran, and Mitchell provided an update at the September Board meeting.

The committee has taken your feedback to continue the development of the plan. The feedback at this meeting will be used to finalize the plan which is scheduled to be presented in November.

We look forward to hearing your thoughts.

California Community Power

Agenda Item 6C

1. **Resolution 22-10-03 Approval of 2023 Budget and Cash Call and Update of Fiscal Year.**
2. **Attachment A to Resolution 22-10-03: 2023 CC Power Budget & 2023 CC Power Budget Cost Allocation.**

California Community Power

70 Garden Court, Suite 300, Monterey, CA 93940 | cacommunitypower.org

Date: October 19, 2022

From: Tim Haines, Interim General Manager

To: CC Power Board of Directors

CC: General Counsel

Subject: **2023 CC Power Budget Recommendation**

Purpose

This memo presents the proposed 2023 Budget for Board approval. The budget implements the recommendations of the preliminary Strategic Business Plan.

Background

The CC Power Joint Powers Agreement requires the Board to adopt the budget for 2023. Each member pays an equal share for general and administrative costs. The Board has determined that Firm Clean Resource (“FCR”) and Long Duration Storage (“LDS”) Project costs are to be allocated on a proportionate share basis. The Budget ad hoc Committee has reviewed and recommends this proposed 2023 budget.

Staff services for General Manager and General Counsel, as well as technical, administrative, and legal services, are provided by consultants. All consultants, including the General Manager, are part time. CC Power consulting services are augmented by some Members providing staff that administer the project contracts. This includes Member staff serving as the single point of contact with sellers and engaging with the California Independent System Operator (“CAISO”) and the California Public Utilities Commission (“CPUC”) on project-related activities on behalf of CC Power.

CC Power has worked through many issues necessary to undertake procurement of ordered resources but has had neither the capacity nor the clear direction to take on additional supporting roles for its Member CCAs. While Members have individually considered new services that CC Power could provide, there is no clarity with respect to the Board’s interest in developing any specific plans. Rather than consider such proposals individually, the Board authorized completing a 3-year Strategic Business Plan to collect additional ideas and discuss them collectively to determine which, if any, are worth pursuing.

The Strategic Business Plan *ad hoc* Committee provided updates at the September and October 2022 Board meetings. The current plan identifies the value of CC Power Members acting together to provide benefits greater than acting alone and the internally focused actions to achieve that value.

These actions include hiring a full time General Manager immediately and, over time, additional staff. Among other things, this will allow CC Power to commence day-to-day activities that Member staff are undertaking, to put in place governance documents to guide CC Power practices and controls, and to allow the GM to focus on policy and strategy. This will allow CC Power to ensure that CC Power projects are complete and lead to the evaluation of future programs, projects, and services to the benefit of its Members and their customers.

The current budget proposal will fund CC Power from January through June 2023. The full-time General Manager will propose a 2023-24 FY budget that begins on July 1, 2023.

Recommendation: Adopt the proposed budget and agree on next steps to hire a full-time General Manager and other staff to implement the Strategic Business Plan.

January – June 2023 Budget

CATEGORY	2022	Jan - Jul 2023	2023-24 (FY)
General	(information)	(Proposal)	(information)
General Manager	\$ 61,725	\$ 112,500	\$ 195,000
Operations Manager		\$ 65,000	\$ 130,000
General Counsel and Administrative Support	\$ 106,019	\$ 41,500	\$ 83,000
	\$ 108,602	\$ 53,602	\$ 68,602
General Total	\$ 276,346	\$ 272,602	\$ 476,602
Project (LDS & FCR)			
General Manager	\$ 61,280	\$ 112,500	\$ 195,000
Operations Manager		\$ 65,000	\$ 130,000
Project Support	\$ 231,130	\$ 105,000	\$ 210,000
Project Total	\$ 292,410	\$ 282,500	\$ 535,000
Total	\$ 568,757	\$ 555,102	\$ 1,011,602

Cash Call

PARTICIPANT	2022	Jan - Jul 2023	2023 (FY)
	(information)	(Proposal)	(information)
EBCE	\$ 26,061	\$ 30,289	\$ 52,956
3CE	\$ 50,328	\$ 59,813	\$ 108,868
CPSF	\$ 70,492	\$ 74,762	\$ 137,178
PCE	\$ 65,305	\$ 66,193	\$ 120,951
RCEA	\$ 34,919	\$ 39,723	\$ 70,822
SJCE	\$ 83,928	\$ 88,022	\$ 162,291
SVCE	\$ 77,097	\$ 89,103	\$ 164,338
SCPA	\$ 60,956	\$ 66,168	\$ 120,903
VCE	\$ 42,357	\$ 41,029	\$ 73,296
TOTAL	\$ 511,442	\$ 555,102	\$ 1,011,602

Budget Assumptions

- The budget proposal is for January – June 30
- Full time GM and Operations Manager hired in early 2023; time split equally between General and Project budgets
- Current GM continues through March 2023
- CC Power transitions to FY budget year on July 1, 2023 (in future Board action)

**California Community Power
Resolution 22-10-03**

APPROVAL OF 2023 BUDGET AND CASH CALL AND UPDATE OF FISCAL YEAR

WHEREAS, California Community Power (“CC Power”) was created by a Joint Powers Agreement (“JPA”) ; and

WHEREAS, CC Power JPA Section 4.09 describes the non-delegable duty of the CC Power Board of Directors to approve the budget; and

WHEREAS, a Budget reflecting the costs to support CC Power and ongoing project participation through June 30, 2023 is attached for consideration and possible adoption by the Board; and

WHEREAS, based on input and direction from the Members, an update to the CC Power fiscal year, from calendar year to a July 1 – June 30 fiscal year, has been proposed for consideration and possible adoption by the Board.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby:

1. Adopt a revised annual fiscal year of July 1 – June 30.
2. Approve the CC Power 2023 Budget for January 1- June 30 in the form attached hereto as Attachment A.
3. Approve the allocations as summarized in Attachment A.
4. Authorize the Treasurer to issue cash calls to the members/participants to cover the next 6 months of JPA operations as summarized in Attachment A.

PASSED AND ADOPTED by the Board of Directors of California Community Power this 19th day of October, 2022, by the following vote:

		Aye	No	Abstain	Absent
Central Coast Community Energy	Tom Habashi				
CleanPowerSF	Barbara Hale				
East Bay Community Energy	Nick Chaset				
Peninsula Clean Energy	Jan Pepper				
Redwood Coast Energy Authority	Matthew Marshall				
San José Clean Energy	Lori Mitchell				
Silicon Valley Clean Energy	Girish Balachandran				
Sonoma Clean Power Authority	Geof Syphers				
Valley Clean Energy	Mitch Sears				

Chair

Attest by: Secretary

Attachment A to Resolution 22-10-03

JANUARY – JUNE 2023 CC POWER BUDGET

CATEGORY	Jan - Jul 2023
General	
General Manager	\$ 112,500
Operations Manager	\$ 65,000
General Counsel and Administrative Support	\$ 41,500
	\$ 53,602
General Total	\$ 272,602
Project (LDS & FCR)	
General Manager	\$ 112,500
Operations Manager	\$ 65,000
Project Support	\$ 105,000
Project Total	\$ 282,500
Total	\$ 555,102

2023 CC POWER BUDGET COST ALLOCATION

PARTICIPANT	Jan - Jul 2023
EBCE	\$ 30,289
3CE	\$ 59,813
CPSF	\$ 74,762
PCE	\$ 66,193
RCEA	\$ 39,723
SJCE	\$ 88,022
SVCE	\$ 89,103
SCPA	\$ 66,168
VCE	\$ 41,029
TOTAL	\$ 555,102

California Community Power

Agenda Item 6D

1. ***Resolution 22-10-04 Approval of General Manager Authority to Extend and Execute Consulting Contracts in Accordance with CC Power Budgets.***

**California Community Power
Resolution 22-10-04**

**APPROVAL OF GENERAL MANAGER AUTHORITY TO EXTEND AND
EXECUTE CONSULTING CONTRACTS IN ACCORDANCE WITH CC POWER BUDGETS**

WHEREAS, California Community Power (“CC Power”) was created by a Joint Powers Agreement (“JPA”) to, develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members; and

WHEREAS, JPA Section 4.08 provides that the CC Power Board of Directors shall have the power to appoint other officers and staff as it may deem necessary who shall have such powers, duties, and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers, and other consultants; and

WHEREAS, on December 3, 2021, the Board of CC Power approved Resolution 21-12-03, authorizing the Interim General Manager to execute contracts extending the consulting services outlined in that Resolution through December 31, 2022, in accordance with the adopted 2022 CC Power Budget; and

WHEREAS, those contracts expire on December 31, 2022; and

WHEREAS, on October 19, 2022, the Board of CC Power approved the 2023 CC Power Budget; and

WHEREAS, the Board of CC Power finds it advantageous to continue to engage these services from outside consultants to support CC Power on behalf of its Members; and

WHEREAS, the Board of CC Power finds it is advantageous to delegate authority to the General Manager to retain outside consultants and extend consultants as needed, consistent with CC Power approved budgets.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby:

1. Authorizes the Interim General Manager to execute contracts extending the consulting services outlined in this Resolution through June 30, 2023, in accordance with the adopted 2023 CC Power Budget;
2. Delegates authority to the General Manager of CC Power to extend and execute contracts for consulting services as needed, consistent with CC Power Board approved budgets.

**California Community Power
Resolution 22-10-04**

PASSED AND ADOPTED by the Board of Directors of California Community Power this 19th day of October, 2022, by the following vote:

		Aye	No	Abstain	Absent
Central Coast Community Energy	Tom Habashi				
CleanPowerSF	Barbara Hale				
East Bay Community Energy	Nick Chaset				
Peninsula Clean Energy	Jan Pepper				
Redwood Coast Energy Authority	Matthew Marshall				
San José Clean Energy	Lori Mitchell				
Silicon Valley Clean Energy	Girish Balachandran				
Sonoma Clean Power Authority	Geof Syphers				
Valley Clean Energy	Mitch Sears				

Chair

Attest by: Secretary