



New Energy Options, Inc.

March 21,2017

Dear Mayor Aspel and Members of the Redondo Beach City Council:

It is my pleasure to offer an endorsement and to lend support for the adoption of the South Bay Clean Power (SBCP) Business Plan.

As a long time energy practitioner and renewable energy expert with experience ranging from: serving as an electric utility executive (LA Department of Water and Power and the New York Power Authority), a renewable Energy project and technology product developer (NEOptions), an international renewable energy advocate (World Council for renewable Energy, Renewables 100 Policy Institute), to grid and regulatory experience (currently serving on the Board of the CA Independent Systems Operator) to representing the US Department of State on numerous energy related missions around the world, I have a broad view on what it takes to build a solid business plan to transition to 100% renewable energy.

Based on my experience in implementing renewable energy, efficiency, storage, electric transportation and advanced power grid technology solutions, I believe that the SBCP Business Plan provides a solid path for advancing and achieving their goal to supply 100% renewable energy, including distributed energy resources (DER) and advanced transportation/storage solutions for the benefit of the communities they serve. The items enumerated below, deserve particular recognition and should be noted:

1. A firm target of achieving 100% renewable power, within 10 years of the CCA's launch.
2. No use of Category 3 unbundled Renewable Energy Certificates (RECs) to achieve our 100% renewables goal;
3. A Distributed Energy Resources model (DER, which refers to distributed renewable power generation, storage, energy efficiency, demand response and electric vehicle infrastructure) with a Los Angeles County-wide buildout of infrastructure to maximize regional DER potential;
4. A focus on local economic investment, local power generation, local infrastructure, local jobs, local educational, training and career opportunities;
5. A partnership with labor – including project labor agreements, community benefit agreements, sustainable workforce agreements, job training, and apprenticeship program;
6. A program focus and emphasis on environmental justice in frontline communities where economic, workforce, and health needs are the greatest.

The proposed plan not only succeeds on delivering the nuts and bolts direction and necessary steps for cities to use as the practical guide to achieve the South Bay Clean Power's goals and



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objectives, it does so in a transparent, well managed action plan, with a focus on risk mitigation, accountability and cost containment.

The SBCP Business plan's commitment to Distributed Energy Resources is critical as an enabler for local generation and job creation. The Plan builds this essential DER model into operations from day one with the release of the initial RFPs and explains why DER is essential to achieving the local jobs and economic investment generated by a DER-centric CCA. We believe that without this level of commitment to a distributed energy focused infrastructure the goals and objectives outlined above would be much more difficult and costly to achieve.

We are in agreement that a regionally focused commitment is essential for a CCA to achieve its potential to deliver the local resources that provide grid stability, the ability to integrate large percentages of renewables, and to provide community resiliency and security.

I support the Plan's emphasis on creating well paid, local, green jobs that pay family sustaining wages and provide long term careers, offering quality of life and stability for our communities.

Without a well-defined DER goal, as stated above experience has proven that there will be no region-wide build-out of distributed energy resources and none of the "Green Job Engine" benefits that come with such a build-out.

The SBCP Business plan's direction to employ a non-profit energy services provider like ACES, The Energy Authority or Northern California Power Authority (NCPA) instead of for-profit wholesale power providers like Shell and Constellation Energy, should also be noted.

Employing an experienced non-profit energy services provider owned by multiple municipal utilities to perform comprehensive energy risk management services for the South Bay Clean Power CCA is the right solution for the scale and scope of a Los Angeles County-sized CCA program. We appreciate that these non-profit energy services providers have demonstrated track records in providing a full suite of energy risk management services to serve their municipal utility members and other clients. An additional benefit of this approach is that it allows South Bay Clean Power constituents to have full transparency and oversight into every power plant the CCA will contract with, and how all aspects of its power operations will be conducted. A practice which goes above and beyond of current utility operations.

This transparency and comprehensive approach will allow South Bay Clean Power to fully integrate Distributed Energy Resources — including energy efficiency, distributed renewable generation resources (e.g. rooftop solar photovoltaic), energy storage, electric vehicles, and demand response technologies — into our CCA's managerial and operational activities and to maximize local workforce and economic development, while providing environmental benefits and improving quality of life for the disadvantaged.

This proposed comprehensive regional and DER focused approach makes the impacted community goals possible because without a robust DER build-out it is difficult to place the necessary focus and emphasis on environmental justice for frontline communities where the economic, workforce, and health needs are the greatest. The two cities that have the heaviest power loads in the South Bay Clean Power program, Torrance and Carson, are also two cities with oil refineries where health and environmental impacts deserve our attention – and we believe the South Bay Clean Power Business Plan pays that attention.



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Therefore, I also support the JPA of CCAs regional governance solution offered in the South Bay Clean Power Business Plan. Of particular note is that this proposal is also based on the best practices of the municipal utility industry and offers each group of like-minded cities the opportunity to enjoy the benefits that local control and jurisdiction can bring to a community.

Last but not least, the JPA of CCAs approach which delivers all the economies of scale that a County-based JPA offers without the management risks that comes with a potential 85 member Board is also a well thought out solution.

Thank you for your attention and should you have any questions, please do not hesitate to reach out.

Sincerely,

A handwritten signature in blue ink, appearing to read "Angelina Galiteva".

Angelina Galiteva, ESQ.
Principal, New Energy Options