

Summary of the key provisions in the Joint Powers Agreement (“JPA”)

The following is a summary of the key provisions in the JPA:

- **Separate Legal Entity.** The JPA establishes the Los Angeles Community Choice Energy Authority as a separate legal entity; the member cities assume no obligations (except in narrow circumstances provided for in the JPA, e. g., upon withdrawal, Section 8 of the JPA) for the debts and liabilities of the Authority.
- **Board of Directors.** The Authority Board of Directors shall consist of an elected representative from each member agency and two alternate directors from each member agency, both of whom must be either a member of the agency’s elected body, City staff, or an individual appointed from the community that has experience in energy related issues.
- **Voting.** The Authority Board of Directors can act by a majority of directors voting in favor of an item. Following an affirmative vote, if three directors so request, an Authority action can be overturned by a "Voting Shares Vote," where each director's vote represents that share of the Authority's overall electrical load represented by the member entity.
- **Implementation Plan.** LACCE will create an Implementation Plan to establish a roadmap for the Authority's operations and strategies. The Plan shall include a description of how the CCA Program will contribute to fostering local economic benefits, such as job creation and community energy programs.
- **Withdrawal.** The JPA agreement provides a process for member entities to withdraw and provides that in the event of a complete withdrawal of both municipal and all constituent accounts, the member agencies will reimburse the JPA for any costs incurred as a result of serving the withdrawing agency and all of its community's customers.
- **Powers.** The JPA includes a number of powers for the Authority, including: the contractual authority to purchase electricity, enter into agreements to implement the CCA program, and to submit documentation and compliance forms to ensure regulatory compliance. In addition, the Authority is granted permission to issue revenue bonds and other forms of indebtedness, to acquire property by eminent domain, as well as other regulatory related actions.