

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from March 11, 2021 Board Meeting
DATE: April 8, 2021

RECOMMENDATION

Receive, review and approve the attached March 11, 2021 Board meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, MARCH 11, 2021**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, March 11, 2021 at 4:00 p.m., to be held via Zoom videoconference. Chair Dan Carson established that there was a quorum present and began the meeting at 4:03 p.m.

Board Members Present: Dan Carson, Jesse Loren, Tom Stallard, Don Saylor, Lucas Frerichs, Wade Cowan, Mayra Vega

Members Absent: Gary Sandy

Approval of Agenda / Designation of Board Subcommittee Motion made by Director Stallard to approve the March 11, 2021 Board meeting agenda, seconded by Director Loren. Motion passed unanimously with Gary Sandy absent.

Public Comment Chair Carson opened the floor for public comment. There were no written or verbal public comments.

Approval of Consent Agenda There were no written or verbal public comments. Director Saylor congratulated the City of Winters for their successful enrollment into Valley Clean Energy with 92% participation. Chair Carson mentioned to those present that he would like to look at whether to hold a meeting in August. Staff will reach out to Board Members to see if this will fit with their schedules.

Motion made by Director Frerichs to approve the consent agenda, seconded by Director Saylor. Motion passed unanimously with Gary Sandy absent. The following items were approved, ratified, and/or received:

4. February 11, 2021 Board meeting Minutes;
5. 2021 Long Range Calendar;
6. Financial Updated – January 30, 2021 (unaudited) financial statement;
7. March 3, 2021 Regulatory update provided by Keyes & Fox;
8. March 3, 2021 Customer Enrollment Update;
9. Community Advisory Committee February 25, 2021 meeting summary, including copies of 2021 Task Group Charges; and,
10. Support of two legislative bills: SB 612 and AB 843.

Item 11: Consider adoption of statement supporting Interim General Manager Mitch Sears introduced this item. VCE Staff Gordon Samuel provided a summary of the staff report. Chair Carson opened the floor for public comment. There were no written public comments. Verbal comment was provided:



electrification of
new buildings

VCE Community Advisory Committee (CAC) Member Mark Aulman provided verbal comment that he strongly endorses the statement as stated in the Staff recommendation. The electrification of new buildings does provide a pathway to greenhouse gas reduction and is a means of avoiding embedding future fossil use in buildings. There are a variety of options available for local jurisdictions which are worthy of discussion and will ensure social justice is maintained for all citizens. For this purpose, the shared information called for in this recommendation will be of vital importance. For that reason, the CAC unanimously endorsed this staff recommendation.

Christine Shewmaker provided a verbal comment that the CAC's Programs Task Group looked at ways to incentivize building electrification retrofits to decarbonize our building stock and it became very clear that the best, cheapest and easiest retrofit was one that we did not have to do it all. Encouraging new building electrification sends a good message and fits with our long term decarbonization goals. Decarbonization and carbon neutral goals are getting traction broadly in California. SMUD's draft plan to get to zero carbon by 2030, emphasizes electrification specifically building electrification. The reasons being are similar here: health, CO2 and lower cost. New building electrification is something that could be done now that will have a positive greenhouse gas emissions impact long into the future.

CAC Member David Springer provided a verbal comment that Title 24 Standards for 2023 are going to have features in terms that will lower the cost of electrification by requiring prewiring for future heat pumps, water heaters and other things. We are anticipating these measures coming into play. It makes sense to point to what other CCAs and jurisdictions are doing.

Mr. Sears informed those present that electrification has been mentioned, among other topics, in Staff's discussions with Member jurisdictions, and there is movement at the local level to support electrification.

Director Loren commented that Winters has invested time and energy in a Climate Action Plan which has not yet been presented to City Council. It is unknown at this time how much electrification is talked about within the document. She does support the statement.

Director Cowan commented that he does not support getting rid of natural gas or the complete electrification of houses and buildings. He does not believe the technology is anywhere near where it needs to be for heating and cooling, water, and those types of things. He believes that having natural gas is a good thing to have around.

Director Stallard commented he supports electrification because it is a good starting point, but he would like to encourage everyone to have an open mind



moving forward. He refers to VCE Staff Gordon Samuel's footnote in the slides that retrofitting existing home/buildings from gas to electric can be costly and complex. Even with new buildings, it is costly to put in the proper electric panel with enough power to service an all electric building.

Board Members encouraged Staff to be active in distributing and communicating the statement to others. Legal Counsel was asked to provide information to Staff on the legal challenges of banning natural gas, then this information is to be provided to the member jurisdictions and to the Board when electrification documents are transmitted.

Director Loren made a motion to: 1) adopt a statement supporting and encouraging electrification of new buildings; 2) share information regarding new building electrification broadly with the member jurisdictions upon request; and, 3) join the Building Decarbonization Coalition at the General Level, seconded by Director Saylor. Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Frerichs, Vega

NOES: Cowan

ABSENT: Sandy

ABSTAIN: None

Item 12: Consider adopting VCE customer rates commencing March 2021 to match PG&E's generation rates.

Mr. Sears introduced this item. VCE Staff Edward Burnham reviewed slides.

Several comments were made by the Board Members: focus on being competitive and getting VCE's rates lower than PG&E's before putting efforts into programs; concerns over losing customers if VCE does not deliver lower rates; and, VCE's opportunity to distinguish themselves from PG&E and their programs by our local control and ability to have lower generation rates.

Chair Carson reminded those present that Staff and CAC Rates Task Group are looking at rate alternatives, addressing customers, and disadvantage communities per VCE's Strategic Plan. Mr. Sears informed those present that other CCAs are looking at decoupling and going to a "cost of service" approach. Mr. Burnham is working with the CAC Rates Task Group on the cost issues and finding additional funding for programs. There are no written or verbal public comments.

Director Loren made a motion to adopt Valley Clean Energy customer rates effective March 1, 2021 to match Pacific Gas & Electric's generation rates, seconded by Director Frerichs. Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Frerichs, Cowan, Vega

NOES: None

ABSENT: Sandy

ABSTAIN: None



Item 13: Board Member and Staff Announcements

Mr. Sears informed those present that part of the work coming out of the Strategic Plan is that Staff have been engaging with member jurisdictions attending Council and Board of Supervisor meetings. There are opportunities to partner with member jurisdictions to cobrand and enroll customers into California Alternate Rates for Energy (CARE) program, Family Electric Rate Assistance (FERA) program, and City utility programs. He attended an informative brown bag webinar sponsored by CalCCA on credit ratings and process.

Mr. Sears informed those present that Resource Adequacy (RA) structure and market are being discussed at the California Public Utilities Commission (CPUC). CalCCA is deeply involved with this discussion which also extends to CCAs. VCE is following this conversation. He reminded those present that Board Members will be reaching out to individual member jurisdictions looking for letters of support on Senate Bill 612, which is a legislative bill about power charge indifference adjustment (PCIA) and credit of attributes.

Director Frerichs reminded those present that tomorrow marks one year of holding virtual meetings. He would like to suggest changing the start time from 4 p.m. to something later, such as 5 or 5:30 p.m. to accommodate those Board Members who have a difficult time attending the earlier meeting time. Chair Carson asked the Board Clerk to find out if an alternate time would work.

The next regular Board meeting is scheduled for April 8, 2021 at 4 p.m. via video/teleconference.

Public Comment on Closed Session Items

Chair Carson asked if there was any written or verbal comment from the public on any of the Closed Session items. There were no written or verbal public comments. Legal Counsel, Harriet Steiner informed those present that it is anticipated that there will be no reporting out after Closed Session.

Adjournment

Chair Carson adjourned the meeting at 4:58 p.m. to go into Closed Session.

Item 14: CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation

The Board started their Closed Session at 5:00 p.m. and adjourned their meeting at 5:24 p.m. There was nothing to report out.

Alisa M. Lembke
VCE Board Secretary