

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 4

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**TO:** Valley Clean Energy Alliance Board of Directors  
**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst  
**SUBJECT:** Approval of Minutes from June 11, 2020 Special Board Meeting  
**DATE:** July 9, 2020

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### RECOMMENDATION

Receive, review and approve the attached Minutes from the June 11, 2020 Special Board meeting.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS SPECIAL MEETING  
THURSDAY, JUNE 11, 2020**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their special meeting scheduled for Thursday, June 11, 2020 at 4:00 p.m. via teleconference. Chairperson Don Saylor established that there was a quorum present and began the meeting at 4:02 p.m.

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

Associate Members Present: Beverly Sandeen, Christopher Cabaldon

Members Absent: Angel Barajas

Associate Members Absent: None

Approval of Agenda Motion made by Director Frerichs to approve the June 11, 2020 agenda, seconded by Director Loren. Motion passed with Director Barajas absent.

Public Comment Chairperson Saylor opened the floor for public comment. No public comment written or verbal. Interim General Manager Mitch Sears announced that it is VCE's 2<sup>nd</sup> year anniversary with the launch of VCE in June 2018. Chair Saylor thanked Mr. Sears for showing a preview of the 2<sup>nd</sup> year advertisement that will be going out to the media. Chair Saylor also thanked Community Advisory Committee Chair Yvonne Hunter for writing a wonderful op ed. He commented that VCE's vision is strong despite the many challenges.

Approval of Consent Agenda Motion made by Director Stallard to approve the consent agenda, seconded by Director Carson. There were no written or public comments. Motion passed with Director Barajas absent. The following items were approved and/or received:

4. May 14, 2020 special Board meeting Minutes;
5. 2020 Long Range Calendar;
6. Financial Updated – April 30, 2020 (unaudited) financial statement;
7. Legislative Update and support of SB 862, SB 1117 and SB 1312;
8. June 3, 2020 Regulatory Updated provided by Keyes & Fox
9. June 2, 2020 Customer Enrollment Update;
10. Receive Community Advisory Committee May 28, 2020 meeting summary;
11. Extension of VCE opt-out fee waiver for one additional year until July 1, 2021;
12. MOU between City of Davis and VCE to implement the SACOG EV Charging Infrastructure Grant;



13. Amendment #17 to Task Order #4 to SMUD professional services agreement;
14. One-year contract extension with Keyes & Fox to provide regulatory legal counsel to VCE until July 2021;
15. One-year contract extension with Pacific Policy Group to provide lobbying services to VCE until July 2021; and,
16. Reappointment/Appointment of CAC Members.

Item 17: PPA – Rugged Solar

Mr. Sears introduced this item. VCE Staff Gordon Samuel briefly reviewed the background of this Power Purchase Agreement (PPA). He informed those present that the owner of this project is Clean Focus, the Developer is SunCapture, and the site is located 70 miles east of San Diego. This PPA is for a term of 20 years for a volume of 72 Megawatts (MW).

A brief discussion occurred on the process of a new generation site, the timeline of the project, and cost of the energy.

There were no verbal or written comments.

Motion made by Director Stallard to approve the PPA with Rugged, seconded by Director Loren. Motion passed by the following vote:

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

NOES: None

ABSENT: Barajas

ABSTAIN: None

Item 18: Policy strategies to plan for incorporation of long-term renewable contracts into VCE's power portfolio and to address FY20/21 PCIA and RA cost impacts.

Mr. Sears reviewed the factors driving the policy recommendations, process, PCIA and Resource Adequacy history, projected Covid/recession impacts, and the FY2020-2021 Operating Budget. He reviewed several policy strategy options:

Option D – at the Board's May 14, 2020 meeting VCE accepted the GHG-free large hydro allocations from Pacific Gas & Electric (PG&E).

Option C – Power Resource planning adjustments. Mr. Sears reviewed several alternatives within this option. Questions and a discussion occurred about the fiscal benefits.

Option B – implement a third customer rate choice.

Chair Saylor asked if there were any public comments.

Christine Shewmaker, speaking as a resident, provided a verbal comment about VCE's projected budget situation and the recurring theme of the Power Charge Indifference Adjustment (PCIA) effecting the budget. She reminded the Board to



look at the long term impacts. She commented that there continues to be the need for lower emissions, climate warming has not gone away.

There were no written public comments.

Director Carson made a motion to:

1. adopt policy strategies to plan for incorporation of long-term renewable contracts into VCE's portfolio and to address fiscal year 2020/21 PCIA and Resource Adequacy cost impacts.
2. direct Staff and the Community Advisory Committee to study additional customer rate choices for future Board consideration.

This motion was seconded by Director Loren. Motion passed by the following vote:

AYES: Saylor, Carson, Stallard, Cowan, Frerichs, Sandy, Loren  
NOES: None  
ABSENT: Barajas  
ABSTAIN: None

Item 19: Approve Fiscal year 2020-2021 Operating Budget

Mr. Sears introduced this item. VCE Staff George Vaughn reviewed the background and key assumptions of Budget Option 1. He reviewed rates and revenue, power costs/mix, and other operating expenses. He then went on to review the key assumptions of Budget Option 2.

There were no verbal or written comments.

Motion made by Director Frerichs to adopt a resolution approving the Operating Budget of \$49.6M of operating revenues and \$52.6 M of operating expenses for fiscal year 2020-2021 (FY2021), seconded by Director Loren. Motion passed by the following vote:

AYES: Saylor, Carson, Stallard, Cowan, Frerichs, Sandy, Loren  
NOES: None  
ABSENT: Barajas  
ABSTAIN: None

Item 20: Update on request for offers for local renewable projects and Incremental Resource Adequacy (Informational)

VCE Staff Gordon Samuel reviewed the background of the local and incremental Resource Adequacy (RA) request for offers (RFO) and the incremental RA requirements of each load serving entity. He continued by reviewing the number of Bidders and proposals received, and the technology type and Counties where the proposed projects were located. Mr. Samuel pointed out that no biomass proposals were received in response to the local RFO, only wind.

It was asked what "BESS" is an abbreviation referred to in the technology type. Mr. Samuel that it is the acronym for battery energy storage system. Mr. Samuel



was also asked what other criteria is used to review a proposal. Mr. Samuel stated that in addition to the location, price, multi-use of the site, developer experience, site control, and location within certain areas. Mr. Sears emphasized that VCE has been working with other CCAs on innovative, forward thinking storage ideas.

There were no verbal or written comments.

Item 21: Approve Net Energy Metering Donation Pilot Program.

VCE Staff Jim Parks reviewed the pilot Net Energy Metering (NEM) Donation pilot program plan and provided a few examples of possible non-profit and community based organizations (CBO's) that could be identified as recipients of funds from this program. Mr. Parks requested input from the Board on the type of charities they are interested in donating to: CBOs that are non-profit, community based or a combination of both. Mr. Parks provided an overview of the Community Advisory Committee's input on who to donate to.

The Board provided feedback and confirmed with Mr. Parks that the pilot program would donate the credits to non-religious organizations. It was suggested that the donations go to organizations that serve across Yolo County, not in one particular area or city. In addition, the Board would like to see that the organizations are in line with VCE's mission and objectives, such as energy efficiency, to select only a few organizations to maximize the donation amount, and to organizations that support the community. The names of a few organizations were suggested. Lastly, the Board suggested that the pilot program be monitored. Mr. Parks also informed the Board that for tax purposes, the name of the person and their address would be shared with the organization so that a receipt can be sent to them.

There were no verbal or written comments.

Motion made by Director Loren to authorize the Interim General Manager to develop and implement a pilot Net Energy Metering Donation Program for FY 2020/21, seconded by Cowan. Motion passed by the following vote:

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

NOES: None

ABSENT: Barajas

ABSTAIN: None

Staff will report back to the Board after one full year of program operation.

Item 22: Status update and next steps on the potential acquisition of

Mr. Sears informed those present that PG&E will be coming out of bankruptcy intact with a few technicalities to be address in Court. The positive is that CCAs have been coming forward with contracts and other positive outcomes. PG&E announced that they are moving their San Francisco offices to Oakland.



PG&E's local electricity distribution system (Informational)

Mr. Sears informed those present that the California Public Utilities Commission (CPUC) approved their reorganization with a 6 step process. If PG&E does not comply there is a serious backstop. There is also proposed legislation for the State to take over PG&E should they not perform and fail.

There were no verbal or written comments.

Board Member and Staff Announcements

Mr. Sears announced that Jim Parks is retiring at the end of the month. Mr. Parks informed those present that Rebecca Boyles from MCE will replace him in his position at VCE with a start date of Monday, June 29<sup>th</sup>.

Mr. Sears also informed the Board that the large hydro attributes contract is being negotiating with PG&E and Staff may be coming back to the Board on this item at a special meeting in the next few weeks.

Public Comment on Closed Session Items

Chairperson Saylor announced that the Board will be going into Closed Session and that it is anticipated that no reportable action will be taken in Closed Session. Chairperson Saylor 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.

Adjournment

Chairperson Saylor adjourned the meeting at 5:48 p.m. to go into Closed Session.

CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation

The Board began Closed Session at 5:54 p.m. and adjourned their Closed Session at 6:00 p.m. There was nothing to report out.

Alisa M. Lembke  
VCEA Board Secretary