

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report - Item 5

TO: Community Advisory Committee
FROM: Alisa Lembke, Board Clerk/Administrative Analyst
SUBJECT: CAC October 28, 2021 Meeting Minutes
DATE: November 18, 2021

Recommendation

Receive, review and approve the attached October 28, 2021 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE
MEETING
THURSDAY, OCTOBER 28, 2021
VIA TELECONFERENCE**

Chair Christine Shewmaker opened the Community Advisory Committee of the Valley Clean Energy Alliance in a meeting on Thursday, October 28, 2021 beginning at 5:06 p.m. via videoconference pursuant to the Brown Act and Assembly Bill 361 (AB 361). At the October 14, 2021 meeting, the Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future.

Welcome and Roll Call

Committee Members Present: Christine Shewmaker (Chair), Cynthia Rodriguez (Vice Chair), Yvonne Hunter, Marsha Baird, Gerry Braun, Mark Aulman, Lorenzo Kristov, David Springer, Jennifer Rindahl

Committee Members Absent: None

Welcome and Approval of Agenda

Mark Aulman made a motion to approve the October 28, 2021 meeting Agenda, seconded by Yvonne Hunter. Motion passed unanimously.

Public Comment / Introductions

Chair Shewmaker opened the floor for general public comments and on consent items. There were no written or verbal public comments on items not on the agenda and on Consent Agenda items.

Brief task Group and VCE staff Reports

Task Group Reports Chair Shewmaker announced that the Outreach Task Group will provide an update after the 10/14/21 and 10/21/21 Board meeting summaries have been provided. All other Task Groups will provide a brief summary.

Leg/Reg Task Group: Yvonne Hunter reported that they met last Friday. Mark Fenstermaker of Pacific Policy Group gave them an update on key things happening. The annex office which is attached to the historic part of the capital is being demolished. There will only be 2 rooms for hearings. There will likely be a bill limit for introduction of bills. There is a budget surplus of \$14 billion. Next year is the second year of a 2-year session. There is an open seat on the California Public Utilities Commission (CPUC).

Programs Task Group: David Springer reported that the group met on October 20th. They talked about the budget and that due to financial resources, programs will be delayed. Other potential funding sources and potential EV program in more detail were discussed, and how to sign up more low-income customers for CARE/FERA. They are also exploring program funding assistance.



Rates Task Group: Lorenzo Kristov mentioned that rates will be discussed later during the regular portion of this meeting.

Carbon Neutral Task Group: Cynthia Rodriguez reported that they are still meeting every other week. VCE Staff Gordon Samuel provided the group a report on the status of the carbon free portfolio study and the group received a report from Energeia, USA (contractor performing the study).

10/14/21 regular and 10/21/21 special Board Meeting Summaries: Interim General Manager Mitch Sears provided a summary of the October 14, 2021 Board meeting: approved the Willow Springs Solar power purchase agreement (PPA); approved and reaffirmed the Community Advisory Committee (CAC) structure to include 3 at-large seats with a total of 11 total seats, as well as appointment of Lorenzo Kristov to an at-large seat; directed staff to move forward on changing from fiscal year to calendar year; and, received a briefing on cost-based rate structure and policy. The Board held a special meeting on October 21, 2021 set a special meeting to focus on short-term financial rate adjustments, where they approved a rate adjustment of about 2%, which equates to about \$3-4/month for average residential usage. The rate adjustment will go into effect Nov 1, 2021. Lastly, the Board will consider expanded rate structure change at their November 10th meeting.

Outreach Task Group: Mark Aulman reported that they met twice since the last CAC meeting. The group discussed developing outreach messaging to the customers on the rate increase. VCE Staff will provide messaging for call center staff, the Board and the CAC. In addition, there will be messaging, either text or video, on the website homepage to be authored by one or more board members and it was discussed using an infographic to explain the effect of power charge indifference adjustment (PCIA) on VCE rates. All messaging needs to be consistent and clear. Similar rate changes by other CCAs have not resulted in material opt-out levels. Jim Parks remains on contract to assist. More information should be communicated when rate structure is finalized. Any CAC member or public should contact Mitch Sears or Rebecca Boyles.

Staff Report: Mr. Sears showcased the Renewable Energy Contracts graphic developed by staff and contractors showcasing VCE's PPAs. It demonstrates VCE going above and beyond compliance obligations for renewables. He also provided an update on CC Power, who has taken action to approve the first of the long-duration storage (8 hour+ battery storage) project. It is being negotiated and distributed to the CC Power members. VCE will bring project through our process to have Board consider whether to participate. Our share would be about 4 MW of storage, which coincides with a portion of the CPUC mandate for that type of energy storage.

Consent Items

Chair Shewmaker informed those present that in the August 26, 2021 CAC meeting minutes, it states that Yvonne Hunter was absent and that she provided the Leg/Reg Task Group report. This is incorrect and the minutes should reflect that Chair



Shewmaker provided the task group report. Cynthia Rodriguez made a motion to approve the October 28, 2021 Consent Agenda items with the September 23, 2021 meeting Minutes amended, seconded by David Springer. Motion passed with Yvonne Hunter abstaining. The following items were:

1. approved September 23, 2021 meeting Minutes as amended;
2. received customer enrollment update as of October 20, 2021; and,
3. received update on the Power Content Label Customer Mailer.

There were no written or verbal public comments.

**Item 8: Consider
Cost-Recovery based
Policy and Customer
Rate Structure.
(Discussion/Action)**

Mr. Sears reviewed background, budget and updated forecast, rate actions taken by other CCA's, proposed cost-based rate policy and structure [including portfolio/price (renewable/GHG content)], rate adoption process, schedule, Staff recommendation, and next steps. Lorenzo Kristov mentioned that the Rates Task Group has discussed with staff rates and understand the need for changes to address financial conditions. Chair Shewmaker opened the floor for questions by the other Members.

The CAC discussed financial models, load forecast, resource adequacy costs, rate structure, and possible need for additional policy discussions, Time of Use (TOU) rate changes, and outreach. Other areas of discussion in general included concern over the impact of the rate increase on certain customers; issues relating to NEM customers; concern over delay in implementing programs, such as EVs; and, desire to optimize, if possible, forecasts for load and budget as VCE goes forward.

Chair Shewmaker provided a recap of Staff's recommendation, which included three items: to adopt 1) a cost-recovery based rate policy, 2) a new rate structure with three customer options, and 3) automatically enroll CARE and FERA customers into the newly created Least Cost option. The CAC chose to break these into two main issues: the rates policy (1) and the rate structure (2) and (3).

The CAC discussed Staff's definition of rate policy: "VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's budget and establish sufficient operating reserve funds." They discussed in detail policy parameters of funding, budget, cap and trigger, and setting rates.

Lorenzo Kristov made a motion that the CAC recommend to the Board that they adopt a Proposed Cost-Based Rate Policy: "VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's budget and establish sufficient operating reserve funds" and, add a second sentence that the "Changes in rates are to be approved by the Board in consultation with the Community Advisory Committee". This motion was seconded by David Springer. Mr. Sears asked for clarification purposes, did the motion include the "implementing procedure". Mr. Kristov said that the motion is only the policy statement (definition).



There were no verbal or written public comments.

Motion passed by the following vote:

AYES: Shewmaker, Rodriquez, Hunter, Baird, Braun, Aulman, Kristov,
Springer, Rindahl

NOES: None

ABSENT: None

ABSTAIN: None

The CAC moved on to discuss: 2) a new rate structure with three customer options, and 3) automatically enroll CARE and FERA customers into the newly created Least Cost option. Yvonne Hunter made a motion that the CAC recommend to the Board:

2. Adopt a new rate structure with three customer options: (1) Standard Green (default) and (2) UltraGreen (100% renewable) with rates based on cost-recovery and add a (3) least-cost customer rate option.

3. Automatically enroll California Alternative Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers in the newly created least-cost rate option with an enhanced portfolio beginning in 2024.

This motion was seconded by Mark Aulman.

The CAC discussed rate structure with some concerns expressed about making sure there was a significant difference in the Renewable Portfolio Standard (RPS) between the Least-Cost option and the Standard Green option. There was no verbal or written public comment.

Motion passed by the following vote:

AYES: Rodriquez, Hunter, Baird, Aulman, Kristov, Springer, Rindahl

NOES: None

ABSENT: None

ABSTAIN: Shewmaker, Braun

**Item 9: Introduction
to community
resiliency.
(Informational)**

CAC Member Lorenzo Kristov requested that this item be delayed until the next meeting. This item was tabled to the CAC's next meeting. Yvonne Hunter requested that this item be moved up on the agenda to earlier in the meeting.

**Item 10: Review
draft Committee
Evaluation of
Calendar Year
(Discussion)**

Each Task Group Chair summarized the group's work over the past year. And, the CAC reviewed the year-end report prepared by Vice Chair Rodriguez. It was noted that verbiage should be added to reflect that the CAC's charge was revised last year.

Yvonne Hunter made a motion to pass along all reports to the Board. Marsha Baird seconded the motion with a modification that the year-end report reflect that the CAC charge was revised last year as well in November 2020 so the background and



introduction sections need to be amended to reflect this. Ms. Hunter agreed to the motion modification.

Chair Shewmaker noted that it will be up to Staff as to when the reports will be provided to the Board. There is no written or verbal public comment.

Motion passed by the following vote:

AYES: Shewmaker, Rodriquez, Hunter, Baird, Braun, Aulman, Kristov, Springer, Rindahl

NOES: None

ABSENT: None

ABSTAIN: None

Item 11: 2021 Long Range Calendar. (Informational)

There were no written or verbal public comments.

Chair Shewmaker announced that VCE has agreed to support any CAC member who is interested in attending the virtual CalCCA annual meeting, scheduled for Wednesday, December 1st. The Board Clerk will send out the invite and due date. She also reminded those present that the CAC Chair/Vice Chair selection will occur at the December meeting. The CAC will receive updated information on customer rate policy structure at their November 18th meeting. The community resiliency item will be placed on the November meeting agenda.

Advisory Committee Member and Announcements

Chair Shewmaker opened the floor for announcements. Gerry Braun informed those present that he attended the Board's October meeting where they took up the major procurement recommendation from staff. Carbon Neutral Task Group had heard a little about it. Mr. Braun was moved to provide input at the board meeting. He would like to share an email, provide input and share his preliminary ideas about a CAC November agenda item. Also, he heard at the board meeting about ongoing discussions with other CCAs. He would like to know more about what those discussions were about.

Yvonne Hunter informed those present that EV chargers are operational in Winters and that there is an event in Winters tomorrow, which VCE will be attending.

Adjournment to Next Meeting

The meeting adjourned at 8:13 p.m. The CAC's next meeting is scheduled for the 3rd Thursday on **November 18th at 5 p.m.** due to the Thanksgiving holiday. The December meeting has been scheduled also for the 3rd Thursday on **December 16th at 5 p.m.** due to the Christmas holiday. Thanks to everyone for participating.

Alisa M. Lembke
Board Clerk/Administrative Analyst