

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Sustainability Manager, City of Davis
Taro Echiburu, Community Services Director, Yolo County
Shawn Marshall, LEAN Energy US

SUBJECT: VCEA Implementation Update

DATE: January 17, 2017

RECOMMENDATIONS:

1. Receive update from staff and provide direction on various aspects of VCEA implementation.
2. Appoint members of the VCEA Advisory Committee for one year terms as detailed in this report.
3. Direct the VCEA Advisory Committee to prioritize working with staff to review recently submitted service vendor proposals.
4. Provide direction to staff related to the development of VCEA Advisory Committee conflict of interest guidelines.

BACKGROUND & DISCUSSION: On December 13, 2016 the Board of Directors held their first meeting. The Board asked for updates on the following topics related to program implementation:

- A. Multi service RFP bid status.
- B. CEO search update.
- C. Community Advisory Committee – Selection of members and Conflict of Interest guidelines development.
- D. Insurance update.

A. Multi service RFP bid status

On December 5, 2016, the City released an RFP seeking proposals in three service categories to support the launch and operation of VCEA. The three service categories included in the RFP are: (1) Energy Services, (2) Data and Customer Call Center Services, and (3) Community

Outreach. The RFP was modeled on recent RFP’s released by Alameda County and San Mateo County. The RFP was distributed to a list of potential vendors based on the recent Alameda County release as well as several additional vendors known by staff to be interested in the VCEA program.

VCEA staff and consultants held a potential bidders conference on December 16th which attracted 18 vendors. An RFP addendum was issued on December 20th responding to bidder questions and updating the RFP based on direction provided by the VCEA Board at its December 13th meeting. Specifically, the RFP was updated to include revised City of Woodland energy load data, clarification of bidder experience requirements, and to add a provision related to local bidder preference.

Proposals were due Friday January 13, 2017. Staff will provide a verbal update on the general response at the VCEA Board meeting on January 17th.

Consistent with the RFP, proposals meeting basic evaluation criteria will be reviewed and evaluated by a Selection Committee. As outlined in the RFP, the Selection Committee will be composed of City and County staff, LEAN Energy, and VCEA Advisory Committee members. The Selection Committee will score and recommend a single or multiple Contractor(s) in each of the three service categories for interviews. Based on interviews and scoring, the Selection Committee will make recommendations to the VCEA Board at its February meeting. Note: This schedule is based on the October 2017 launch goal.

The remaining schedule for the RFP process is:

EVENT	DATE/LOCATION
Response Due	by 5:00 p.m. on January 13, 2017
Evaluation Period	January 17 – January 25, 2017
Vendor Interviews	January 31 – February 2, 2017
Board Consideration Award Date	February/March, 2017 (2017 Board Schedule TBD)
Contract Start Date	March/April 2017

Note: Award and start dates are approximate.

B. CEO Search update

At the December 13, 2016 VCEA Board meeting, the Board of Directors directed staff to continue to move forward with recruitment of a VCEA CEO. CEO recruitment has been identified as a critical path item for a program launch schedule of Fall 2017. Since December 13th, a brochure for the position was finalized and the CEO recruitment was posted. The posting can be found on the County of Yolo website and has been broadcast to various list serves including linked-in and the Climate Action Compact Boards. There is a recruitment close date of January 20th.

Initial screening of all applicants for qualifications will follow the January 20th close date and will be conducted by VCEA staff. Based on general direction provided by the Board in December, applicants meeting basic qualifications would be reviewed by a panel of VCEA staff, consultants (LEAN), and Advisory Committee members. Following initial screening, the panel would conduct initial interviews and forward a list of the most qualified candidates to the VCEA Board with a recommendation for final interviews. All applicant materials of candidates that meet initial qualifications will be made available to the VCEA Board of Directors. Final interviews would be conducted by a panel of the VCEA Board, with assistance as necessary from staff and the VCEA Advisory Committee.

C. VCEA Advisory Committee

Committee Appointments

At its December 13, 2016 meeting the VCEA Board approved the formation of the VCEA Advisory Committee. As approved, the City and County are each responsible for nominating three members to serve on the Advisory Committee. The City and County have been active recruiting potential Advisory Committee members for consideration by the Board. As of the date of this report, the County has identified one Advisory Committee member and the City has identified multiple candidates.

Based on the respective recruitment processes, VCEA staff are recommending the following appointments for initial one-year terms:

Yolo County:

- David Springer. Mr. Springer has served as president and vice president of the Davis Energy Group for 35 years, and has been involved in residential and commercial building mechanical design, energy efficiency R&D and programs, and codes and standards development. He serves on the California Technical Forum which advises the CPUC and utilities on California's integrated demand side management portfolio.

Note: The County is continuing to recruit potential Advisory Committee members. VCEA staff will return to the VCEA Board for consideration of additional nominations at a future meeting.

City of Davis:

- Gerry Braun. Mr. Braun has decades of experience in the energy industry in both the private and public sectors. He has served on the Davis CCE Advisory Committee since its inception in February 2015.
- Lorenzo Kristov. Mr. Kristov has decades of experience in the energy industry and currently works for the California Independent System Operator (CAISO). He has served on the Davis CCE Advisory Committee since its inception in February 2015.

Note: the City is continuing to evaluate potential Advisory Committee members. VCEA staff will return to the VCEA Board for consideration of additional nominations at a future meeting.

VCEA staff is asking for Board direction to immediately convene the appointed members of the Advisory Committee to participate in the evaluation of RFP proposals. This approach is necessary to maintain the October 2017 launch date schedule.

Conflict of Interest

During its December meeting, the VCEA Board also discussed the establishment of guidelines to address possible conflict of interest for Advisory Committee members. VCEA Legal Counsel suggested an approach focused on disclosure of energy specific interests. The Board directed staff to return with proposed guidelines. Following analysis of the issue and potential approaches, VCEA staff believes that additional input from the Board would be helpful in developing draft guidelines. Staff suggests that the Board consider the following questions and provide additional guidance for staff at its January meeting:

- 1) Whose interests should be disclosed? At a minimum it would be the Committee member's, but they could also cover family, employer, and businesses owned by the member.
- 2) What interests does the Board wish to be disclosed? This is potentially complex. Any interest that might reasonably be affected by VCEA decisions, or on an item-by-item basis, depending on what the Committee is advising on.
- 3) What thresholds to apply? Potential cut-offs could be \$500 for personal income, and \$5,000 for business income. Alternatively, the Board could want to have any financial impact disclosed, or the same threshold for both.
- 4) What to do if there's a financial interest? Currently staff is focused on disclosure and wanted to confirm whether the Board wanted a broader approach that could include financial interest.
- 5) How should potential conflicts be disclosed? All ahead of time in an annual disclosure? For each item that person participates in?
- 6) Remedy if a Committee member fails to disclose? Are they removed from the Committee?

With additional guidance from the Board, staff will develop draft conflict of interest guidelines for consideration at a future Board meeting.

D. Agency and Director Insurance

As noted at the December VCEA Board meeting, initial discussions with YCPARMIA for liability coverage for VCEA have been conducted confirming that VCEA Board members are all currently covered under either the City or County YCPARMIA policies. Staff will follow up with YCPARMIA to develop VCEA specific coverage proposal for consideration at a future VCEA Board meeting.