



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS
May 10, 2018**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their meeting scheduled for Thursday, May 10, 2018 at 5:30 p.m. at the Woodland Council Chambers, 300 First Street, Woodland CA 95695. Chairperson Lucas Frerichs established that there was a quorum present and began the meeting at 5:41 p.m.

Board Members Present: Lucas Frerichs, Tom Stallard, Angel Barajas, Don Saylor

Board Members Absent: Duane Chamberlain, Robb Davis, Skip Davies (Alternate)

Approval of Agenda	The Agenda was reviewed by Chairperson Frerichs who identified those items that were on consent, regular, and informational only.
Public Comment	Chairperson Frerichs opened the floor for public comment. No public comments were made.
Approval of Consent Agenda	Motion made by D. Saylor, seconded by T. Stallard to approve the Consent Agenda of the items listed below. Motion passed unanimously with Chamberlain and Davis absent.
Approval of Minutes from March 22, 2018	Motion made by D. Saylor, seconded by T. Stallard to approve the VCEA Board meeting minutes of March 22, 2018. Motion carried unanimously with Chamberlain and Davis absent.
Receive and Accept April 25, 2018 Board meeting Recap	Motion made by D. Saylor, seconded by T. Stallard to receive and accept the notes of the April 25, 2018 informational meeting of the VCEA Board where a quorum was not established. Motion carried unanimously with Chamberlain and Davis absent.
Approval of Long Range Calendar	Motion made by D. Saylor, seconded by T. Stallard to approve the long range calendar. Motion carried unanimously with Chamberlain and Davis absent.
Regulatory and Legislative Update	Motion made by D. Saylor, seconded by T. Stallard to receive the regulatory and legislative report. Motion carried unanimously with Chamberlain and Davis absent.
Customer Enrollment Update	Motion made by D. Saylor, seconded by T. Stallard to receive the customer enrollment update. Motion carried unanimously with Chamberlain and Davis absent.



Approval of
Revised Tariff
Sheets Reflecting
2.5% General Rate
Discount /
Resolution 2018-
011

Motion made by D. Saylor, seconded by T. Stallard to adopt a resolution titled “A Resolution of the Valley Clean Energy Alliance Adopting the Final Customer Rate Discount and Rate Table”, said Resolution reflects the rate of 2.5% in the final tariff. Motion carried unanimously with Chamberlain and Davis absent.

Approval of
Amended
Customer Data
Policy to clarify
customer data
storage standard

Motion made by D. Saylor, seconded by T. Stallard to approve the revision to the VCEA Data Policy adopted on January 18, 2018 (Resolution #2018-001) clarifying the customer data storage standard and policy. Motion carried unanimously with Chamberlain and Davis absent.

Approval of
Financial Lock,
Box Control
Agreement and
Financial Reserve
Account Control
Agreement with
SMUD and River
City Bank /
Resolution 2018-
012

Motion made by D. Saylor, seconded by T. Stallard to adopt a resolution titled “Resolution of the Board of Directors of the Valley Clean Energy Alliance Authorizing the Execution and Delivery of the Lock Box Control Agreement and Reserve Account Control Agreement with SMUD and River City Bank”. Motion carried unanimously with Chamberlain and Davis absent.

VCE Financial
Update – March 31,
2018

Motion made by D. Saylor, seconded by T. Stallard to receive and accept the financial report on VCEA agency cash flows since inception and incurred member agency obligation through March 31, 2018. Motion carried unanimously with Chamberlain and Davis absent.

Community
Advisory
Committee Report
– May 10, 2018

Motion made by D. Saylor, seconded by T. Stallard to receive and accept the report of the Community Advisory Committee’s April 26, 2018 meeting of their Integrated Resource Plan workshop. Motion carried unanimously with Chamberlain and Davis absent.

Approval of Line
of Credit/Loan
Documents with
River City Bank to
provide working
capital to fund
power purchases,

Lisa Limcaco of SMUD reviewed the highlights of the credit agreement between Valley Clean Energy and River City Bank based on the previous approval of Subordination Agreements by the Davis and Woodland City Councils and the Yolo County Board of Supervisors. The credit agreement will provide working capital to fund power purchases, initial operations and reserves as needed to support power purchases.



initial operations and reserves as needed to support power purchases / Resolution 2018-013

Chairperson Frerichs asked if there were any questions of the Board Members. T. Stallard asked how Ms. Limcaco arrived at the \$11 million in total credit facilities. Ms. Limcaco stated that it is a projection based on performance, said power based on the seasons.

Chairperson Frerichs opened the floor for public comment. No public comments were made.

Motion made by T. Stallard, seconded by D. Saylor, to adopt a resolution titled "Resolution of the Board of Directors of the Valley Clean Energy Alliance Authorizing the Execution and Delivery of a Credit Agreement with River City Bank". Motion passed by the following vote:

AYES: Barajas, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain, Davis
ABSTAIN: None

Approval of Master Power Purchase Agreement between SMUD and VCEA for the recontracting of renewable and clean power to VCEA for regulatory compliance purposes / Resolution 2018-014

Shawn Marshall of Lean Energy reviewed a slide presentation with those present by highlighting that the Master Power Purchase Agreement (MPPA) between VCEA and its wholesale energy services provider, Sacramento Municipal Utility District (SMUD) was necessary to enable the appropriate transfer of the title to renewable and clean power procured by SMUD for VCEA's regulatory compliance purposes.

Chairperson Frerichs asked if there were any questions of the Board Members. D. Saylor asked if VCEA legal counsel Eric May had reviewed the Agreement. Mr. May responded that he had.

Chairperson Frerichs opened the floor for public comment. No public comments were made.

T. Stallard moved, seconded by D. Saylor to adopt a resolution titled "A Resolution of the Valley Clean Energy Alliance Approving a Master Power Purchase Agreement (MPPA) between SMUD and VCEA for the Recontracting of Renewable and Clean Power to VCEA for Regulatory Compliance Purposes". Motion passed by the following vote:

AYES: Barajas, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain, Davis
ABSTAIN: None



Approval of
VCE/SMUD
Services Contract
Task Order 5 for
Long Term Energy
Procurement
Support /
Resolution #2018-
015

Interim General Manager Mitch Sears summarized for those present that Task Order 5 to the VCEA/SMUD Master Agreement is for long term renewable procurement services, which details that SMUD is to consummate up to four (4) long term renewable power contracts on VCES's behalf, estimated at a not to exceed amount of \$124,550 based on time and materials. Said Task Order 5 will also tie into VCEA's Integrated Resource Plan (IRP). As VCEA develops more in house capability this will set the stage.

Chairperson Frerichs asked if there were any questions of the Board Members. T. Stallard asked what "WWO" was? Westward offers. A. Barajas asked who would perform this "in-house" after this expires? Mr. Sears said that this would be taken over by the unfilled Assistant General Manager/Procurement position.

Chairperson Frerichs opened the floor for public comment. No public comments were made.

A. Barajas moved, seconded by T. Stallard to adopt a resolution titled "A Resolution of the Valley Clean Energy Alliance Approving Long Term Renewable Procurement Services Task Order 5 – Long Term Renewable Procurement Services". Motion passed by the following vote:

AYES: Barajas, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain, Davis
ABSTAIN: None

Approval of Peak
Day Pricing Pilot
Program /
Resolution 2018-
016

Jim Parks of SMUD announced that the draft VCEA Peak Day Pricing Pilot Program was derived out of a similar program that PG&E offered to its customers but was not being carried over to VCEA customers. Mr. Parks reviewed the proposed resolution and outlined changes to the draft resolution presented in the Board's packet.

Chairperson Frerichs asked if there were any questions of the Board Members. A. Barajas asked about the medium/large customers slide wherein it states that "VCEA will provide a credit...". Mr. Parks stated that the season runs through October, and at that point VCEA will go back and evaluate the credit.

D. Saylor made a comment that the peak day pricing benefit was the shifting loads during peak periods, normal demand responses, turning off lights, not running air conditioner during peaks times, etc. T. Stallard restated that there are approximately 55,000 rate payers with approximately 3,200 peak pricing, and asked of the 3,200 peak pricing customers, who will it benefit? Mr. Parks said possibly 20 % will benefit from the program.

Chairperson Frerichs opened the floor for public comment. No public comments were made.



D. Stallard stated that letters were going out to Customers and asked if there will be other outreach to both key and large customers? Mr. Parks stated that Chris Cole of SMUD was in contact with both.

D. Saylor moved, seconded by A. Barajas to adopt a resolution titled "A Resolution of the Valley Clean Energy Alliance Adopting a Peak Date Pricing (PDP) Pilot Program". Motion passed by the following vote:

AYES: Barajas, Frerichs, Saylor, Stallard

NOES: None

ABSENT: Chamberlain, Davis

ABSTAIN: None

Board Member
Tom Stallard
excusing himself
from meeting

At 6:10 p.m., Board Member Tom Stallard left the meeting. Per Eric May, Yolo County Senior Legal Counsel, the VCEA Board could not take any formal actions due to the lack of quorum; however, the Board could receive information. Mr. May requested that this be noted in the Board meeting Minutes.

Small Scale/local
Renewable Energy
Production
Potential –
Presentation
(Informational)

Gary Lawson of SMUD reviewed his slide presentation.

Chairperson Frerichs asked if there were any questions of the Board Members. D. Saylor asked when does the Board define local wind resources? Mr. Lawson said that when the Board finalizes their IRP Action Plan. D. Saylor commented that he would like to see the definition of local resources and the preference to use local resources. He is interested in expanding beyond Yolo and jurisdictional boundaries. Mr. Sears stated that there are several other requirements that need to be included in the IRP Action Plan, including what is defined in Task Order 5, all of which will be addressed in the IRP Workshop. Chairperson Frerichs stated that he is very excited. A. Barajas asked that when the Board looks at options, he would like to focus on what will provide the Customers greener and more competitive rates. Mr. Lawson said that to start the Board would need to define local resources, look at what would be produced, then balance the costs for all resources. Chairperson Frerichs commented that he favored the blending of options 2 and 3 and the Board should consider the geography - further conversations would need to take place.

Chairperson Frerichs opened the floor for public comment. No public comments were made.

Update on
Resource Plan
April 25, 2018
Workshop –

Olof Bystrom of SMUD provide a summary of the Community Advisory Committee IRP Workshop held on April 26, 2018. He said that it was a positive meeting with good discussion. The CAC were given an assignment to review a list of possible action plan items for the 1-3-year action plan and to develop criteria for resource selection for VCEA's planned long term renewable solicitation which is a



Agenda Review
(Informational)

high priority within the action plan. The CAC will review its first draft IRP Plan at their next scheduled meeting. In addition, he anticipates that the CAC will provide feedback on three (3) alternative resource portfolios, review action plan items, then finalize the priorities. Mr. Sears said that the SMUD presentation at the Workshop went smoothly and SMUD did a great job.

Chairperson Frerichs asked if there were any questions of the Board Members. There were none. Chairperson Frerichs asked what the deadline is for the submittal of the IRP? August 1st, so prior to that the VCEA Board will have to approve the plan.

Chairperson Frerichs opened the floor for public comment. No public comments were made.

General Manager's
Report
(Informational)

Mr. Sears represented VCEA at a booth at the California Honey Festival, along with the help of Don Saylor, Tom Stallard, Yvonne Hunter, Christine Shewmaker, Alisa Lembke and her husband. He announced that Celebrate Davis is scheduled for next week and they are accepting Board Member and volunteers to assist covering the VCEA booth. Mr. Sears presented VCEA information to the Esparto Homeowners Association, a community of manufacturer homes with a master meter and submeters to its Residents. Yesterday, he presented information at the Senior Center, which had 57 people in attendance. Mr. Sears provided a quick update on VCEA Staffing: 1) the Assistant General Manager/Procurement position is an open position and VCEA will be going back out to solicit candidates for the Outreach Specialist position. There were two (2) Outreach Specialist candidates; however, they took jobs with other CCA entities.

He announced that VCEA staff had moved into the City of Davis Hunt-Boyer Mansion located downtown Davis and will continue to look for a permanent location. He invited those present to attend the Mansion ribbon cutting event scheduled for tomorrow, Friday, May 11th and that VCEA would have its launch party on Friday, June 1st at the Mansion. Details and invitations are forthcoming.

D. Saylor commented that at the Honey Festival there were numerous questions and comments and it was a good turnout. He said that a homeowner had a question about his roof top solar, which the homeowner does not own, but the property owner does, and how would the VCEA launch affect them. Mr. Sears informed those present that VCEA staff are working on getting an answer for the homeowner, or any homeowner with a question that cannot be readily answered, by getting back to the Customer with an answer as soon as possible.

Jim Parks of SMUD reviewed the current Customer Enrollment chart of which there are 722 opt outs (1.2%). He informed those present that the first mailing of the second written notification (postcard #2) has been mailed, which in his experience, VCEA will see a little more opting out of Customers. He commented



that the Customers are asking good questions which is assisting in vetting out information and resolving similar or same questions. The second mailing of 38,000 postcards #2 are going out soon and that all 65,000 Customers have been mailed the first notification (letter).

Board Member and
Staff
Announcements

Mr. Sears introduced Ms. Shawn Marshall of Lean Energy who would provide a regulatory and legislative update. Ms. Marshall highlighted a few of the items from her slides, such as:

- 1) regulatory evidentiary hearings were held to address restructuring the model;
- 2) CCA Bond requirement, no proposed changes;
- 3) CPUC Green Book came out last Thursday, looking at the rules of the road of managing the "green revolution". Responses are due by 6/4/18 of which CCA is responding. The results will probably be in effect in 2019.

Ms. Marshall reviewed with those present several legislative bills that are up for discussion and Cal CCA's position on each bill.

Chairperson Frerichs asked if there were any questions of the Board Members. There were none other than Chairperson Frerichs who commented that possibly the VCEA government entities should express their concerns to Senator Dobbs office on his SB1088, of which Cal CCA is opposing.

Chairperson Frerichs opened the floor for public comment.

Customer Christine Shewmaker asked what Cal CCA's position was on 2619? Ms. Marshall responded that Cal CCA has no position on this.

The next VCEA Board meeting has been scheduled for Thursday, June 14, 2018 at 5:30 p.m. at the Davis City Council Chambers, located at 23 Russell Boulevard, Davis, CA 95616.

Meeting was adjourned at 6:50 p.m.

Alisa Lembke
Board Clerk/Administrative Analyst

