MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS
July 12, 2018

The Board of Directors of the Valley Clean Energy Alliance duly noticed their meeting scheduled for Thursday, July 12, 2018 at 5:30 p.m. at the Woodland City Council Chambers, located at 300 First Street, Woodland, CA 95695. Chairperson Lucas Frerichs established that there was a quorum present and began the meeting at 5:34 p.m. He welcomed the newest VCEA Board Member Dan Carson to his first meeting.

Board Members Present:	Lucas Frerichs, Tom Stallard, Angel Barajas, Skip Davies, Dan Carson, Duane Chamberlain (*arrived at 5:58 p.m.), Don Saylor (**departed at 6:32 p.m.)
Board Members Absent:	See above regarding Director Chamberlain.
Approval of Agenda	Motion made by Director Barajas, seconded by Director Saylor to approve the Agenda. Motion passed unanimously with Director Chamberlain absent.
Public Comment	Chairperson Frerichs opened the floor for public comment. Christine Shewmaker, Community Advisory Committee (CAC) Member, commented that VCEA launched on June 1st, filming the Board meetings is recommended for transparency purposes and to allow citizen input. The VCEA Board is making decisions and it is important for others to see and hear what the discussions were about. Gerry Braun, CAC Chair, stated that VCEA has turned the corner and the CAC will be coming back to the Board to recap and review their "charge". The CAC Legislative / Regulatory (Leg. /Reg.) and Outreach Task Groups have been engaging Staff to help. Yvonne Hunter, Chair of Leg. /Reg. and Mark Aulman, Chair of Outreach and the members of each Task Group having been doing a great job.
Approval of Consent Agenda	It was noted that minor corrections to the June 6, 2018 meeting Minutes have been identified by Director Stallard and those corrections have been made by the VCEA Board Clerk. Chairperson Frerichs also noted that the Customer Enrollment update would be reviewed during Board Member and Staff Announcements portion of the Agenda. Motion made by Director Stallard to approve the Consent Agenda with minor corrections made to the June 6, 2018 meeting Minutes, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Approval of Minutes from June 6, 2018 Meeting	Motion made by Director Stallard to approve the June 6, 2018 meeting Minutes with minor corrections made, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Long Range Calendar	Motion made by Director Stallard to approve the Long Range Calendar dated July 6, 2018, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.

Approval of VCEA Budget Policy / Resolution 2018-019	Motion made by Director Stallard to adopt the Resolution titled "Resolution of the Board of Directors of the Valley Clean Energy Alliance Adopting the Budget Policy", seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Approval of Financial Auditor Contract with James Marta and Company for Auditing Services / Resolution 2018-020	Motion made by Director Stallard to adopt the Resolution titled "Resolution of the Board of Directors of the Valley Clean Energy Alliance Approving Selection of James Marta & Company, LLC to Provide Audit Services and Authorizing the Engagement Letter and Letter Agreement between James Marta & Company, LLC and VCEA", seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Regulatory and Legislative Update	Motion made by Director Stallard to receive the regulatory monitoring report from Keyes & Fox, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Customer Enrollment Update	Motion made by Director Stallard to receive the Customer Enrollment update reviewed later in the Agenda during Board Member and Staff Announcements portion of the Agenda, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Community Advisory Committee Meeting Update	Motion made by Director Stallard to receive the transmittal report of the Community Advisory Committee's July 2, 2018 meeting, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Receive May 31, 2018 Financial Statements	Motion made by Director Stallard to accept the financial statements (unaudited) for the period of January 1, 2017 (inception) to May 31, 2018, seconded by Director Saylor. Motion passed unanimously with Director Chamberlain absent.
Net Energy Metering (NEM) Policy – Approval of postponement of NEM Customer enrollment until 2019 and receive information on preliminary amendment concepts to the current NEM Policy	*Director Duane Chamberlain arrived at 5:58 p.m. Mr. Sears gave a brief introduction regarding the Net Energy Metering (NEM) Policy and turned over the presentation to VCEA Staff Member Jim Parks. Mr. Parks reviewed the current NEM Policy, the Community Choice Aggregation (CCA) NEM Policy Comparison chart, NEM Feedback and Options, PG&E NEM True-up dates by Month, Current NEM Policy Example, then a PG&E Example. Mr. Parks has been working with the CAC Outreach Task Group to review recommendations, Policy amendment concepts, financial impacts and issues for the Board's consideration. Proposed next steps are to have two NEM workshops: Monday, July 23rd in Davis and Wednesday, August 1st in Woodland. Thereafter, finalize the concepts for the CAC to review and make a recommendation to the VCEA Board at the Board's September 2018

meeting. There is a letter prepared to be sent out along with an update to the VCEA website regarding the postponement, should the Board agree to postpone enrollment until 2019 and revisit the current Policy.

Chairperson Frerichs opened the floor for discussion. Board Members discussed the impacts on the budget, loss of customers and retention, risks of postponing enrollment of NEM Customers, how many NEM Customers will be affected and their reactions to the change of policy if it is determined necessary, transition issues, true up dates, and noticing requirements.

Mr. Sears stated that four (4) notices will be sent out to Customers about VCEA's launch/change with the 60 day "window" rolling throughout the year. Mr. Parks stated that two (2) additional notices will be sent to NEM Customers informing them of the enrollment delay (1st notice) then a second notice will be sent to them informing them about the policy.

Motion made by Director Barajas to:

1. postpone enrollment of NEM customers until early 2019 while NEM policy amendments are drafted and finalized and associated billing system modifications are completed and
2. review and provide feedback on preliminary concept amendments to the existing Net Energy Metering (NEM) policy for consideration at a future meeting.

Motion seconded by Director Saylor. Chairperson Frerichs opened the floor for discussion on the motion. Comments were made about it being a difficult issue, the belief that VCEA can handle the cash flow, the importance of communicating to the NEM Customers of what is going on with the Policy and getting Customer feedback. Motion passed unanimously by the following vote:

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

Integrated Resource Plan (IRP) – Approve IRP for submittal to the CPUC / Resolution 2018-021

Mr. Sears reviewed the background and process of the IRP. Senate Bill 350 requires all CCAs to produce an IRP requiring portfolio planning, an action plan and updated every two (2) years. Mr. Sears turned over the discussion to VCEA Staff Olof Bystrom.

Mr. Bystrom reviewed what is new in the draft IRP and pointed out that a number of scenarios were reduced with a more plausible Local portfolio based on Board and Community Advisory Committee (CAC) feedback. In addition, the Action Plan was updated with the prioritization based on CAC input.

Mr. Bystrom reviewed the resource portfolios: Base, Local and Cleaner Base. Director Chamberlain asked what are our sources of power today? Mr. Bystrom stated, wind out of the Northwest, Hydro – unspecified out of State, Indian Valley. Director Chamberlain asked if there were more details on the sources as he remined those present that the fires north took out the lines at Indian Valley hydro, so we are not getting generation from them for a while. Director Chamberlain asked how much power is coming from Indian Valley if it was in operation? Mr. Bystrom stated the load was about 80 megawatts. Mr. Bystrom continued with his review of the estimated generation costs by portfolio.

Mr. Bystrom then reviewed the key elements in the Action Plan. Director Carson stated that PG&E services cooler coastal areas and we use more electricity in the valley. He asked that if we get better data, does Mr. Bystrom think the demand will look different? Mr. Bystrom stated that we need to use the data we have currently, until VCEA has their own historical data.

Director Chamberlain asked if the IRP can be modified when factors change? Mr. Bystrom said yes, it can be updated every 2 years and reminded the Board that the IRP is not a confining/binding document.

Chairperson Frerichs opened the floor to the public.

CAC Chairperson Gerry Braun compliment the staff on a job well done in preparing the IRP. He stated that he has confidence in the cost scenarios of Cleaner Base, but not so much in Local because no experience in that arena right now. He stated that there is more work to be done moving forward with the Action Plan; gaining confidence in costs; and, understanding the benefits of Local.

Ms. Kelsey Porton asked about ramp up costs and potentially costs during evening demand may not be feasible. Mr. Bystrom responded that the IRP calls for storage feasibility and renewables. The procurement of electricity is made to match the demand.

Director Stallard made a motion to adopt a resolution establishing the following:

- approving the Integrated Resource Plan (IRP) in substantially the form as presented, which includes the "Cleaner Base" portfolio as the Preferred Portfolio and the Action Plan identified therein, for submission to the California Public Utilities Commission (CPUC); and,
- authorizing staff to make any non-substantial changes necessary to finalize the IRP document for filing.

Director Saylor seconded the motion. Motion passed unanimously by the following vote:

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

** Director Saylor departed the meeting at 6:32 p.m.

Senate Bill 100 and Assembly Bill 813

Mr. Sears reviewed VCEA Staff report with those present regarding Senate Bill 100 (SB 100) and Assembly Bill 813 (AB 813).

Chairperson Frerichs opened the floor for questions. Director Carson asked if a decision needs to be made by the end of August? Chairperson Frerichs answered yes. Director Carson asked if the version would then be adjusted? Chairperson Frerichs said yes, CalCCA would adjust their position and VCEA would too.

Public Comment: Yvonne Hunter Chair of the CAC Leg/Reg Task Group studied and discussed amongst the Task Group AB 813 and the role of VCEA. Although they are sensitive to VCEA being a part of CalCCA, the Task Group was not convinced that they wanted to support or not, so they took a "No Position".

Lynn Nittler (Fossil Free SB100 and Davis resident), thinks that supporting SB 100 supports the State and VCEA's vision statement.

Adelita Serena (Mother out Front organization and resident) supports the SB 100 campaign and urges VCEA to support SB 100.

Director Barajas made a motion to support CalCCA's position on AB 813 of support as amended and support CalCCA's position on SB 100 of support, seconded by Director Carson.

A substitute motion was made by Director Stallard to support SB 100 consistent with CalCCA's position and take a "No Position" on AB 813 as recommended by the Community Advisory Committee.

Director Carson suggested that two (2) separate motions be made. Director Stallard withdrew his substitute motion.

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Director Carson made a motion to support CalCCA's position of support on SB 100, Director Barajas seconded the motion. Motion passed unanimously by the following vote:

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

Director Stallard made a motion to take a "No Position" on Ab 813, seconded by Chairperson Frerichs. After a brief discussion amongst the Board Members, Director Stallard withdrew his motion and asked that taking a position on AB 813 being tabled. This item was tabled to the August Board meeting and Staff was requested to provide an update on this bill at the next meeting.

Board Member and Staff Announcements

Mr. Sears reminded those present that the CalCCA annual conference is scheduled for early September and encourages Board Members to attend. The information will be forwarded to Director Carson.

Mr. Sears announced that public outreach is ongoing with VCEA having a booth at the Woodland and Davis Farmers markets.

Mr. Sears announced that there is a potential for JPAs among CCAs to pursue joint procurement of energy. He asked the Board Members to think about where does VCEA go next to get others to join, such as the Cities of Sacramento and Winters, with a target date of January 2020 for others to join. He would also like to reach out to Solana County. Staff will come back to the Board with a conceptional plan for their discussion.

He informed those present that he has been invited to attend the Butte County Board of Supervisors meeting scheduled for July 24, 2018 to provide information on VCEA and CCAs.

There are a few items being addressed in Regulatory court that pertain to rates and PG&E. Mr. Sears will have more information later and will come back to the Board with an update. He informed those present that there has been a request for the VCEA Board meetings to be recorded. Staff are looking at what other CCAs and JPA's are doing but noted that most local JPAs do not record their meetings.

Director Chamberlain asked if PG&E are lowering their rates – generation, transmission and/or transmission? Per Mr. Sears suggested that they may be thinking about lowering their generation rates.

Chairperson Frerichs asked that VCEA Staff come back to the Board with information on recording and/or audio taping the meetings, what other CCAs are doing and the costs associated with either or both.

VALLEY
CLEAN ENERGY

Announcements The next VCEA Board meeting has been scheduled for Thursday, August 9, 2018 at 5:30 p.m. at the Davis Community Chambers, 23 Russell Blvd., Davis, CA 95616.

Meeting was adjourned at 7:02 p.m.

Alisa Lembke
Board Clerk/Administrative Analyst